

# Costs reduced by 53% year on year.



Boxwood transformed Trader Media's publishing arm by designing and implementing a new operating model that maximised its profitability in the short term and accelerated its transition to an online-only business.

#### Summary

When a traditional publishing business with sales declining at a rate of 26% per year met the biggest recession since the 1920's, radical measures were called for. Although TMG were managing the migration to online well, there were issues and inefficiencies in its traditional publishing business which meant that unless costs could be radically reduced, its future was under real threat. A joint Boxwood / TMG team developed and delivered a comprehensive plan which not only ensured the survival of the publishing business, it also fundamentally transformed it. Twelve regional centres were reorganised into three, titles were merged and the core process was changed in just fifteen weeks. Costs were reduced by 53% year on year - with no loss of revenue through the transition. Nine months after project completion, revenue and EBIT had increased by 20%.

**“The publishing business has gone from strength to strength - we are driving growth into markets that people were only too ready to write off. We have come a very long way in a very short period of time.”**

David McMinn, Managing Director

#### What we found

Whilst still profitable, TMG's magazine publishing arm was fighting for survival. The structural shift from print to online had accelerated, while car sales, and in turn advertising demand, were plummeting in response to the global recession.

TMG had entered the online space early, and was well-advanced in transforming itself from a print to a digital business. However, the majority of management time and effort was being spent on the publishing business. Manual processes and duplication of functions across regions had created ongoing issues and inefficiencies. Unless costs could be radically reduced, the publishing business was under real threat.

#### What we did

The initial focus was to understand the key issues at play, and agree a clear direction for the business. The team achieved this by interviewing and engaging over 130 people. This ensured an ownership of the programme - a key element which had been lacking in previous initiatives.

A radical and comprehensive transformation plan centred on a major reorganisation. Twelve regional offices were reduced to three. Twelve regional publications were reduced to nine by merging stronger titles with weaker ones to protect revenue. Fundamental changes were made to core

processes to ensure that customers moved from the periphery to the very centre of the business.

The transition was meticulously planned and executed. Office and title mergers were phased, allowing the team to learn and improve the process along the way. Just fifteen weeks after the announcement, the transformation was complete.

#### What we achieved

Costs were reduced by 53% year on year - with no loss of revenue through the transition.

The project turned around the client's poor record of delivering change, built the business' ability to execute and created the confidence that future initiatives could be successfully delivered.

Nine months after project completion, revenue and EBIT had increased by 20%.

As a testimony to its success, the programme won an MCA award.