

iBOOD – MediaMarkt

Internet's Best Online Offer Daily Digital Integration Project



iBOOD is an on-line daily offer platform where Consumer Electronics, Home & Fashion, Sport & Living and DIY premium A-brand products are sold at enormously discounted prices.

MediaMarkt is Europe largest Consumer Electronics Retailer with 1000 stores throughout continental Europe yet virtually no online presence. In 2015, MediaMarkt acquired iBOOD to increase it's online market-share and at the same time boost iBOOD via higher quality product offerings and deeper supplier relationships.

The Digital Integration of iBOOD into MediaMarkt was unsuccessful despite multiple internal attempts.

"Renoir was instrumental in managing the day to day transformation through and together with our people allowing me to concentrate on other hugely important projects that MediaMarkt is currently involved in, while still being in control at all times."

Barry van Ruiven
CPO MediaMarkt
Board Member MediaMarkt

Key Results

Targeted ROI was 2.3:1
Realized ROI was 6.3:1

Average sales improved by 52%
(from € 79k to €121k)

Average margin increased by 55%
(from €11k to €17k)

The sales proportion changed from
91:9 to 36:64 iBOOD:MediaMarkt

Sales volume growth per offer
increased by 43% from
€6.5k to €9.3k

Scheduling improved from
T-2 days to T-12 days

Content errors reduced from a
weekly average of 43% to 8%

Logistic error reduced from a
weekly average of 38% to 4%

Delivery performance improved
from 76% to 93%

ANALYSIS

The 2-week analysis focused on the procurement processes at both iBOOD and MediaMarkt revealed:

- The iBOOD daily deal-making process was not "fit for purpose", not effective and lacked measurable steps to manage performance.
 - Inconsistent practices and procedures between different verticals.
 - Planning and Control practices were weak, inconsistent, contained erroneous data which led to frequent, time consuming discussions.
 - (Big) data being captured from the systems was flawed and unusable from a planning and performance feedback point of view.
 - Tools for effective planning, scheduling and follow up only existed on monthly basis which resulted in results being realized by luck instead of by design.
 - Skills competencies and capabilities were not formally assessed.
 - 93% of all daily deals were entered in the systems 36 hours before going live, which meant the organization was in a permanent state of chaos, with reoccurring specification errors, last minute changes, high level of customer complaints, poor delivery performance and unnecessary voucher cost to keep clients.
 - At MediaMarkt, we found that the procurement department was completely not set up for "daily deals". Not from a process, planning, execution or governance point of view.
 - Supplier value propositions were unclear where suppliers didn't understand the added value of iBOOD.
 - Cultural differences between an agile (daily deal) organization and a lethargic (annual supplier relationship) company was unmanaged and not understood.
 - Roles and responsibilities as well as accountabilities were undefined.
- All this resulted in 2 organizations working in complete silos where the mutual benefits of the strengths were not embraced.
- This led to reducing sales and margins as well as seriously damaging supplier relationships with negative consequences for both organizations.

World Leaders in Sustainable Change

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TRANSFORMATION

“Renoir realized within 4 months what we have been trying to do over the past 2 years. It isn't rocket science but for 100 different reasons we couldn't stay focussed, the cultures were too far apart and our day to day jobs constantly took priority. Renoir really had a cultural impact.”

Rogier van Egmond
COO iBOOD
Board Member iBOOD

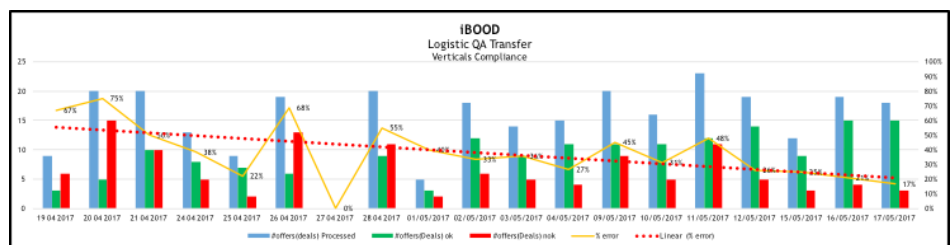
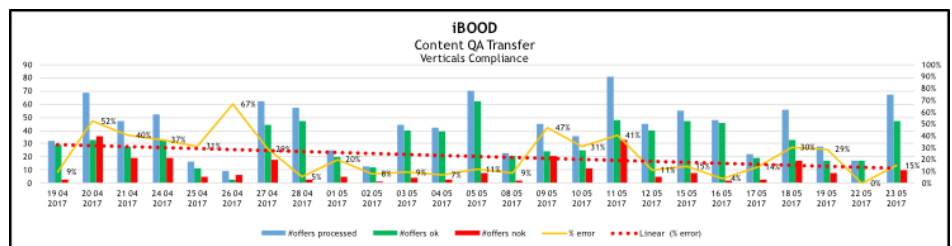
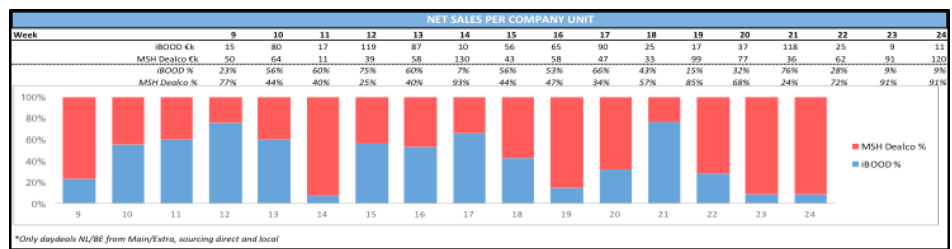
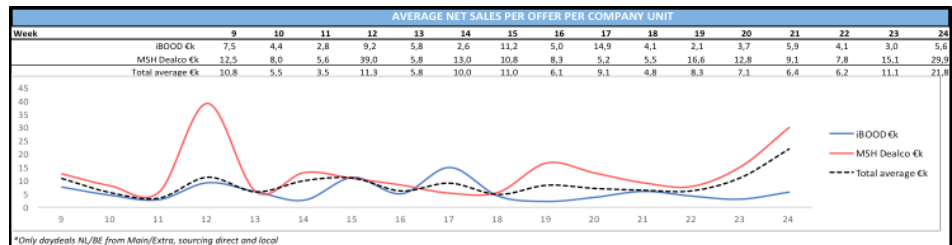
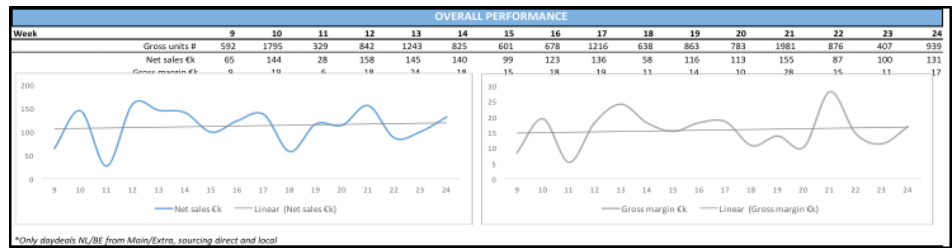
“If this integration would have failed the consequences not only for both organizations, but also for the executive boards would have been catastrophic.”

Stef Pillen
CFO iBOOD
Integration Director
Board Member iBOOD

The project objective was to develop and implement uniform processes, planning, control and execution practices and the formalization of the communication structure across all iBOOD verticals and MediaMarkt business units that allows management an improved visibility, control and predictability of operational and financial performances of all daily deals.

The transformation included:

- Redesign procurement processes with clearly defined process steps.
- Alignment with content and logistics.
- Formation of MediaMarkt DealCo team.
- Formal communication structure.
- Effective value proposition for suppliers.
- Product mix focused frequency planning.
- Growing sales and margin targets per business unit per week.
- New roles and responsibilities.
- New Key Performance Indicators and management dashboards.
- Training and coaching of (mid) management on the basis of Short Interval Control to ensure target attainment and taking corrective actions in a proactive manner to realize overall performance.
- Create understanding to align both cultures.



THE RENOIR GROUP

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