

## OPEX reduced by US\$ 6.1 Million for the Architecture and Engineering Design Team

### BUSINESS CASE

#### Organization Trends:

- The sales of the organization slowed down, due to which the fixed costs started to impact the profitability of the organization
- While the leadership team increased their focus on sales, a need to optimize costs for the longer term was felt

### CHALLENGE

#### What is the Challenge

- 56% of the organizational cost is human resource cost
- Evaluate how costs of resources can be rationalized without impacting the
  - Safety
  - Turn Around Time (TAT)
  - Quality of service
  - Service Level Agreements

#### Where is the Challenge

- Across the organization and its offices in 3 countries

#### When is the challenge

- October, 2015

### IMPACT

#### What is the impact

- Q3 FY 2015 Net Profitability down to 2.6%
- Pressure from Investors to increase Gross and Net Profitability
- Inertia among employees for change

### TARGET

#### What is the Target

- Improve Net Profitability of the organization to at least 6% within the next 12 months
- Improve Gross Profitability of the organization to at least 37% within the next 12 months
- Ensure no negative impact on the:
  - Safety
  - Turn Around Time (TAT)
  - Quality of service
  - Service Level Agreements

### OUTCOMES

#### Improved Profits

- A clarity of what should be in-sourced vs. out-sourced i.e. an effective Rightsourcing strategy
- Saved US\$ 6.1 Million (equivalent of 8% of overall revenue in first three quarters of FY 2015) by Partnering and Rightsourcing with the right organization, to enable rationalization within the Architecture and Engineering Design team

### Delivered using:

**KINDUZ Services:** Strategy Development | Breakthrough Improvement | Continual Improvement | Culture Transformation

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