



## Consumer Goods Broker Tackles Client Complexity to Unlock \$10M in EBITDA

Improved visibility into customer revenue and costs helped leadership put business back on a sustainable path.

### Challenge

A leading sales and marketing firm for consumer goods brands had grown through aggressive acquisitions but faced rising costs, client loss, and possible bankruptcy. The business represented thousands of clients in retailers nationwide but operated without standardized offerings, pricing, contracts, or service levels, leading to stifling complexity. Leadership lacked clear data on the source of revenue and costs, making them impossible to track or manage.

Client relationships were often intertwined, with some unprofitable accounts maintained to secure access to more lucrative ones. High fixed costs spread across thousands of smaller clients made across-the-board actions such as reducing services or cutting unprofitable accounts ineffective. The business needed help untangling complexity and an accurate picture of client profitability.

### Discovery

We worked with the company to build its first end-to-end view of client-level economics. By conducting a detailed cost assessment across segments and services, our team developed a dynamic client profitability model capable of quantifying the true cost to serve each relationship. Leveraging

our proprietary Square Root Costing methodology, the model captured the hidden impact of complexity across business units and service lines.

With clear visibility into value creators and destroyers, we facilitated deep-dive workshops with business unit leaders and client managers. These sessions uncovered the drivers behind each client's profitability and surfaced differentiated strategies—price changes, service reductions, service mix shifts, or relationship exits—tailored to each account's context and strategic importance. To sustain the transformation, we built a replicable model and playbook enabling leaders to conduct ongoing assessments and improvements.

## Impact

Armed with a rigorous, data-driven foundation, the company clarified where value was truly created and destroyed while aligning leadership around targeted, client-specific actions. The approach quickly delivered meaningful results: within two months, the business had identified over \$10 million in EBITDA opportunities and captured a \$3 million run-rate improvement.

A scalable methodology and toolkit enabled the company to continually refine its client portfolio and reallocate resources toward higher-value relationships. The organization is now equipped to consistently manage complexity and drive profitable growth across its network of CPG clients.

## Contact Our Experts



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## About Innosight

Innosight helps enterprise leaders turn uncertainty into opportunity and thrive in a changing world. With unmatched expertise in navigating disruption, we partner closely with clients to address their most complex strategic challenges, building resilience in today's business while shaping the organization of tomorrow. Together with our colleagues across **Huron**, we align strategy, operating models, and people to drive transformation and deliver sustainable growth.

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