



CLIENT STORY | ORGANIZATION RESTRUCTURING FOR A RAPIDLY GROWING MID-SIZED CONSTRUCTION COMPANY

Region :
INDIA

Consulting Services :
STRATEGY FORMULATION AND ORGANISATION RESTRUCTURING

CLIENT SITUATION

- The client is a well entrenched player in the civil construction business in India, servicing a combination of turnkey operators and end customers
- The company had aggressive growth plans in the construction business- they had planned to more than triple their turnover in three years, while maintaining profitability
- To support the above growth, the company wanted to formulate strategy and prepare a detailed business plan
- It also wanted to restructure the entire organization to ensure alignment with the new strategy

OUR APPROACH

- Based on detailed internal and market diagnostics, various strategic options were shortlisted, to achieve the stated financial objective – what geographies should be focused on (South India vs All India), what segments to focus on - BOT roads, real estate development or construction projects and thirdly, what size of projects to focus on (ranging from Rs 50 cr to Rs 2000 cr)
- The strategic options were evaluated using a strategy evaluation framework, on the basis of A) Addressable market attractiveness B) Client’s ability to take market share in the addressable market C) Returns from the chosen strategic option and D) Doability (in terms of synergy with strengths of the company, extent of stretch from current business model, additional investment required, etc)

OUR RECOMMENDATION/ IMPACT

- Based on Avalon’s analysis of the above, the company decided to focus on mid to large-sized construction contracts, on an all India basis
- The company’s mission, values and vision was drafted and its aggressive growth strategy was articulated using a strategy map (Balanced Score Card)
- A strategy execution management system was put in place which aligned organizational structure and high level business processes with strategy. A progress review mechanism was also instituted
- Avalon assisted in making BSC a “way of life” for the client, by cascading the strategic objectives to the branch level and instituting periodic reviews
- Discrepancies that came to light during the organization restructuring were identified and corrected
- To enable smooth execution, some new roles were created and the job profile of certain existing roles were changed to align them with the overall strategy