

What if you could ...

Increase your competitiveness by reducing your HQ SG&A costs in 12 weeks (% cost to Sales)?

With Proudfoot, you can.

A world leader in building materials, operating across more than 60 countries producing cement, construction aggregates and concrete, was experiencing challenges from recent poor levels of economic growth across many parts of Europe. This led to prices and volumes that were under pressure and were expected to remain so throughout the year.

A review of the company's selling, general and administrative (SG&A) costs to pinpoint where savings could be made identified €25m to be delivered over a five-year period. Progress was initially made, but internal efforts were already falling short of the targeted savings. The company enlisted Proudfoot to find and deliver €5M in savings by the end of the year so the company could stay on track.

Transformational Approach

After a two-week detailed review of the current SG&A initiatives, a Proudfoot team worked with each of the divisional directors in order to achieve rapid progress in two key areas that would yield the fastest benefits:

- The implementation of a strict vacation day management system that would release the provisions made for the large vacation backlog;
- The implementation of an HR tool to increase cross-business unit and cross-functional staff flexibility in the company's 7500 staff members.

This was included alongside other workstreams that involved standard SG&A cost reduction (marketing, travel, finance, and HR expenses) and process improvement actions in sales administration.

"We are impressed by Proudfoot's capacity to implement a "Coup de boost". After a project with Proudfoot on maintenance at cement sites and a second project with aggregates, we wanted to try Proudfoot's methodology on the SG&A costs. We need to continue working with this methodology as it really succeeds."

- Chief Executive Officer, France

Remarkable Results

Over 12 weeks, the project put the management team back on track. Behavior improved, with the directors and managers more willing and capable of managing the initiatives, resources, and costs.

Sustainability was ensured by the nomination of a project manager and team that continued to track the initiatives for the rest of the year and make recommendations for further cost-saving opportunities.

Proudfoot returned once per month for nine months to ensure that weekly review process of the initiatives was still progressing and chaired by the CEO.

In the ninth month, the project was converted to a post-merger integration project as the company merged with another. The foundation laid prior by Proudfoot and company's directors was invaluable and helped aid in a smooth merger.

€5M

SG&A savings gap closed, then further merger synergies were identified

A Unified Aligned Team

The management team were aligned and engaged around the actions

1

Trained internal team to ensure sustainability and further improvement

With Proudfoot, you can.