



CLIENT STORY | STRATEGIC REVIEW OF BUSINESS AND PREPARING THE GROWTH PLAN FOR AN API PLAYER

**Region :**

EUROPE/GLOBAL

**Consulting Services :**

GROWTH STRATEGY

## CLIENT SITUATION

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- The client – a leading European API player, has a leadership position in key products but has been facing competitive pressures from Asian players and consequent stagnation in revenue and profits
- Client wanted to understand the key strategic imperatives for increasing overall business value for the company in the short to medium term (3-5 years) with a view to seeking a buyer for the company

## OUR APPROACH

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- Avalon conducted a detailed analysis of trends in existing products across customers and geographies and prepared bottom up future projections. Highlighted possible revenue and gross margin upsides and downsides in key products
- Highlighted the impact of 'cutting the tail' i.e. reducing products on overall revenue and profitability
- Identified new niche generic products for accelerated launch over the next 3 years using Indian R&D partners
- Developed a plan for aggressive R&D outsourcing partnerships with Indian entities to reduce timelines for product development and lower overall R&D costs
- Identified cost reduction opportunities in sourcing key raw materials and/or identifying alternative starting materials for key products
- Assessed overall sales force effectiveness and agent disintermediation and provided recommendations on areas of improvement
- Built a business case for entry into selected new opportunities – Custom Synthesis and Contract Manufacturing, High Potency APIs, Dossier Development etc.

## OUR RECOMMENDATION/ IMPACT

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- Avalon's work helped highlight the strategic imperatives for the client – in terms of product and customer mix, product development, sourcing and value chain - to remain competitive and increase business value with a European cost base
- Key initiatives were selected based on value creation potential and do-ability and an implementation plan for the same was prepared