

## Case Study: Strategic Marketing for Maliban Biscuit Manufacturers

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### Objective

Maliban's volume had been declining for 3 consecutive years since the year 2000 in the light of a highly competitive market. The challenge was to understand the market dynamics and **to develop a short term plan** which would enable us to **quickly turn around the business**.

### Outcome

In the year 2003/04, the Company recorded an increase in volume of 10% and in the year 2004/05 an increase of 13% which was the highest ever revenue and volume in the history of the Company.

### Approach

STING Consultants carried out a complete analysis of the biscuit market based on available information and arrived at a 3- pronged strategy which was implemented by the newly installed management team.

Mr. Keerthi Adasuriya, CEO said, "when I joined the Company in March 2003, I realized that unless we moved fast and acted decisively that the long term viability of the Company was at risk. I needed someone from outside of the company to take a good hard critical look and recommend plans which would result in a rapid turn around of the business. So, I turned to STING Consultants. Their brief was to understand the market dynamics and to propose a short term plan which would enable us to quickly turn to growth".

"STING Consultants' 3 pronged short term plan included cutting back on all existing advertising and promotions, focusing on operations / distribution and revamping the Maliban brand. We were not only able to save significant sums allocated to advertising, but we were able to grow the business back through this focus" continued Adasuriya.

The Company was fortunate to be able to recruit some top quality professionals who helped take the short term plan forward. They were also instrumental in streamlining the company operations and systems which reduced a huge amount of unnecessary overhead costs by avoiding double handling in the stores for example, systems which monitored the cash flows and timely information on which management decisions could be quickly taken.

"All of this resulted in the declining volumes being slowly erased away and then in 6 months we finally achieved a growth in volume versus the previous year. This was indeed a remarkable achievement by the whole team" added Mr. Adasuriya.

Mr. Ruchi Gunewardene attributes the reason for the business turn around to the cooperation received from the Board of Directors and the management who fully aligned themselves with the short term strategy.

Following the growth momentum in the 6 months, the company was able to consolidate on its performance, which resulted in improving the P&L as well.

This led to the implementation of a company wide business plan for the year 2004/05 which involved workshops amongst all the departments to ensure there was integration across the entire company. The business plan forecasted a volume growth of 13% which was finally achieved at the conclusion of the financial year.

STING Consultants concluded their assignment with Maliban in December of 2004.



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### Maliban achieves highest ever turnover in the history of the Company

The year 2004/05 was the 50<sup>th</sup> anniversary of Maliban Biscuit Manufactories. And what better way to celebrate that event than through recording the highest ever revenue and volume in the history of the Company.

The turn around at Maliban began with the infusion of new management in March 2003. The Board of Directors took a really hard look and brought in a CEO with extensive multinational experience in Mr. Keerthi Adasuriya, who was involved in the turn around at the local Coca-Cola bottling company, Coca-Cola Beverages Ltd.

The Company recorded a volume of over 22,000 m tons which was the highest ever recorded in the history of the company. What was remarkable about this achievement was that it completed the businesses revival of the company in 2 years. Maliban's volume had been declining for 3 consecutive years since the year 2000 in the light of a highly competitive market. Then through an aggressive turn around plan in 2003/04 the Company achieved a growth of 10% which was followed by a growth of 13% in the just concluded financial year 2004/05.

"When I went into the Company in March 2003, I realized that unless we moved fast and acted decisively that the long term viability of the Company was at risk. I needed someone from outside of the company to take a good hard critical look and who could recommend plans which would result in growing our business. So, I turned to STING Consultants. Their brief was to understand the market dynamics and to propose a short term plan which would enable us to quickly turn around the business" said Mr. Adasuriya. "We then started recruiting a solid professional management team which we put into place. This included the recruitment of a Marketing Manager, a Financial Manager, and IT Manger and from within the Company we promoted an HR Manager"

"Meanwhile, STING Consultants were who were working on a short term plan proposed a set of actions which we quickly implemented. This included the withdrawal of all our advertising which saved over Rs. 50 million in the first 6 months, comprehensive brand plans focused behind the core contributors of the business and refocusing our efforts behind improving the operational marketing capabilities of the organization" continued Adasuriya.

The Company was fortunate to be able to recruit some top quality professionals which it put into place who helped in the implementation of the short term plan which was currently already underway. They were also instrumental in streamlining the company operations and systems which reduced a huge amount of unnecessary overhead costs by avoiding double handling in the stores for example, systems which monitored the cash flows and information on which management decisions could be quickly taken.

"All of this resulted in the declining volumes being slowly erased away and then in 6 months we finally achieved a growth in volume versus the previous year. This was indeed a remarkable achievement by the whole team" added Mr. Adasuriya.

Mr. Adasuriya attributes the reason for the business turn around to the cooperation he received from the Board of Directors who gave him the full authority and support to implement the plans. "They were also instrumental in the change process which was essential if the company was to regain growth" said Mr. Adasuriya. In addition, his newly installed management team provided the momentum to implement those changes and finally the contribution of STING Consultants who helped create the platform for the strategic turn around plan.

The key to regaining the businesses was to ensure volume growth. And once this was achieved the businesses gathered momentum and recorded a 10% growth in volume within the first year 2003/04 itself. A comprehensive company wide business plan was implemented for the year 2004/05 and based on this a growth of 13% was achieved. STING Consultants concluded their assignment with Mailban in December of 2004.

The Chairman A.G.Ratnapala Samaraweera concluded by saying "To be able to achieve such a significant milestone during our 50<sup>th</sup> year celebration is indeed a remarkable achievement. It shows the commitment of our entire team of management, staff and all workers has for the vision of the founding fathers of our company."