

Case Study: Re-Thinking the Value Proposition

Abstract

A subsidiary of a large mortgage and real estate company sought to divest itself from its parent company and operate under a new business model.

The Challenge

In order to successfully divest and “re-invent” itself as an independent enterprise, the client required a precise plan for execution. As a prerequisite to developing this plan, an in-depth analysis of the company’s own capabilities relative to the demands of its target market, existence of competition and direction of the industry had to be conducted. While the gist of the business would remain the same, the client also sought to pursue a significant shift from the existing business model. Since this “new way of doing business” would be the foundation upon which the newly independent entity would operate, a great deal of due diligence was necessary before the business plan could be developed or executed.

How We Helped

Working with the executive management team of the soon-to-be divested enterprise, T. White Parker conducted the research and analysis necessary to assist the client in re-thinking their value proposition and crafting a business model, core strategy and implementation approach for successfully re-launching the business to meet the needs of “new generation customers”. T. White Parker conducted an in-depth assessment and analysis of the organization to include such areas as ...

- Financial Strength & Profitability
- Skills & Competencies
- Process Effectiveness & Efficiency
- Management & Governance
- Strategic Management Practices
- Organization Design
- Employee Opinions

The research conducted also involved a detailed look at the market including ... analysis of customer preferences, the competitive landscape, regulatory impacts, market and industry trends, public opinions as well as several other key factors. This analysis was needed in order to obtain a fact-based foundation for building, refining and executing an appropriate business model and strategy.

From the analysis performed, T. White Parker assisted the management team in re-visiting their business value proposition to better align with the needs of “new generation customers” and the direction of the industry (versus its traditional business model). During this exercise, the management team was enlightened to the fact that the needs of their largest customer segment went far beyond mortgages and real estate. T. White Parker developed five alternative, viable paths that the client could successfully pursue. The briefing for each alternative included a cost-benefit analysis, return on investment analysis and framework for execution. T. White Parker conducted surveys, focus groups and scenario planning sessions to test potential outcomes and to validate the selection of the new business model.

Deliverables: Report on Analysis Findings (included business case and recommendations), Business Execution Plan

The Result

The client successfully separated from its parent company 9 months later after building up the internal competencies and infrastructure needed to support an independent operation under the new business model. One year after the separation, the newly formed enterprise has revolutionized the mortgage experience by offering a new and non-traditional value proposition to a niche market segment.

