Wilson Perumal & Company's

Insights to Action

Success Stories from Leading Companies

As the pace of business accelerates, many firms struggle with the pursuit of new growth opportunities while maintaining focus on their core market

A start-up within a large retail services company was struggling with growth

A $10B retail services provider (ServiceCo) developed a promising new technology to expand their product offering and drive growth. ServiceCo decided to manage this new service platform as a separate 'start-up' to remain nimble in quickly evolving, new markets where larger growth opportunities resided.

ServiceCo invested heavily in the start-up and achieved strong growth in the first few years. Unfortunately, **revenue had since plateaued** as opportunities in their core market seemed to have dried up. To make matters worse, they had been **unable to capitalize on growth opportunities in new markets,** despite the fact that the new technology had broad applicability across a variety of customer bases.

How could growth have stagnated with this promising new technology that appealed to such a wide variety of markets?

Declining level of service

ServiceCo first decided to better understand why growth had slowed in their core market. After gathering input across their existing customer base, they discovered that customers were unhappy with the level of service they currently received. They felt service had worsened over the last few years. This was puzzling to ServiceCo as they had invested heavily in additional customer support resources over the last few years.

More opportunities than resources

Next, ServiceCo sought to uncover why they had not been successful in expanding beyond their original customer base. After a careful review of their process, they discovered that they were chasing opportunities in over 20 unique markets, despite the fact that they were still a start-up with relatively limited resources.

Attempting to pursue so many growth opportunities appeared to be limiting their ability to succeed in any one market. And to make matters worse, pursuing all of these new markets was also monopolizing resources that should have been used to serve their existing customers.

Fewer opportunities = more growth

ServiceCo realized they needed to focus on fewer growth opportunities if they were going to reinvigorate their growth. To help them determine where to focus their efforts, they embarked upon an initiative to prioritize each growth opportunity based upon the expected value to ServiceCo. After seeing the results **(see Figure 1)**, they decided to focus on the two most compelling opportunities.

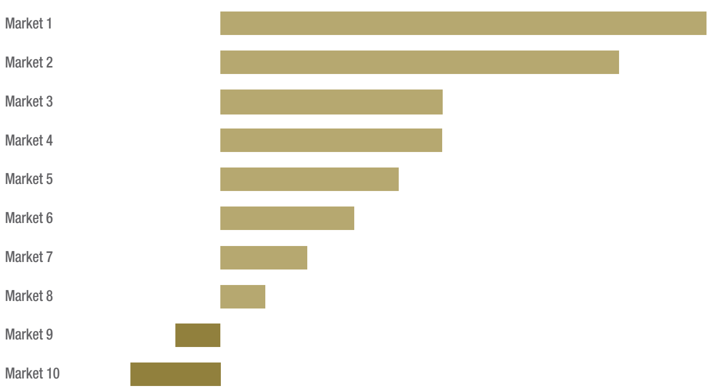

Figure 1: Prioritizing potential new markets by the expected value (NPV)

Results:

By focusing their resources on the highest priority opportunities, ServiceCo was able to successfully expand into new markets as well as free up resources to help improve the level of service for their existing customer base.

Is your business pursuing new growth opportunities without seeing results?

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