

Case Examples

Strategy Review Example - Market-based Performance Review

Situation and Key Issues

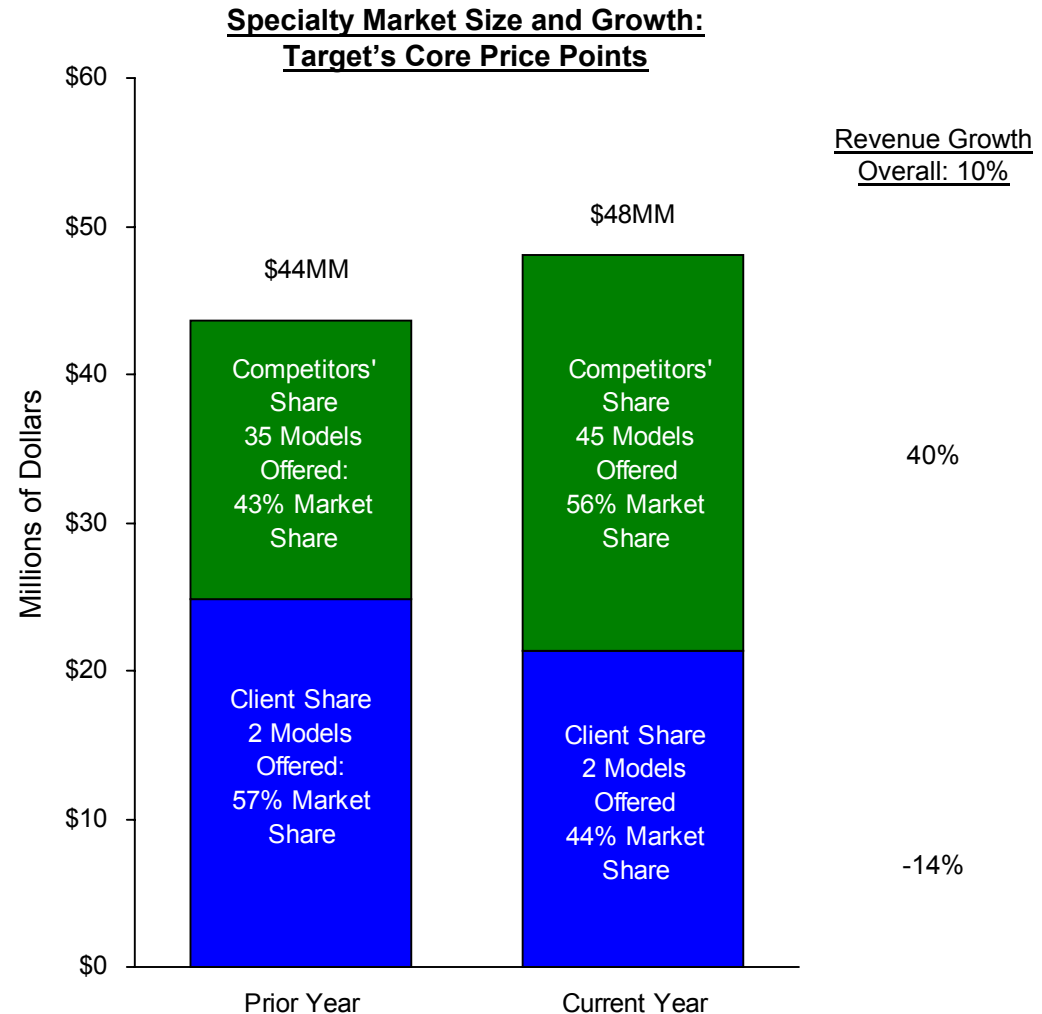
- Client's portfolio company (manufacturer of fitness equipment) misses forecast
- Portfolio company wants to understand its performance relative to the market to assess need for change in strategic direction
- Key issues are:
 - Target company performance relative to the market and drivers of that performance
 - Recommendations for increasing revenue either via expansion of distribution channels or product offerings

IGS Methodology

- Conducted extensive review of the specialty channel of the fitness equipment market to benchmark performance, understand drivers of growth, and key factors to success
- Visited 10 retail stores to understand product placement, price points, and interview store owners for their view of the competitive set
- Analyzed weather and temperature patterns to isolate their impact as a sales driver or inhibitor

Results

- Analysis revealed that market had continued to grow; however, new entrants into target company's primary price-points resulted in loss of market share
- Portfolio company adjusted price/features to reestablish value proposition advantage and broaden its range of price points to exploit market opportunity



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