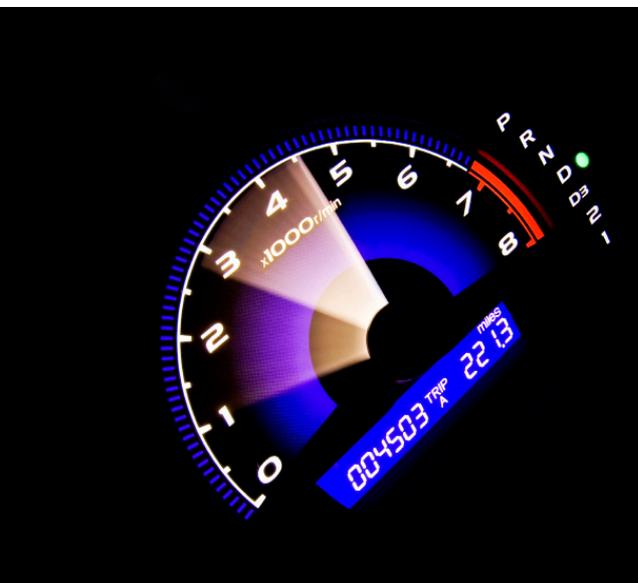




When a global logistics company wanted to understand how to rapidly grow its business in China within the FMCG and Automotive industries

We helped undertake a detailed market assessment and developed a range of strategic options that could be executed to suit their risk appetite



The Challenge

A global logistics company had entered China 5 years prior in the FMCG and Automotive industries, but to date had little success. It had been established in a previous study there was a substantial market opportunity within China, but with revenue growing below market growth rates, the company wanted a better understanding of the logistics market, the critical factors for success in China and if they should continue to invest and where.

How we helped

Deloitte put together a joint Deloitte Australia and Deloitte China team that had a deep understanding of the company's business globally, but also global and local industry knowledge within the FMCG and Automotive supply chains. The team leveraged its existing clients and contacts within China to help conduct over 50 interviews, coupled with desktop

research, to help develop a rich fact base on the Automotive and FMCG supply chains. Areas of investigation included key market drivers and the suitability of the existing business model, both in the market or within the company for their business model to be profitable. Using Deloitte's Growth and Emerging Markets Frameworks, we developed a range of strategic options over a five year timeframe. This identified growth opportunities within the core business, and opportunities in adjacent markets. The research also identified the critical capabilities required to execute and changes required to the existing operating model to support growth.

Value delivered

Our local knowledge coupled with a good understanding of the business helped bridge the knowledge gap for the company's local operations to understand global business models and products that could be used to expand beyond the core, and help the corporate organisation understand the unique challenges faced in the Chinese market.

Our detailed industry and cost analysis was refined and developed into a sales tool that will be used to help sales staff demonstrate the value of their solution compared to the industry structure and the specific companies operations.

Ultimately, our expertise helped facilitate the development of a set of tangible and executable strategic options, which had local acceptance, and were aligned to the company's global vision and strategy.

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