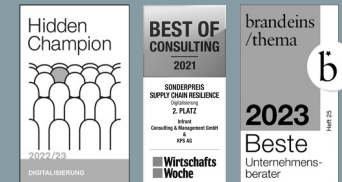


HAMBURG, 2023

"D2C Reloaded": A new boost for your direct-to-customer business

Review and optimisation of the D2C business model



Does your **D2C business model not** yet or no longer **meet** your **expectations**?



We help you to **optimise the Strategy, Operating Model and Operations** of your business model - for **more success** and **profitability** in the D2C business.

CHAPTER

01 INITIAL SITUATION

02 OUR PROPOSAL

03 INFRONT PROFILE

CHAPTER

01 INITIAL SITUATION

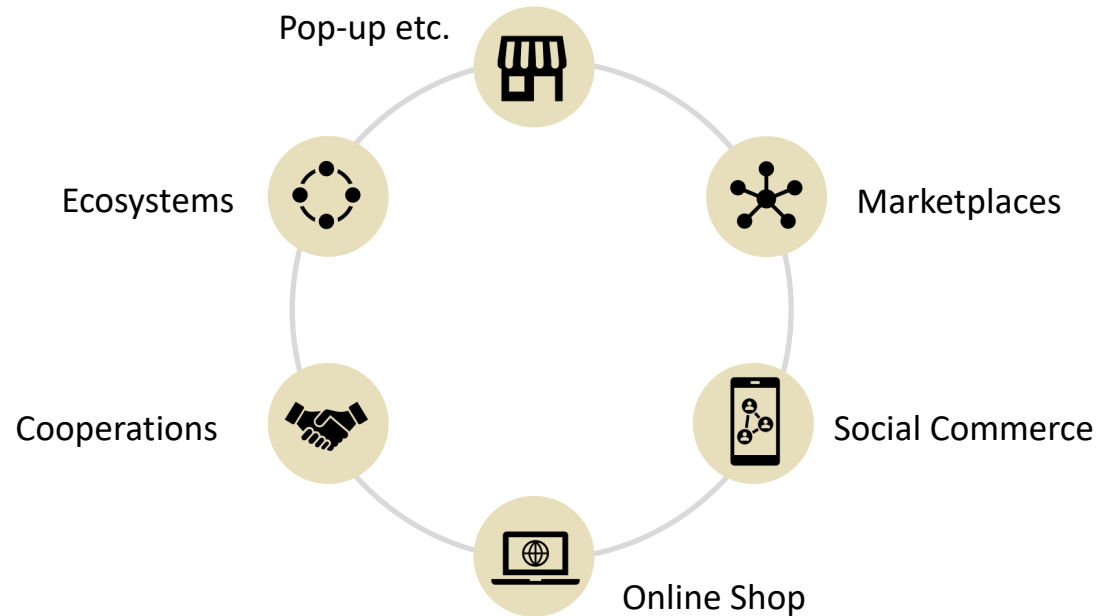
02 OUR PROPOSAL

03 INFRONT PROFILE

INITIAL SITUATION

Manufacturers pursue clear goals with D2C approaches

SELECTED D2C APPROACHES



SELECTED D2C TARGETS

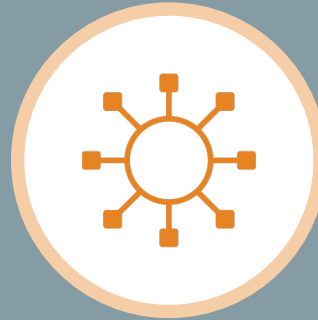
-  **ACHIEVE HIGHER MARGINS**
-  **GENERATE CUSTOMER INSIGHTS**
-  **BUILDING A BRAND**
-  **STRENGTHEN INNOVATION**

However, in our consulting practice we observe a variety of reasons for the failure of D2C approaches along the areas of strategy, operations and operating model

Strategy



Operating Model



Operations



- ⊗ No clear **objective**
- ⊗ Lack of **change management**
- ⊗ Insufficient **involvement of trading partners**

- ⊗ Lack of **B2C & data competence**
- ⊗ **Weak anchoring within the organisation**
- ⊗ Lack of **flexibility** of IT systems and processes

- ⊗ High **logistical effort**
- ⊗ High **marketing costs (CAC)**
- ⊗ Suboptimal **connection** between the **channels**

CHAPTER

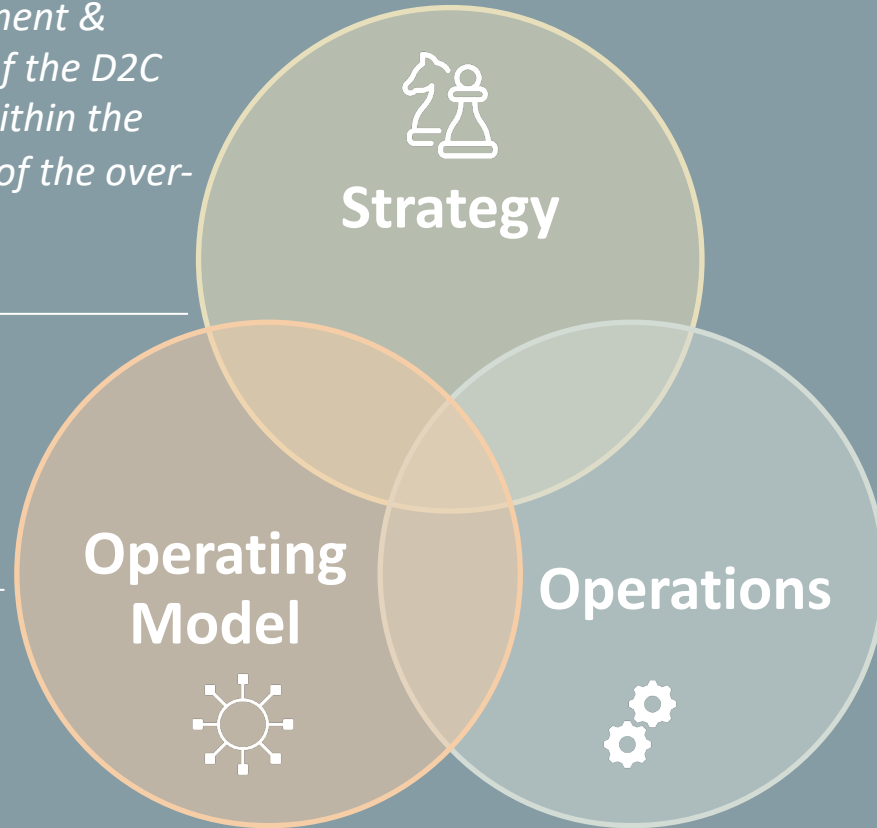
01 INITIAL SITUATION

02 OUR PROPOSAL

03 INFRONT PROFILE

Our proposal: Integrated view of your D2C approach

Clear alignment & guardrails of the D2C approach within the framework of the overall strategy



First-class processual, organisational and technological prerequisites

Operational excellence in execution

INFRONT CORE ASSETS

- ✓ **Excellent analytical know-how** coupled with years of **top management experience**
- ✓ **Award-winning methods and approaches** for effective optimisation of strategy, operations and operating model
- ✓ Variety of **cross-sector blueprints** for more success for your D2C business model
- ✓ From **strategy development to implementation** – all in one hand

Review of the D2C Strategy

We work with you to revise your existing D2C strategy, taking into account the overall strategy as well as current trends & good practice blueprints



Blueprints

Method "Infront Ecosystem"



Trends & Benchmarks



QUESTIONS TO BE ANSWERED – SELECTION

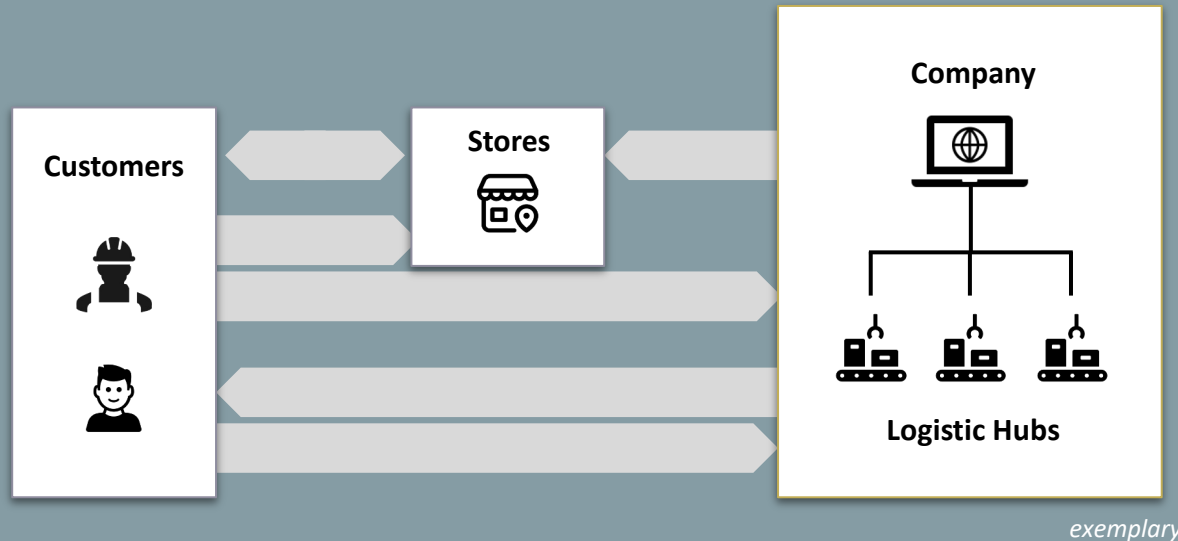
- How does your D2C business pay into the overall company objectives?
- Is your D2C business model part of an overarching omnichannel strategy? What role should the D2C business model play in the future?
- How do you organise strategic channel management, e.g. to avoid channel conflicts?
- What are the goals and value contributions of the D2C business today and in the future?
- Is your D2C business model focused on the "right" target customers and target markets?
- Is your product and service selection suitable for the D2C business model?

RESULTS

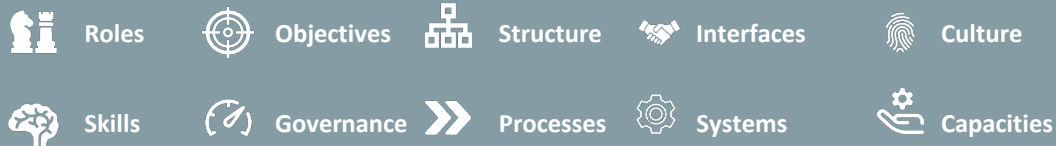
- ✓ **Update of the D2C strategy** developed and approved by **top management** – as part of the **overall strategy**
- ✓ **Clear view** of the **central optimisation levers** – both **top-line** and **bottom- line**
- ✓ **Definition** of the **requirements** for the **operating model** and **operations**
- ✓ **Coordinated implementation roadmap**

Adaptation of the Operating Model

We review the individual elements of your Operating Model and make specific adjustments to increase its effectiveness



Elements of the Operating Model



QUESTIONS TO BE ANSWERED - SELECTION

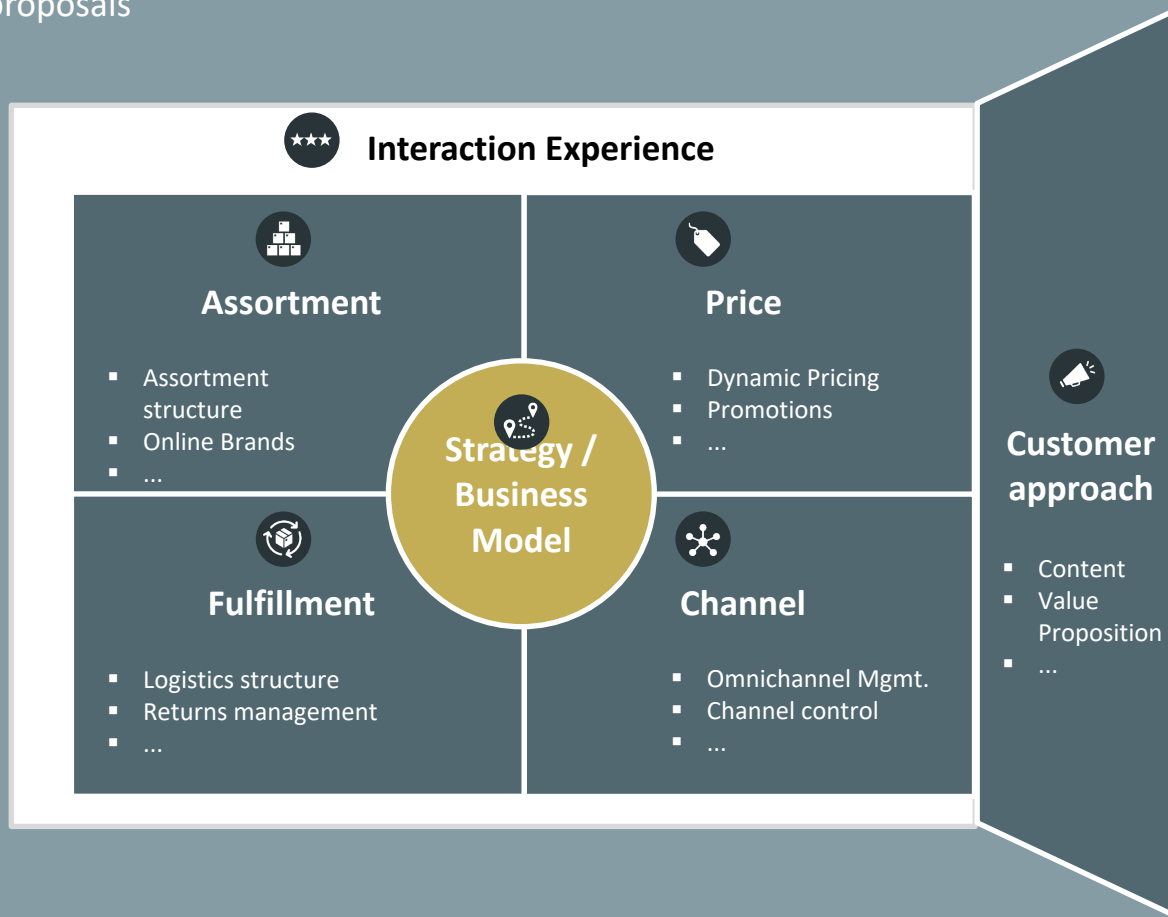
- Are the processes E2E aligned with each other?
- Are the responsibilities and interfaces clearly organised?
- Is your organisation flexible enough to make quick and efficient decisions?
- Do you use a data / KPI-based governance structure?
- Are all the necessary skills and competences in place for the effective implementation of the D2C business model?
- Do you use a future-proof and flexible tech stack for digital commerce?

RESULTS

- ✓ Highly **effective, flexible** and **agile organisational structure** that promise **cross-functional collaboration** based on an **unified customer journey**
- ✓ Clearly **defined processes** for **smooth cooperation**
- ✓ **KPI-based** and clearly **defined governance structure**
- ✓ **Optimised tech stack design** as a **foundation** for **profitable scaling** of the D2C business

Optimisation of Operations

Based on benchmarks, good practice examples and extensive project experience, we jointly and systematically examine the biggest profitability and growth levers of your D2C approach and derive concrete optimisation proposals



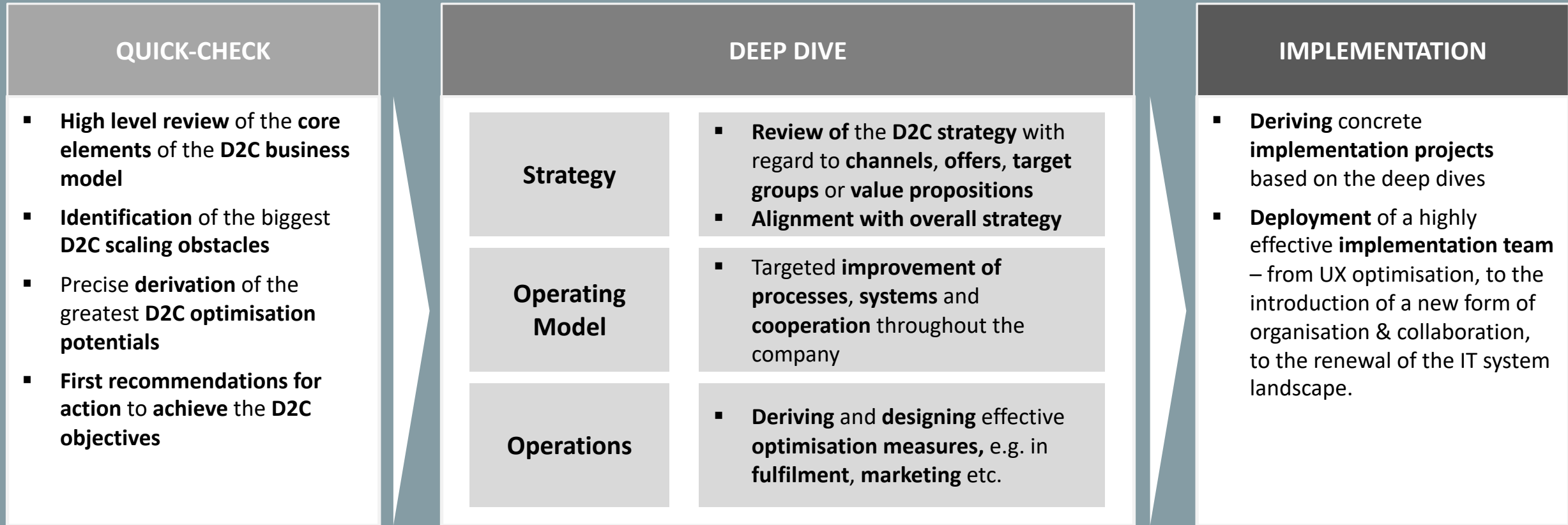
QUESTIONS TO BE ANSWERED – SELECTION

- Does your (online) customer experience meet the expectations of your customers and how is it to be assessed in comparison with the competition?
- Do you know your biggest profitability levers and which measures to increase profitability really work and to what extent?
- How effective and efficient are your measures to acquire, convert and retain customers in the long term?
- Do your logistics structures and fulfilment processes meet customer expectations and are they efficiently designed?
- How consistently and sustainably do you use automation, data-driven personalisation, etc.?

RESULTS

- ✓ Clear **approaches to optimising the customer experience in (digital) customer interaction**
- ✓ **Identified measures and levers to increase profitability and growth in operations** – including concrete **quick wins**

Our approach enables targeted optimisation of your D2C approach



Tailor-made, individual solutions depending on the requirements and needs of the client



INTEGRATIVE WORKSHOP FORMATS

Our highly collaborative methods enable the active participation of all workshop participants



CHAPTER

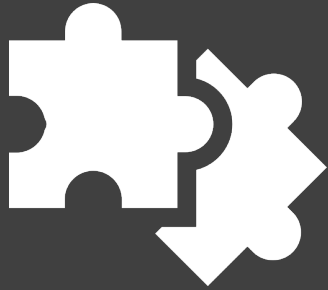
01 INITIAL SITUATION

02 OUR PROPOSAL

03 INFRONT PROFILE

YOUR ADVANTAGES

As a leading strategy and management consultancy, we help you develop effective and sustainable strategies for the future and implement them in a technologically business-effective manner



EXPERIENCE

Extensive consulting and practical experience

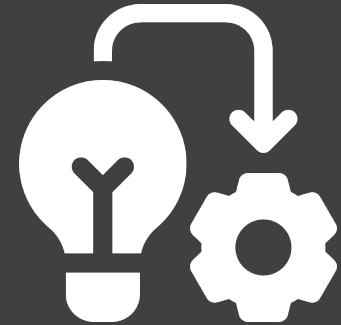
- Combination of high-quality strategy consulting expertise and many years of top management implementation experience
- Consultancy at eye level with hands-on mentality as well as visible, directly implementable and above all effective results based on our practical expertise



METHODOLOGY

Multiple award-winning methods

- Excellent method portfolio - implementation-oriented, haptic, involving and tailor-made
- Use of a unique good practice blueprint collection of business model strategies and profitability measures
- High "buy-in" from stakeholders through collaborative eye-to-eye cooperation

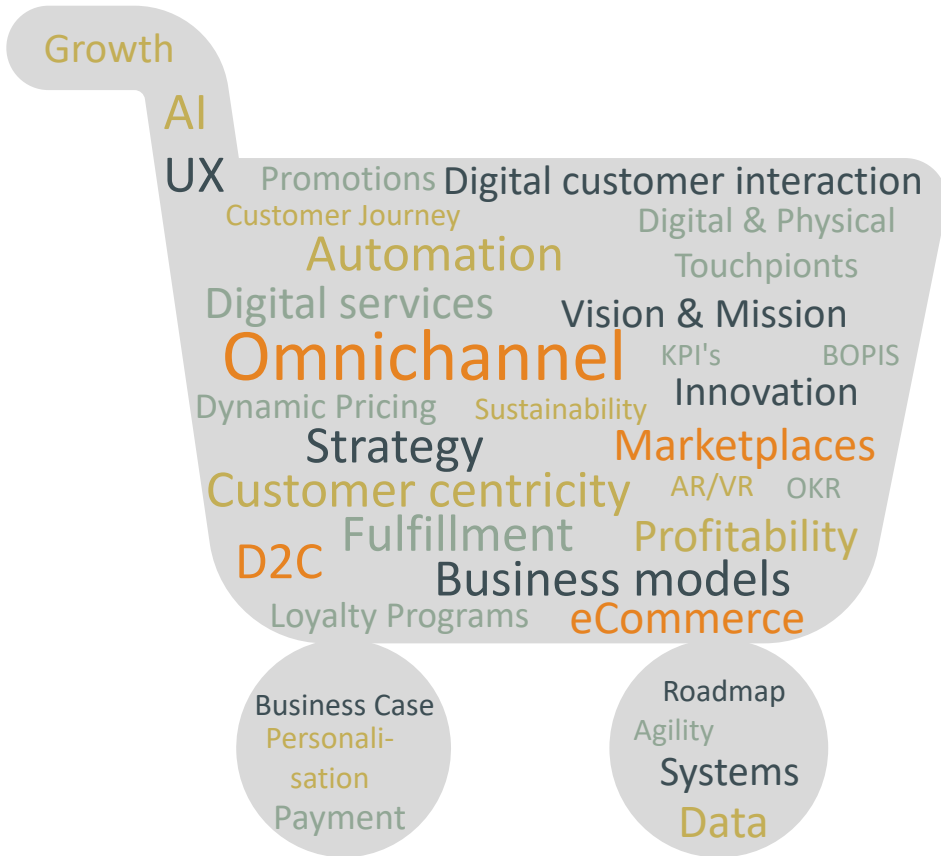


IMPLEMENTATION

E2E implementation competence

- Implementation-oriented concept development right from the start coupled with actual operational business and IT delivery capability
- Broad domain knowledge and partner network for a solution from a single source – right up to independent operational management

Our focus in Retail & Brands is on profitable business and operating model design and the development of a first-class omnichannel experience based on a resilient organisation



TOPICS

Our Retail & Brand Practice advises you on different topics

PROFITABLE GROWTH

Deriving a holistic strategy for generating top- and bottom-line potentials, as well as adapting the business and operating model to sustainably secure competitive advantages

OMNICHANNEL EXPERIENCE

Development of approaches to optimise the omnichannel experience, incl. assortment, price, fulfilment, channel selection, linking and design, customer approach, services

RESILIENT ORGANISATION

Testing and adapting organisational requirements: Strategy, organisation, processes, personnel, culture, technology and systems

In recent years we have successfully worked on several projects with leading retail & brand companies

Design of a D2C business model



OBJECTIVE

Developing and adopting a centralised **D2C business model approach** and design the relevant **D2C processes**

METHOD

- ☐ **Conception of D2C approaches** – in connection with the **stationary specialised trade** and the **responsible country organisations**
- ☐ Derivation of a **target operating model** incl. description of the **detailed processes**
- ☐ Calculation of a **business case** incl. revenue roadmap

RESULT

Elaborated D2C business and operating model for an omnichannel market approach

Development of a marketplace strategy



OBJECTIVE

Conception of a **strategy** for the **marketplace business** and **entrepreneurial evaluation** through a business case

METHOD

- ☐ **Strategy development** for the marketplace business
- ☐ **Description of the concept** on the most important dimensions
- ☐ Designing **differentiating business models** using the **Infront blueprint collection**
- ☐ Evaluation of the business model in a **business case**

RESULT

Marketplace strategy defined, **entrepreneurial perspective** assessed and **implementation roadmap** derived

Conception and scaling of digital commerce



OBJECTIVE

Development of digital business opportunities under the MediaMarkt and Saturn brands in **Europe**

METHOD

- ☐ Strategy development for digital commerce ("**omnichannel**")
- ☐ International **Trail Fast, Fail Fast, Learn Fast** approach for the right concept
- ☐ Intensive active **change management**
- ☐ Concept consisting of **Pure Play, Web2Store and Store2Web**

RESULT

Scaling of digital commerce to approx. 15 % (approx. 3 billion euros) of total turnover

Optimisation of logistics processes



OBJECTIVE

Consistent **optimisation of logistics processes** with regard to transparency and increased efficiency

METHOD

- ☐ **End-2-End logistics process analysis** using the Customer & Goods Flow Journey
- ☐ Evaluation of growth areas with the help of the **Infront position table**
- ☐ Development and implementation of a new **Target Operating Model**

RESULT

Implementation of a **4PL solution**, cost minimisation of the "**first-reverse-mile**" and introduction of a new **KPI-driven organisational structure**

Infront combines implementation-oriented management consulting with the necessary IT and process expertise

Infront Consulting & Management

Focused business solutions



Infront is a leading strategy and management consultancy specialising in the following areas:

- Business model strategies
- Innovation ecosystems
- Renewal of the core business

KPS AG

Immediate effect



KPS is one of the European market leaders for transformation programmes at process, application and technology level for retail, logistics and industry

740
Employees

14
International
offices

180 mio.
Euro turnover

OUR SUCCESSES

Infront is your award-winning consulting partner for strategy, innovation and business renewal

OUR EXPERIENCE

Strategy:

100+ developed ecosystems for future industries

100+ situation table strategies

1,200+ developed business model ideas

Innovation:

8+ built innovation labs

100+ ideas tested in the market

3 built and sold own start-ups

Renewal:

30+ Change Programmes: People, Organisation, Processes, IT

100+ Complex ERP implementations

100+ eBusiness systems implementations

OUR AWARDS



OUR STUDIES



SELECTED CLIENTS

Manufacturing industry:



Retail & Brands:



Logistics:



Service:



Devices/ Machines/ Plants/ Components:



CONTACT NOW

OUR DISCUSSION OFFER:

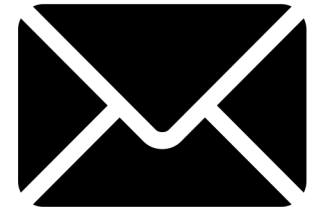
How can your D2C business model be optimized and, if necessary, realigned?



TOBIAS KINDLER

PARTNER AND RETAIL & BRANDS LEAD

- Many years of top management and consulting experience
- 10 years (co-)responsible for the international digitalisation of sales in the MediaMarktSaturn Group, including as VP Omnichannel & Pricing and as Country Manager and COO/CDO
- Deep understanding of structures and processes in the retail & brand environment
- Experience in the development and implementation of hybrid and digital business models as well as in the transformation of business units and entire companies



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CONTACT

THANK YOU VERY MUCH!

We look forward to working together with you!

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