

Transforming a proud legacy into a sustainable future at Arco.



Boxwood was engaged to help Arco develop a new, more compelling and more relevant customer value proposition – and a new operating model to deliver it.

Summary

Arco is a long-established leader in the workplace safety market – but their market was changing rapidly. Fierce competition from new players, rising cost pressures and changing customer expectations had seen growth decline significantly. Boxwood worked with the business to help them understand what was really important to customers, and what was stopping Arco from delivering it. They helped Arco implement a new, more relevant customer value proposition and operating model. The results saw **operating profit grow 32%**, **customer satisfaction reach highest – ever levels** and **colleague engagement scores rise dramatically** – helping Arco transform its proud legacy into a sustainable future

“Boxwood were much more than consultants. They were partners who invested time to really understand our business and they shared our ambitions for all our stakeholders - our people, our customers, and our community - and were every bit as committed as we were to achieving them. Their commitment and focus helped us through some very big, and sometimes very difficult, decisions - and enabled us to create the foundation for a lasting legacy.”

Thomas Martin, Joint Managing Director
(and family member)

What we found

With a reputation for high quality products, Arco had built a record of success over a long period. But the business had reached a critical turning point. In the face of fierce competition from new rivals (including some major online players offering new and different propositions), and increasing cost pressures, Arco's rate of growth had declined significantly. Market research also showed that in most of the attributes customers valued most, Arco rated Arco below their competitors – in some cases, significantly below. The market was changing fundamentally, and Arco had to change with it - or face an increasingly uncertain future.

What we did

Boxwood was engaged to help Arco develop a new, more compelling and more relevant customer value proposition – and a new operating model to deliver it.

The first step was to help Arco gain clarity on what customers really valued - and what was stopping them from delivering it. Working as part of a joint project team, Boxwood led an intensive analysis phase. The findings from this work challenged many commonly-held assumptions about how the business currently operated – and how well it was really meeting customers' needs. They also helped to create a new mind-set in the business, stripping away the complacency that had developed over time – and making it clear that doing nothing was no longer an

option. A new and more relevant customer value proposition was developed – but delivering it would require new ways of working across many part of the business. A series of projects were prioritised into an integrated programme of change.

Boxwood put in place a rigorous change and programme management framework, and coached, mentored and supported Arco's staff throughout the process. This not only ensured the success of the programme but also gave Arco the skills and expertise to establish and manage future change initiatives. Boxwood also worked extensively with the Board and senior executives to help them through a number of difficult decisions – decisions which ultimately ensured successful long-term outcomes for all Arco's stakeholders.

What we achieved

Immediately following the programme's implementation, Arco recorded its best ever annual results. Operating profit grew by 32%, customer satisfaction reached its highest levels ever and colleague engagement scores rose dramatically. Arco has reversed the decline and is now well on target to double the size of the business by 2025. Perhaps most importantly, Boxwood helped build an enduring capability within Arco to adapt and change - ensuring a bright and sustainable future.