

Case Study: Financial Strategy



Mars is a \$14 billion business operating in over 100 countries and a leader in each of its main businesses. Many Mars brands are among the category leaders, from top snackfood brands such as M&M's, SNICKERS, MARS and TWIX; pet food products such as WHISKAS and PEDIGREE; Main Meal Food products such as UNCLE BEN'S; Drinks vending systems such as KLIX and FLAVIA; Electronics and Information Services International (ISI).

LEHMAN BROTHERS

Lehman Brothers, an innovator in global finance, serves the financial needs of corporations, governments and municipalities, institutional clients, and high net worth individuals worldwide. Founded in 1850, Lehman Brothers maintains leadership positions in equity and fixed income sales, trading and research, investment banking, private investment management, asset management and private equity. The Firm is headquartered in New York, with regional headquarters in London and Tokyo, and operates in a network of offices around the world.

Sanwa International plc

Sanwa International plc was the European investment banking subsidiary of Sanwa Bank, the Japanese commercial bank that became part of UFJ Holdings in 2001 through its merger with Asahi Bank and Tokai Bank.



PRUDENTIAL

Established in 1848, Prudential plc is a leading international financial services company with some 16 million customers, policyholders and unit holders and some 20,000 employees worldwide. In the UK Prudential is a leading life and pensions provider with around seven million customers. M&G was acquired by Prudential in 1999 and is the Group's UK and European fund manager, responsible for managing over £111 billion of funds (as at December 2003). Launched by Prudential in 1998, Egg is an innovative financial services company, with over three million customers, with nearly six per cent of UK credit card balances.

ATKINS

Atkins is one of the world's leading providers of professional, engineering-based consultancy and support services. Atkins operates from around the world and employs 15,000 permanent staff. Atkins is the UK's leading engineering consultant, with market leading positions in many sectors, including road, rail and nuclear.

Retail Sales Optimisation Model

Research and analysis of the allocation of products across shelf space for a major UK newsagency chain on behalf of Mars Management Services. This involved supporting the development of the model that was used to determine the optimal allocation and location of different products based upon parameters including shop size, location, customer-base (e.g.. socio-economic groupings, age profile), product profitability, and product sales...

"An excellent piece of work, meriting a first class result..." Colin Gill, Head of Judge Institute of Management, Cambridge University

Contingency Funding Plan

Supporting the development of a global contingency funding plan for Lehman Brothers across its three principle funding centres: New York, London, and Tokyo. This followed the successful development of a European plan. The plan was designed to allow management to pro-actively manage its response to a liquidity crisis. This involved the creation of specific actions on conserving liquidity, minimising the usage of unsecured funding and targeting pressure points which needed to be managed. This also required the design and build of a global liquidity risk model that integrated the regional liquidity management methodologies into a coherent and internally consistent global model for managing Lehman Brother's liquidity risk on a daily basis.

"Good work done for the global liquidity risk (ALM) model. The model has been much improved and has drawn praise from other areas of Treasury and the front office." John Buckley, Director and Head of Global ALM, Lehman Brothers

Asset & Liability Management Strategy

A review of all aspects Sanwa International's asset and liability management (ALM) function including balance sheet management, funding strategy, and risk management. The review was based upon two strategic objectives: firstly, to ensure that the company was financially prepared to execute its business strategy and secondly, that an ALM strategy was consistent with the business strategy in a way that maximises balance sheet value. Following the review, a development plan was prepared to address structural weaknesses and establish best practice. Key benefits to be gained from the plan included assisting management to effectively manage balance sheet growth and diversification in accordance with the business strategy; maximise balance sheet liquidity and value; better manage liquidity and interest rate risk; strengthen profitability through lowering funding costs; and provide information and techniques for assessing relative business unit performance in order to efficiently allocate capital...

"Continuous production of first class pieces of work and projects delivered with high attention to detail and quality. Excellent project management..." Sean Murphy, Deputy Managing Director, Sanwa International plc

Revenue Investigation

In conjunction with another major consulting firm, management of a revenue enhancement project for the Defined Benefits division of the Prudential Corporation. This involved the re-engineering of core financial and customer interaction processes in order to enhance the measurement and timely collection of fees. The team was responsible for building a financial model and process map to support the changes and train all Prudential staff in the new way of working. The operational and financial benefits of the project were significant and allowed staff to focus a major percentage of their time focused on customer-facing and revenue-generating activities...

Commercial Project Model

The development of a commercial model for Atkins to determine the appropriate pricing of a major project bid and the ongoing management of the project's finances throughout the delivery phase. This included detailed calculations of consultant fee rates, project costs, margins, overhead recovery to determine overall project profitability. The model was used to conduct scenario analysis during the bid negotiations and subsequent project profitability discussions with the client...