

CASE STUDIES

Digital Due Diligence in German Cosmetics Company

The Initial Situation

- The IT director envisioned a budget of 600k euros post-acquisition
- The analysis revealed the use of obsolete telephony technology causing high costs
- The server infrastructure had security vulnerabilities

The Insights

- A thorough examination showed that costs could be reduced by 40% while also improving the quality and efficiency of the IT infrastructure
- Costs were grouped by cost area and impact revealing which departments or services were main cost drivers

Practical Steps Applied

- Technology upgrade and documentation
- A systematic training program was introduced for the staff. This ensured that the employees could adapt quickly to the new systems, reducing downtimes and improving productivity

The Problem

- Costs could be significantly reduced by updating technology
- IT security was a looming threat to the company's operations and reputation. Previous incident deleted all company drives when hacker sent malicious attachment
- The due diligence for the eventual resale by the Private Equity firm was complicated by undocumented IT landscape

The Solutions

- Proposed new telephony technology reduced annual costs
- Upgraded and fortified server infrastructure against security breaches
- Working closely with the IT director, a new and efficient IT concept was developed that all parties were happy with
- The IT landscape was meticulously documented to aid future sale processes and integration checks

The Result

- The proposed changes reduced the IT budget to 350k euros. Not only was the IT director satisfied with the new investments, but the company also stood to benefit from enhanced security and better performance
- The documentation simplified potential future sales and integration checks for the Private Equity firm

Specification

Industry	Consumer Goods
Company size	300 employees
Department	IT
Solution	Comprehensive IT and security upgrades
Outcome	Savings of 40% of annual IT budget
Impact	Streamlined operations, enhanced security, and eased future sale and integration checks for owner fund

Location





Local Logistics Service Provider in South Germany

The Initial Situation

- Despite available software tools for route optimization and LLMs, the service provider was simply not using them
- An inundation of data from different departments led to inefficiencies and missed opportunities
- Collaboration between IT and other departments was direct but not always focused

The Insights

- Although there was direct access to IT, the lack of clearly defined requirements and goals led to less effective digitization
- There was a reliance on external systems, but without a central data warehouse architecture
- Some manual processes could be improved through automation.

Practical Steps Applied

- Training executives to drive digital transformation
- Finding technologies that support the redefined strategy
- Implementing new business models that reposition the logistics provider in the digital economy
- Introduce comprehensive training for all departments to understand the value of digital transformation

The Problem

- There was a lack of dashboards and data mining to make informed decisions
- IT was involved in all business areas except accounting, but integration was not optimal
- There was a tendency to digitize processes without real thought to true transformation

The Solutions

- Introduce data dashboards to monitor costs and sales per vehicle
- Automate the flow of information between accounting and management
- Implement a central DWH that is connected to source systems

The Result

- The use of data analytics and route optimization software made the entire logistics process more efficient
- Improved data quality and control led to better decision-making processes
- Repositioning as a digital innovator led to greater internal efficiency

Specification

Industry	Logistics
Company size	50-100 employees
Department	Management
Solution	Digital Analytics
Outcome	Repositioning of logistics service provider as a digital innovator
Impact	Optimization of routes and increase of internal efficiency

Location



CASE STUDIES



Identifying Fraud in South African Entity with OSINT

The Initial Situation

- The South African entity of a global logistics company suspected fraud among its top management
- Rumours hinted at betrayals that were causing financial discrepancies
- The board sought insights into the situation, suspecting possible internal corruption

The Insights

- OSINT technologies unveiled that four top managers founded a separate company, placing their wives and daughters as beneficiaries.
- These managers, while still in influential roles at the logistics company, manipulated contracts to benefit their new company

Practical Steps Applied

- Deployed OSINT technologies to sift through vast amounts of data and documents
- Monitored the newly-founded company's transactions and cross-referenced them with the logistics company's records

The Problem

- The company faced potential financial losses due to fraudulent activities
- Illegal activities threatened to tarnish the company's reputation and breach regulatory protocols
- A lack of transparency and communication from top management raised suspicions

The Solutions

- The use of advanced OSINT technologies facilitated the rapid processing of massive document volumes
- In-depth investigations provided a clear picture of the beneficiaries and the extent of the fraud
- Collaborative efforts with legal experts ensured a thorough understanding of the breached regulations and appropriate legal recourse

The Result

- The fraudulent top management members were identified and subsequently replaced
- Legal action was initiated against those involved in the scam
- The company's financial health improved, and its reputation was salvaged

Specification

Industry	Logistics
Company size	> 10,000 employees
Department	Management
Solution	Use of new technologies
Outcome	Fraud Disclosure
Impact	A more transparent, ethical, and profitable business environment was restored in the South African branch

Location



CASE STUDIES

Leveraging AI to Structure Financial Data

The Initial Situation

- The company is a private equity fund that invests in German healthcare and hospitals
- When screening companies to invest in, financials were downloaded on an individual basis and often longlisted companies were discarded because of their size or financial stability, making it a long and effortful process

The Insights

- A public registry keeps record of all healthcare and hospital companies, making it easy to get company names of all potential investment candidates
- Most public companies had to report their financial data in a public ledger of the German company register
- The data was in an unstructured format, since every company can have a different layout for their reporting

Practical Steps Applied

- Downloaded the financial data on every private healthcare company from the public ledger
- Developed a Proof of Concept (PoC) using OpenAI's API for structuring the data into a common format to be able to cluster companies regarding their financial key indicators
- Built a Database from all records to be able to manage and update data with the latest results

The Problem

- The private equity fund had a small pipeline of potential deals, because the initial screening phase took so long
- Analysts were frustrated by the time-consuming job with little success of the process
- Since mainly private companies were screened, there was no software provider offering financial data at scale

The Solutions

- The financial Data can be downloaded using a cheap tool that returns it in an unstructured Excel format
- Using the approach of classifying the unstructured data with OpenAI's API into a common format would make it possible to compare among companies

The Result

- Significant reduction in the time spent analysing financial data to find good fits for investment
- Possibility of gaining deep insights into key indicators of companies without having to dive deep into analysis on each of them
- Competitive advantage compared to other private equity funds that work traditionally

Specification

Industry	Private Equity
Company size	~200 employees
Department	Investment Screening
Solution	Financial Data Gathering and Processing using AI
Outcome	Structured Financial Data on potential Investments
Impact	Knowledge-Database on all potential Investment Candidates for Pre-Screening

Location



CASE STUDIES



AI-Driven Talent Pre-Classification for Headhunter Co.

The Initial Situation

- The company employed several staff members to manually classify CVs based on experience
- The classification process involved filtering for specific skill sets, such as managers with experience in restructuring and the automotive industry
- The manual process was time-consuming and inefficient

The Insights

- Leveraging the OpenAI API and the GPT-4 model, an automated proof of concept was created for talent classification
- The AI system could quickly process and categorize CVs, reducing the need for manual checks

Practical Steps Applied

- Integrated the OpenAI API with the company's database to automate talent classification
- Utilized web-crawlers to gather relevant salary information to better match talents with company expectations
- Trained staff on the new system, ensuring seamless transition and implementation

The Problem

- The recruitment company wanted to automate the classification of potential talents for better efficiency
- They sought to reduce the costs associated with manual classification and increase the speed of building a comprehensive manager database
- There was no out-of-the-box software solution for this issue

The Solutions

- Developed a Proof of Concept (PoC) using OpenAI's API for pre-classifying potential talents
- Incorporated web-crawlers for automatically checking salary and hourly rate expectations for various company positions

The Result

- The company saw a significant reduction in the time spent on processing CVs as well as talent acquisition cost
- The database of managers with specific skill sets grew exponentially
- With the new automated system, the company could focus more on project acquisition rather than manual talent classification

Specification

Industry	Staffing Services
Company size	50-100 employees
Department	Talent Acquisition
Solution	AI-driven Talent Pre-Classification and Salary Expectation Checks
Outcome	CV processing time reduction, talent database
Impact	Increased efficiency in talent acquisition, and enhanced focus on core business objectives

Location



CASE STUDIES

Internal Process Automation (within two weeks)

The Initial Situation

- Accounting team inundated with paper-based and digital invoices, leading to overwhelming processing volumes
- Fines incurred for late payments due to slow manual handling of incoming invoices
- An inefficient distribution of documents received by post, with the need for manual sorting and internal delegation

The Insights

- The company worked in the Microsoft environment. Therefore, Power Automate capabilities were considered within the company's existing email and file transfer systems
- Potential for automation extended beyond invoice handling to HR processes, indicating a company-wide application

Practical Steps Applied

- Built multiple automated flows to identify and categorize invoices; content saved to a new central invoicing database
- Set up a scanning system by partnering with the German Post; letters OCR'd, classified, and automatically distributed
- Created an internal database for consultant evaluation based on their feedback history, automating HR follow-ups and analysis

The Problem

- The company needed a solution for the rapid identification, tagging, and appropriate distribution of documents to alleviate the burden on the accounting team
- Existing manual procedures for internal document management were inadequate, with no immediate off-the-shelf software solutions available

The Solutions

- Custom automation flows, leveraging AI document readers and the OpenAI API for intelligent document classification
- Automated notification in Microsoft Teams to prompt employee feedback, reducing HR team's follow-up workload
- Transformation of paper-based letter receipt into OCR-digital document inflow via SFTP distributing mail to relevant party

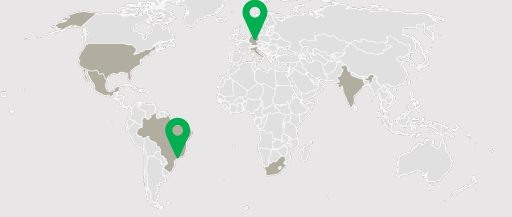
The Result

- Automation marked each email with appropriate tags (invoice, management information, HR), significantly cutting down on manual document processing and distribution time
- Accounting teams freed from routine tasks are now focused on crucial financial activities, mitigating the risk of late payments and associated fines
- HR processes streamlined with automated feedback reminders, fostering a culture of timely assessments without burdening HR personnel

Specification

Industry	Consulting
Company size	~50 employees
Department	Finance
Solution	Comprehensive AI-Powered Automation of Internal Processes
Outcome	Document classification and distribution
Impact	Increased operational efficiency across multiple departments, significant time and financial savings

Location



The Digital Transformation Roadmap (DRX)

DRX Roadmap Steps	Key Concepts
<p>VISION</p>  <p>1. Define a Shared Vision</p>	<ul style="list-style-type: none">• Future Landscape• Right to Win• North Star Impact• Business Theory
<p>PRIORITIES</p>  <p>2. Pick Problems that Matter Most</p>	<ul style="list-style-type: none">• Problem/Opportunity Statement• P/O Matrix• Venture Backlog
<p>EXPERIMENTS</p>  <p>3. Validate New Ventures</p>	<ul style="list-style-type: none">• 4 Stages of Validation• Rogers Growth Navigator• Illustrative vs. Functional MVPs
<p>GOVERNANCE</p>  <p>4. Manage Growth at Scale</p>	<ul style="list-style-type: none">• Teams & Boards• Iterative Funding Process• 3 Paths to Growth• Corporate Innovation Stack
<p>CAPABILITIES</p>  <p>5. Grow Tech, Talent, and Culture</p>	<ul style="list-style-type: none">• Tech & Talent Map• Modular Architecture• Culture-Process Map

Source: The David Rogers Group 2024

