

# Case Study: Transforming a global footwear brand

## Client context

- \$2B+ multi-brand, global footwear & accessories player facing margin pressures and starved for growth
- Had recently driven a cost reduction program to improve operating margin 100-200bps
- Looking for a partner to help drive a step change in operational performance to free up additional capital and help reset the growth trajectory

Client name: X  
Team set-up: X  
Fees Structure: X

## Approach

### Assess & Aspire

- Conducted holistic performance diagnostic with a heavy emphasis on growth (strategic and commercial levers) and the operating model and capability enablers required to deliver
- Set a 3yr performance aspiration and defined the transformation program to accelerate and maximize value capture

### Executing the Transformation

- Stood up 20+ workstreams led by 150+ initiative owners with a heavy emphasis on growth (and cost to fund growth) - e.g.
  - **Brand strategy** – consumer-backed plan to redefine and/or strengthen top brands
  - **E-commerce & digital marketing** – agile approach to improve marketing ROI and improve conversion funnel performance
  - **Pricing** – use heuristic modeling and derived elasticities to optimize retail price
  - **Trade** – comprehensive approach to optimize trade to drive growth with priority accounts and channels
  - **Product design and innovation** – insight driven design-to-value product development
- Established a **Transformation Office** to drive transparency, accountability, and speed up decision making
- Embedded **new capabilities** (e.g., consumer insights engine, revenue management CoE, growth playbook)
- Adopted **organizational and operating model changes** and new ways of working to improve organizational health

What was unique: X

## Impact

- Combination of strategy and growth levers expected to drive **10% y/y growth by 2020**, driven by heavy shift in channel and market focus and investment
- Line of site to **400bps+ of run-rate OM improvement**, including \$70M+ in SG&A reduction and **\$130M+ gross margin improvement (largely driven by revenue levers)**, freeing up significant capital to fund reinvestment
- Significant **simplification of business**, including common (and shared) practices and vendors across business, reduction in low-value complexity (e.g., 30% reduction in SKUs), and streamlines op model