

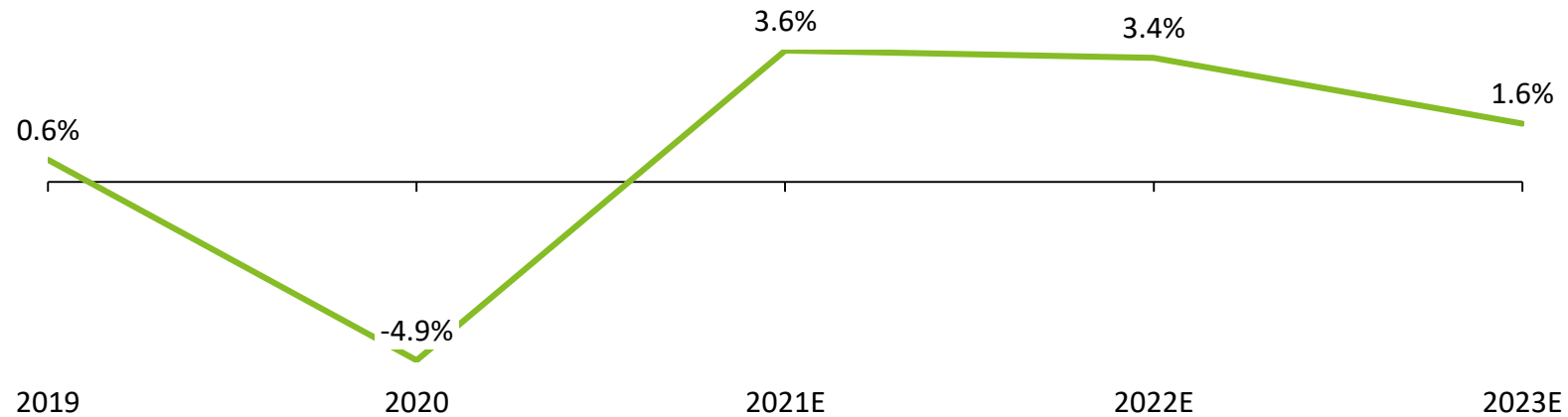
Komplexitätsreduzierung als Grundstein zur Wertsteigerung

Complexity reduction | Current relevance

Current key question: Which levers allow for sustainable and profitable growth and to benefit from global market recovery?

Macroeconomic cycle

YoY growth



General strategic thrust

Preserve value

Aggressive value enhancement, exploitation of market opportunities

Key questions

- How to push through?
- How to secure liquidity?
- How to stabilize supply chains?
- ...
- What is the value creation strategy?
- Which levers are best, to return to a sustainable and profitable growth?
- Which portfolio set-up is the most promising?
- How to allocate resources accordingly?
- ...

▶ Streamlining of portfolio was named the top priority for profitable growth by CFOs in the latest CFO-Forum questionnaire

Digital Portfolio Analysis

A digitally-enabled analysis on different levels and from different perspectives enables the definition of precise and directly implementable measures as well as a continuous reduction of complexity



Quick and continuous analyses

- After setting up the tool, multiple analyses can be performed quickly and updated continuously
- Possibility to test and derive multiple hypotheses repeatedly, also challenging existing cost unit accounting

Resulting in

- ✓ **Faster, instantaneous results**, trackable on a **daily basis**
- ✓ **Repetition of analyses**, and from **different angles** possible



Higher quality of findings

- Using ERP base-data allows comprehensive, deep drills into analysis
- Compared to other tools (excel etc.) highly specified cuts of data are possible

Resulting in

- ✓ **More precise analyses** (avoiding average effects) potentially resulting in **further potential**
- ✓ Higher **flexibility to customize** the measures, hence **minimizing strategic risks**



Continuous complexity management

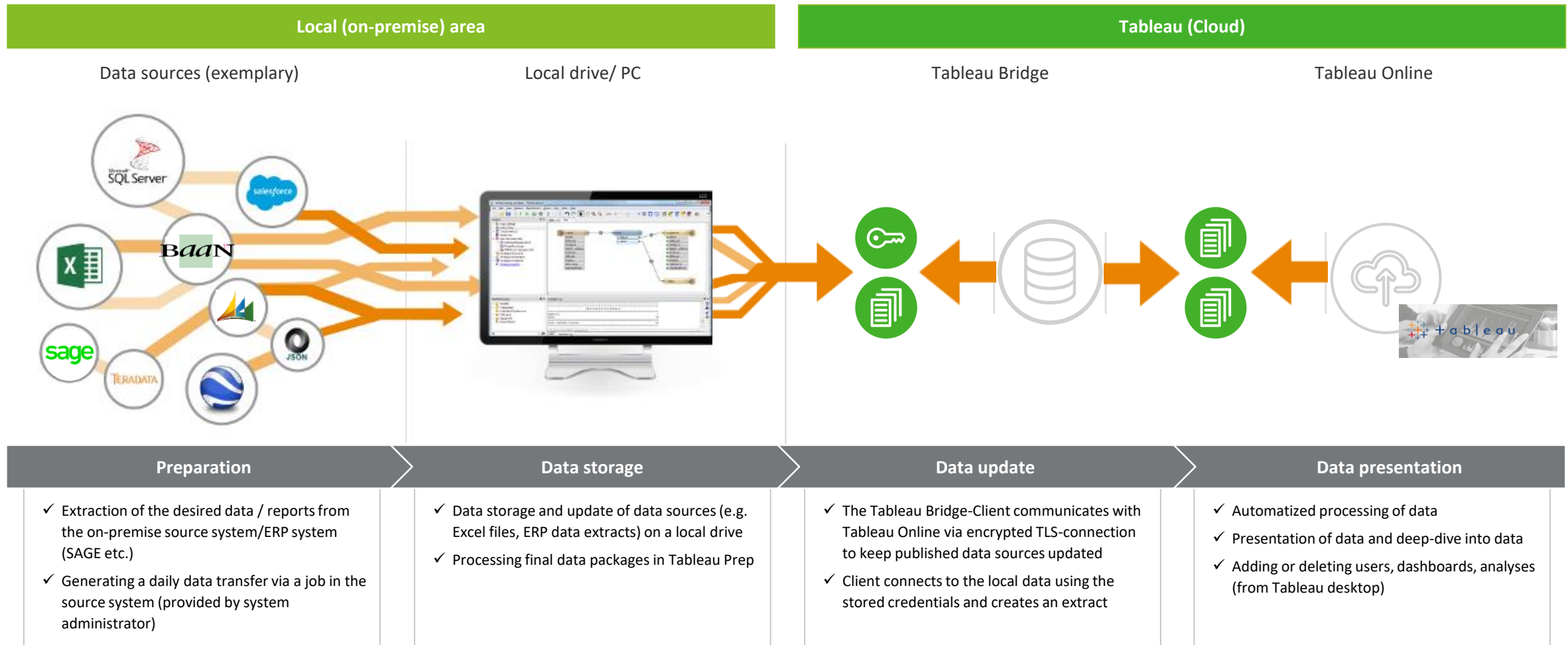
- Enables an end-to-end view of the value chain and ensures that no potential is overlooked
- Possibility of ongoing and intuitive review of low-performing portfolio components

Resulting in

- ✓ Identify precise levers for **topline growth** while **reducing the cost base**
- ✓ Increased **understanding** of the portfolio and the underlying **drivers and interdependencies**

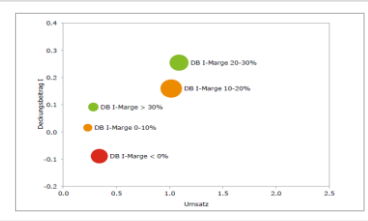
Digital Portfolio Analysis | Digitalization and automation of updates

Combining and automating the processing of different data sources into coherent cloud-based reporting dashboards (example using Tableau) to enable transparency for various stakeholders



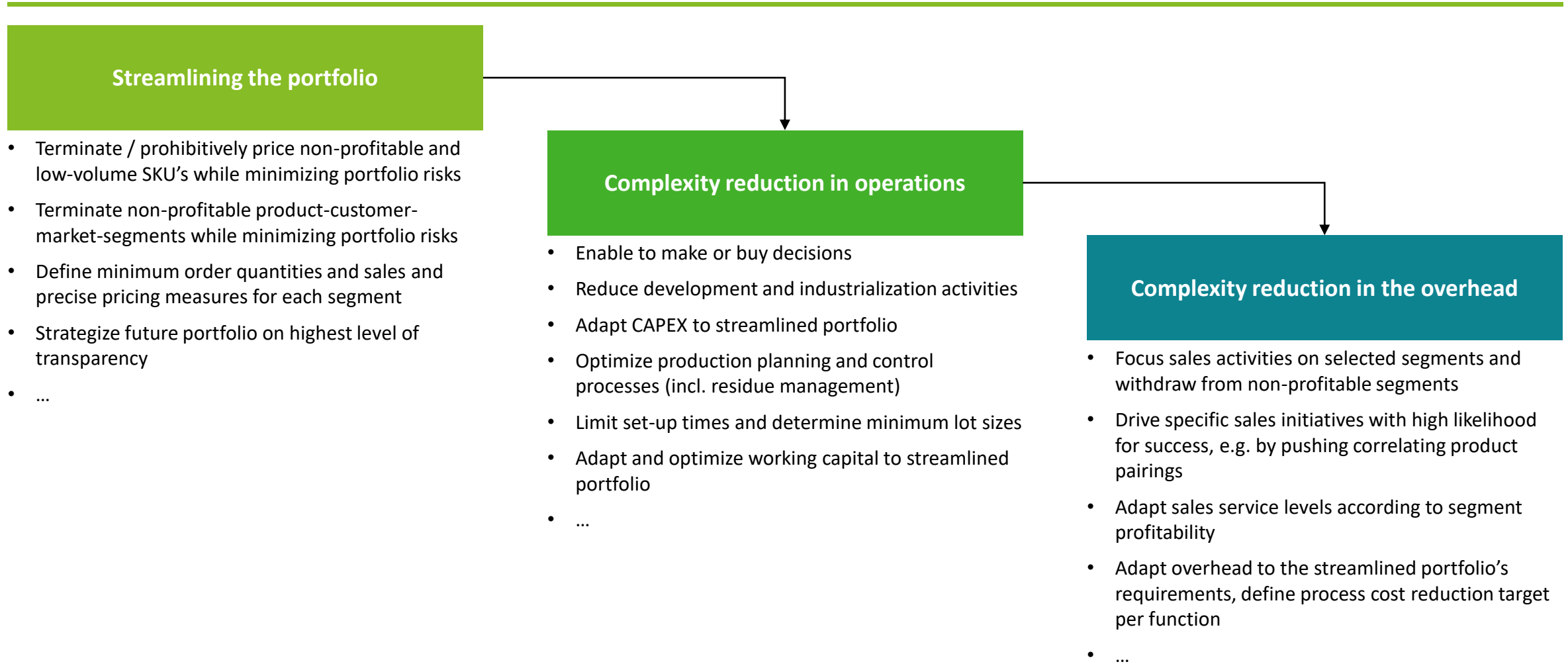
Digital Portfolio Analysis | Possible focus areas of analysis

Derive focused, directly actionable measures through plug-and-play analytics and dashboards

<p>Business Unit</p>	<ul style="list-style-type: none"> Strategic realignment of the company, esp. M&A, investments, etc. Assessment of the appropriateness of the use of capital 		<p>Correlations</p>	<ul style="list-style-type: none"> Identification of correlations among products and articles (SKU) Accurate definition of portfolio measures 	
<p>Location</p>	<ul style="list-style-type: none"> Influence of locations and branches on profitability Accurate determination of remanence costs in the event of site abandonment 		<p>Order Groups</p>	<ul style="list-style-type: none"> Identification of order groups with negative contribution margin Derivation of minimum order sizes and minimum margins 	
<p>Products</p>	<ul style="list-style-type: none"> Profitability of the products and cross-selling Derivation of the future product portfolio 		<p>Individual orders</p>	<ul style="list-style-type: none"> Profitability of individual orders under full costs Review of the internal post-calculation 	
<p>Customers</p>	<ul style="list-style-type: none"> Profitability of customer groups Derivation of sales focal points and key accounts 		<p>Processes</p>	<ul style="list-style-type: none"> Process costs Relationship between process steps and profitability 	

Digital Portfolio Analysis | Common levers

Real-time and full-cost segment profitability view unlocks a range of optimization opportunities in topline, operations and administrations



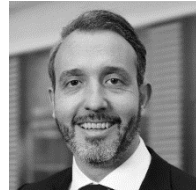
Live demonstration Use Case





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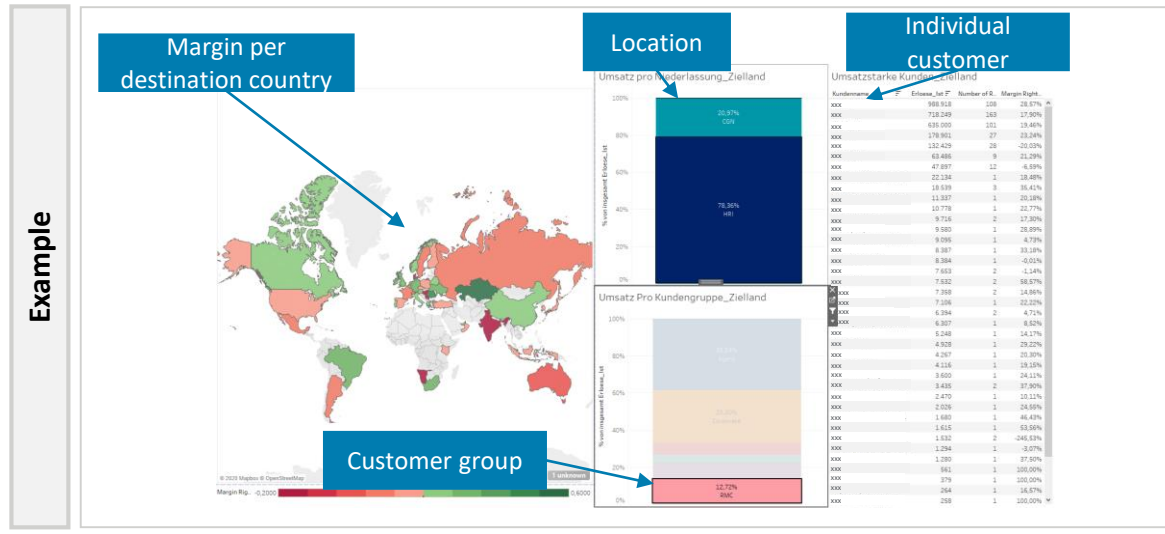
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Digital Portfolio Analysis | Application examples

Based on digital product-customer-segmentation, companies were able to improve commercial transparency and derive significant potential for improvement

- Logistics company**
- Measures**
1. **10% of the total individual orders** are in **deficit** according to **contribution margin I**. Another **20%** are in **deficit** according to **contribution margin II**. These will be abandoned step by step
 2. **Pricing measures** per customer, relation and volume (client xyz, country1 -> country2, 10 - 20m³, 15% price increase required)
 3. **Staff reduction** according to individual lead times and contribution margins



- Result**
- Increase of return on assets from 8% to 44% in 9 months (incl. corona effects)
 - 20% of the workforce achieved an increase of 25% in turnover

- Sweet and candy manufacturer**
1. **Daily overview of profitability** per product and customer (taking into account subsequent conditions)
 2. **Fully automatic reporting** per product group up to EBT



- Identification of specific seasonal unprofitable products
- Understanding that one the key customer engagements was actually resulting in negative gross margin
- Improvement of quality in sales calculation tools