



OPERATIONAL STRATEGY DEVELOPMENT FOR ELECTRONIC CIGARETTE MARKETER AND DISTRIBUTOR

BACKGROUND

This organization was experiencing a lack of strategic focus as it underwent a centralized service transformation with their customer service, warehousing and fulfillment, manufacturing, procurement, and IT/back office support. TPG was brought in to develop a new operational strategy, while organizing and structuring the convergence through project management, process design, and business case establishment from current state to future state capabilities.



APPROACH

- Developed a strategic operations plan and restructured the entire business operating model
- Conducted current state assessment and process mapping of operations, logistics, procurement, finance, and order management for baseline opportunity
- Determined cost-optimal manufacturing facility set-up and centralized supply chain location options
- Served in interim management capacities to expedite benefits realization and due diligence studies for potential acquisitions

RESULTS

- Identified over **\$8.8 million** in centralized service cost reduction opportunities against \$144M in revenue
- Realized **\$7.9MM** of cost reduction opportunities
- With renewed strategic direction, this organization went from a small online retailer to an international umbrella corporation with the **acquisition of 5 companies** during the span of the project