



COLTIVAR

STRATEGY | ANALYTICS | FINANCE

Strategic-Powered Growth

Coltivar Group Reinforces
General Contractor's
Geographic Expansion
Through Feasibility Analysis &
Strategy Support

Client Profile

Our client is the largest subsidiary of a multi-billion dollar global construction and development firm. The multi-national general contractor provides commercial building services throughout the Western United States. Though the business was originally founded as a non-union branch of its parent company, it has since developed into a premier general contractor, earning over \$400 million in annual revenue. The company, founded in 1961, relied on its parent company's strong network to break into the local market.

Opportunity

The firm was struggling to grow in its limited tristate area. As the local economies began to stagnate, the firm's employee utilization rate declined. Although the firm was still performing financially, it anticipated lagging opportunity in its region. With additional cash flow and a strong economy, the company sought to move into a new territory.

The firm engaged Coltivar Group to assist with this large-scale transition. Coltivar initiated the engagement by analyzing market opportunity and feasibility in different areas of the United States. After locating promising markets, the firm collaborated with Coltivar to determine expansion criteria. We analyzed each area on a multitude of factors, asking the following: What markets are poised for economic growth in the next ten years? How competitive is the market? Are there currently top-tier employees willing to relocate to this area? How will this relocation impact cross-branch collaboration?

After narrowing down the search for

an attractive market, Coltivar performed in-depth analysis on the area, examining subcontractor availability, economic performance correlation with the firm's current market, typical delivery methods, federal employment opportunities, and corporate presence. Coltivar also performed a Monte Carlo simulation to predict the likelihood of meeting specific revenue, cost, and profitability projections. Following a 20-day area investigation, Coltivar Group confirmed that the firm could grow profitably and strengthen brand presence through the expansion.

Solution

Once the parent company provided consent, the firm had to prepare for the massive organizational transition.

Coltivar provided support through hosting executive discussion sessions, conducting personnel surveys, and adapting the company's current strategy to involve the new branch.

As the company anticipated significant revenue growth in the new year, Coltivar helped standardize processes and policies to mitigate risk of stall out. Updated hiring, performance, and communication policies were established. In addition, Coltivar helped the team develop a system to track strategic progress in the new location.

The strategy provided guidance for managers to ensure that they were on-track for the transitional period. Business development commenced prior to expansion so upon relocation, the company had a strong backlog of work.

In the months leading up to the move, Coltivar and the executive team redesigned the budget, applying relevant expansion benchmarks. The team was

able to make critical hiring and job selection decisions based on the accurate, dynamic forecasts.

Results

Since the move in 2013, the team has experienced revenue growth of 38% and bottom line growth of 65%. It has expanded from 340 employees to 500. Independently, the branches conduct monthly strategy sessions to ensure the company is on track to meet its targets. Coltivar leads an annual strategic retreat for the entire company to discuss common challenges, goals, and direct growth initiatives for the future.

About Coltivar

We are management consultants who help our clients leverage strategy, finance, and innovation to sustain a competitive advantage. We apply our expertise in strategy to help forward-looking companies capture profitable growth. By identifying strong processes, we enable organizations to employ repeatable steps to create value. We believe that a great business strengthens the people within it and the community where it operates.

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