

BCG

THE BOSTON CONSULTING GROUP

Firms & Transformation: Thriving in the 'New Normal'

Dr Bernd Waltermann
Senior Partner & Managing Director



The real economic question is the shape and durability of recovery



Happy days are back again



**Feels like "L" for many
Low growth will challenge
management**



**Endangers the economic
and social environment we
are all used to**

In a slow growth environment...

Competitive intensity rises disproportionately

Pressure increases on costs and profitability

Uncompetitive cost bases do not get rescued by growing with the market

Growing generally means gaining share

Broken business models get exposed

Learning from the Great Depression

Strong Leadership and Focus
Bold moves and decisive action

Defence strategies

- Protect financial fundamentals
- Drive down costs
- Increase flexibility
- Protect revenues
- Retain your best people

Attack strategies

- Invest in Marketing and R&D
- Adapt to changing customer behaviors: portfolio, pricing
- Capitalize on government spend
- Pursue opportunistic M&A , strategic divestments
- Take the fight to your competitors

Reshape the business model (e.g. internationalization)