

*Electronic Market Place **Turn Around** Management*

Situation

An independently operating profit centre belonging to a group of successful marketplaces was increasingly losing money. The Board was questioning how to continue: could one fix it, should one close it or should it be sold. The Board already decided: the Managing Director had to quit. One of the talented - however for that challenging job inexperienced - member of staff was asked to take over the role of the Managing Director. And as support one of the Senior consultants of TCI was brought in as Interim Manager with 2 goals: first, to help answer the a.m. 3 questions and second, to act as a role model for the young Management team.

The fast analysis showed the following major aspects:

- Current plans were far too optimistic in terms of EBIT and volume growth
- Sales was overstaffed and wrongly staffed
- Product Management was a one person show with little acceptance
- The management team was not at all working as a team
- The motivation in the company was on a very low level.

Based on this fast analysis the proposal to try the turn-around was decided.

Approach

CEO, CFO and Interim Manager decided to immediately set up 2 action streams:

1. Consolidation of the core business under the responsibility of the Interim Manager and CFO. Major elements were:
 - Reduce and reshape sales, set realistic goals and help sales through active coaching and support to achieve its goals. This led to higher productivity, motivation and self-confidence as base for near-term and future growth
 - Start to develop a better understanding in the Core Management Team for more clear processes, roles and responsibilities. The effect was that first the productivity within the functional units started to improve and secondly a more professional cooperation between the functions developed
 - High emphasis was given to people development including professional goal setting and reviews and individual development measures which positively influenced the motivation.
2. Driven by the CEO was the planning for growth. Scenarios have been developed where customers and partners played an important role. Soon an ambitious product development initiative was started and managed rigorously. The brand- new product was brought to market, which now gives the company a highly competitive position, the customers new value and the growing numbers of employees a highly motivating environment.

Achievements

- The turn-around was successfully completed after 2 years
- The company is on a very promising growth path
- For its new product several innovation prizes were awarded

Experiences

We experienced the following success factors to be critical:

- A strong Management Team with complementary skills able to think and act in a very disciplined way
- Fast analysis, planning, decision-making and action
- Fast and consequent restructuring and at the same time going for new growth