KINDUZ

Food and Beverage

Strategy Delivered For Improving The Operating Profits Of A Big Edible Oil Company In Egypt By 15% Within A Year

BUSINESS CASE

Market / Economic Trends
Devaluation of the Egyptian pound by 97% in Nov-2016 resulted in increase in cost of goods sold (COGS) of a big Edible oil company by 65%

CHALLENGE

What is the challenge
- Lessen the impact of devaluation of national currency
- Decrease costs and improve the operating profits

Where is the challenge
Across the company

When was the challenge identified
In Nov, 2016

IMPACT

What is the impact
Loss of profitability due to increased costs

How much is the impact
Profit loss of US$ 52 million

TARGET

What is the Target
Decrease costs and improve operating profits

How much is the Target
Decrease cost by 25%

OUTCOMES

Hard Benefits through Strategic Improvements:
Created the strategy to Identify top 3 factors that can improve the Operating Profit by 15% in less than 6 weeks, with mitigated impact on customer satisfaction:

1. Increasing price per unit of product by 1% to improve operating profits by 11%, along with brand upgrades
2. Decreasing the variable cost by 1% to improve operating profits by 9%
3. Increasing the sales volume by 1% to improve operating profits by 2%, using a volume discounting strategy

Hard Benefits through Operational Improvements:
- Decreasing the oil processing loss by 10%
- Decreasing packaging material loss by 20%
- Decreasing Energy costs by 20%

Delivered using:

KINDUZ Services: Continual Improvement | Culture Transformation | Leadership Augmentation

KINDUZ Intellectual Property: QADES | AEIOU | VSM^{e} | LSSIB | The EPMA