The financial perspective

Business

The Financial Perspective The Financial Perspective Introduction The steady growth of Saatchi & Saatchi was represented by continuous improvement since its inception in 1970. It grew tremendously incorporating many employees from all over the world, as it continued to open new offices (Greenhalgh, 2004). It continued to grow for very many years, and it was listed as a powerful business enterprise in the LSE (London Stock Exchange). This paper will review the activities of Saatchi & Saatchi, the troubles it experienced in the mid 90’s and the ambitious turnaround strategy and its effects. Around the 1990’s, the company started experiencing very many financial hurdles. The strength of Saatchi & Saatchi was exemplified in the fact that many powerful companies and organizations held shares in the company. The unity of these companies and organizations ensured that the company had a cut above the rest. The issue of conflict of interest among the many organizations was one of the reasons that the company’s success declined. This exerted a lot of internal and external pressure on the management team (Niven, 2010). They adopted new strategies of acquiring new investments to enable the company to stay afloat. This did not work as very many employees were laid off in the preceding years. At this point, the management adopted the financial and customer perspective strategies (Greenhalgh, 2004). The financial perspective strategy was majorly concerned with the reversing of the company’s financial fortunes. This included the attraction of previous partners and their generous contribution to the company. They also ensured that they conducted business that was a huge attraction to the clients that they were serving (Robin, 2010). This meant that all businesses that were not bringing in profits were eradicated from the company’s operations. They also targeted the growth of the revenue base as compared to the market shares that were in the company's possession. This allowed it to have a lot of spare cash to use in many of its operations (Robin, 2010). Analysis The company adopted various strategies that were to champion its come back plan. Each agency had the responsibility of making as much revenue for the organization as the unit could manage. Those agencies and units that were not making enough were either done away with, or merged with other units to reduce duplication of roles and duties. Each unit that was created was expected to lead, drive or to enable the company to prosper (Greenhalgh, 2004). These units were required to either achieve higher margins than what they had. The drive unit and all its agencies were required to ensure that the revenue that they collected was always higher than what was collected previously. Those tasked with the duty of prosperity were required to pick up, and ensure that they were aware of the expectations that people had as they served them. These were the offices that were located in regions that, despite the expectations, they were not bringing in as much profit (Niven, 2010). The company also realized that the love of the clients would translate into profits for the organization. The term (PIC) which meant Permanently Infatuated Clients was coined to refer to all the clients that held on to Saatchi & Saatchi even when the financial fortunes of the company had dropped drastically. The annual figures collected showed that a huge percent of the revenue collected came from the PIC's (Greenhalgh, 2004). The company made a choice to ensure customer satisfaction regardless of where they were. The innovation and creation of big ideas was also another responsibility that rested on the shoulders of the employees. The ideas were to attract and retain all the company's clients at all times. Conclusion What can be observed is that the financial strategies were very sensible. They looked at the current state of things, and worked towards changing the negative fortunes of the company. This was through the adoption of strategies that worked best for the company, the management team, employees and all the clients. The acquisition of the company by Publicis Groupe SA drastically changed the outcome of the BSC (Greenhalgh, 2004). This was because they looked at the existing situation and the choices that the previous management team had made. It then built clear cut strategies that were aimed at reversing the current negative outcomes of the company. The unity of the merger of the two different mindsets went a long way to work in harmony for the improvement of the company and its finances. This unity was clear even to both actual and potential clients. This went a long way in encouraging them to spend a lot of their finances when investing in the company. This continued to raise and improve the company’s revenue in the coming years. Evaluation Each and every company aims at ensuring that the clients that they deal with mesh and gel with their financial perspectives. This is a strategy that if well coordinated, could lead to the financial growth of any company as well as the retention of many of their clients at all levels. As for Saatchi & Saatchi, the coming together of two perspectives has a huge positive impact on the company. This was because they company concentrated on the two areas that would revamp the company to its former glory (Greenhalgh, 2004). It was well organized, and it had realistic and a carefully crafted implementation strategy at each and every step. This was the main reason as to why it was very possible for the company to revive itself from the self destructive path it had taken in the 1990’s. References

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