



Strategic advice



Giving good advice means turning powerful analysis into straight, clear, actionable answers.

Our advice helps clients to make better commercial and policy decisions, or to put their best case in regulatory proceedings.

Our approach is defined by economics. We blend this with innovative thinking, quantitative techniques, financial modelling and sector expertise – as well as the common sense that comes from wide experience of the needs of major companies and public policy-makers.

Economics helps us to home in fast on market dynamics – the behaviour of customers and competitors. It helps us frame powerful regulatory arguments and design robust strategies.

That's how we've built our reputation...
... by focusing absolutely on what matters most to our clients;
... by pinpointing the most important questions;
... by rigorously testing our results;
... and then giving the answers to our clients clearly and honestly.

- Energy ●
- Financial services ●
- Healthcare ●
- Media ●
- Post ●
- Retailing ●
- Telecoms ●
- Transport ●
- Water ●
- Competition policy ●
- Public policy ●
- Regulation ●
- Strategy ●
- Contract design and evaluation ●
- Dispute support services ●
- Market design and auctions ●



Economic analysis, corporate action

Our strategic advice is based on the same skills that have made our reputation as competition economists:

The ability to identify the drivers of profitability and analyse market dynamics.

We use these skills to help our clients address the major issues facing their businesses:

- setting pricing and procurement strategies;
- deciding on market entry and exit;
- anticipating customer and competitor behaviour; and
- responding to regulatory challenge.

No gimmicks, no management fads.

Just economic analysis leading to corporate action.

We work with clients in many different ways:

- undertaking and managing comprehensive reviews of strategy;
- testing corporate wisdom on the drivers of business performance;
- improving management information and an organisation's ability to learn; and
- embedding evidence-based decision-making.

This brochure describes some of the ways in which we use analytical economics, game theory, financial modelling, econometrics, statistical techniques and above all the experience of working with some of Britain's top management teams to help corporate clients build a culture based on insight and a strategy driven by evidence.



What makes us different?

Economics enables us to look systematically at the interaction of customer behaviour, costs and the economic environment.

By understanding these relationships we can:

- work out what really drives performance;
- anticipate market evolution; and
- give our clients an edge in choosing competitive strategies that are profitable and sustainable.

An important economic insight is that:

Value is most often found where there is scarcity in the value chain.

Our expertise is in locating that scarcity, knowing how best to exploit it, and so unlocking value creation.

In working with some of Europe's leading businesses, we have developed the ability to target key issues, prioritise actions and support their implementation. This means that:

Our advice is always tailored to our clients' specific needs.

Some of the ways in which we help our clients are listed below - and described in what follows.

- Exploiting the economic model
- Understanding customer behaviour
- Analysing supply and procurement strategy
- Anticipating competitor strategies
- Designing regulatory strategies
- Achieving strategic insights from financial data
- Testing innovation propositions



Exploiting the economic model

At the heart of every successful business is a strong economic model.

Businesses that understand how their economic model works can extract the most value from the marketplace.

We help them to understand which activities truly generate value, and so why some commercial strategies are more successful than others.

A shared understanding of the economic model is the glue that holds successful organisations together. It provides the framework for information analysis and management decision-making. It underpins proposition design, procurement strategies and HR policies.

Typical questions that our clients ask include:

- “Should we focus on revenue or costs?”
- “How can we roll out our business model to other markets?”
- “Which parts of the company really make money, and which could we live without?”
- “Can we get more value from this business?”
- “How can we stay ahead of new low-cost competitors?”
- “Why can’t we change the way our customers shop?”



Understanding customer behaviour

Economics provides powerful tools for the analysis of demand: how customers respond to changes in price, quality and the nature of competing products, as well as to changes their own circumstances.

Frontier combines econometric techniques with statistical expertise to deliver customer insights that will really drive value.

What makes customers switch or stick? Which are price-sensitive, and why? When is it worth investing in customer acquisition, and when not?

We draw on our experience of having worked with leading companies in every major retail market to help clients develop customer strategies that maximise long-term value.

We help clients develop a competitive advantage by embedding an understanding of customer behaviour in management systems, and ensuring decision-makers know the right “levers” to pull.

Typical questions that our clients ask include:

- “What’s the best way to segment our customer base?”
- “How do we become more customer-focused?”
- “How can we increase footfall?”
- “How do we improve customer loyalty?”



Analysing supply and procurement strategy

How a business buys can make just as much difference to the bottom line as how it sells.

We help companies make the most of their position in the supply chain.

Key to this challenge is an understanding of the nature of competition in upstream markets.

This economic insight provides the basis for an assessment of sourcing opportunities and bargaining power. It should inform both tactical and strategic procurement decisions.

We help clients to put this knowledge to work in supply chain strategies. To improve these, we provide help in designing procurement cost models, advice on setting up auctions, and support on contract design.

Typical questions that our clients ask include:

- “How can we tell if our suppliers’ cost-price increases are justified?”
- “Should we outsource distribution?”
- “Should we integrate upwards into manufacturing?”
- “How can we improve our bargaining power?”
- “Are we paying too much for specialised components?”



Anticipating competitor strategies

Commercial success can depend as much on what your rivals do as on what your customers, suppliers and you yourself do.

Leading-edge techniques developed by competition economists provide invaluable insights into the likely behaviour of other players in the same market.

We help clients to understand their competitors better, by assessing their economic models, identifying their relative strengths and weaknesses, and setting up simple processes that embed knowledge of their past behaviour in future decision-making.

How did competitors respond to past investment and expansion programmes, pricing, advertising or product innovation?

We use the tools of economics, game theory, finance and statistical techniques to design competitive strategies.

And our experience ranges from heavy industry to fast-changing markets for consumer goods and business services.

Typical questions that our clients ask include:

- “Do we need to match our competitors’ price cuts?”
- “How will our main competitor react if we enter another of its markets?”
- “What’s the most efficient way of monitoring competitors’ day-to-day activities?”
- “How do we best defend against a competitor’s cost advantage?”



Designing regulatory strategies

For many businesses, regulation is a serious constraint on commercial decision-making. Uncertainty over future regulation can also complicate the economic model. And all businesses with high market shares have to keep an eye on competition authorities.

Our wide experience in advising businesses before economic regulators equips us to design robust regulatory strategies.

We help clients to minimise regulatory risks, manage them commercially and look for competitive advantage in regulatory change.

Frontier is one of Europe's leading advisers on regulation and competition. We have worked for both regulators and regulated businesses in energy, water, telecoms and transport – and in UK, German and EU competition cases affecting almost every sector of the economy.

Our reputation is based on helping clients to find their way through complex economic regulatory processes and arguing their cases persuasively.

We also help our clients build regulatory risk scenarios and look for opportunities to improve relative positioning. And we have helped them to develop the right internal capability.

Typical questions that our clients ask include:

- “How do we factor competition policy risk into our acquisition strategy?”
- “How do we price to improve margin and still comply with the regulator?”
- How will deregulation change the competitive dynamics in our market?”
- “Can we make sure that regulation hurts us less than our competitors?”
- “How do we handle a more interventionist regulator?”



Achieving strategic insights from financial data

In many businesses, management information is plentiful but disconnected from strategic analysis. Companies often measure what they don't need, and fail to collect data on what they do.

We help clients reconnect management information with economic analysis of the value chain.

By structuring financial and operational information around the economic model, we help clients to create a clear line of sight from decisions to results.

We use a mixture of economics and finance techniques, along with analytical modelling and statistical analysis, to develop practical tools and clear performance indicators.

A tailor-made approach, clear presentation of the output and coaching in its use improves management information and decision-making.

Typical questions that our clients ask include:

- "Where are we creating most value within the business?"
- "Can we improve the way we hedge risks?"
- "What is the best way of improving our business planning process?"
- "How can we improve our KPIs?"
- "How much management information do we really need to look at each week?"



Testing innovation propositions

Tastes and needs alter. Customers want something new. Technology transforms processes. New markets open. Policy-makers shift their focus.

Successful organisations are those that can systematically anticipate, select and respond to changes.

By testing the impact of innovations on the economic model, we help businesses to identify the most important, and build strategy upon them.

By connecting the analysis of new markets with the drivers of the business, we help businesses take better decisions on market entry.

We use economic insights on customers, competitors and markets to create a more structured innovation process, where learning and experimentation are used to maximum advantage.

Using the tools of economics, finance and statistical analysis, we facilitate innovation workshops, help clients to prioritise new ideas, identify relevant hypotheses and devise experiments to test them.

Typical questions that our clients ask include:

- “How do we streamline our development process?”
- “What is the best way to roll out our new pricing structure?”
- “Can we put ‘early warning indicators’ into our new product business plans?”
- “Is this the right time to launch a new sub-brand?”



What our clients think

Frontier's strategy practice has advised the senior management of some of Europe's most successful businesses. Here's what some of our clients have said:

"Frontier are great to work with – intelligent, creative, honest and sensitive to customers' wishes."

Board Director, Tesco

"Frontier promised to help us change the way we think about our business – and you certainly did! A highly competent team, offering a fresh approach to business strategy, based on a sound economics background. And in addition – great people to work with. Thank you!"

Director of Strategy, easyJet

"Your approach is both different and highly valued. Above everything, your use of first principles brought a clarity of thought, rigour and robustness that we appreciated. Similarly, your focus on what matters (rather than wasting time on facts that no-one ever needed) cut through the morass of unnecessary activities and meant that your outputs were simple: what we want to achieve, what's needed to achieve it, and how we achieve it."

Commercial Director, Kingfisher

"Your help enabled us to see our own business through a different lens and brought insight and rigour to our thinking and to our approach. A highly value adding and enjoyable relationship has been built."

Board Director, Comet



Our practice leaders

Simon Gaysford

Simon is a founder member of Frontier and leads the Strategy Practice. His work integrates business economics with financial and statistical techniques, to assist clients with competitive and corporate strategy. He has worked in a wide range of industries, advising clients on issues such as proposition design, using customer insight to improve decision-making, market entry strategies and the evaluation of competitive advantage.

Simon Trussler

Simon has extensive expertise in helping clients to develop financial analysis and insights to identify practical value opportunities and take advantage of them. His experience includes helping clients to undertake financial appraisals, value-based management / economic profit measurement, reorganising and improving financial MI, customer lifetime value analysis, and statistical analysis of financial data.

Phil Maggs

Phil has worked in many different industries, advising clients on issues such as the use of root cause analysis to understand business performance, improving management information, using customer insight to improve decision-making, and the evaluation of competitive advantage.

Other staff

In addition to these three principal members of the practice, Frontier's flexible structure provides us with a pool of resources to draw on. All Frontier consultants have a technical background in economics, with a Masters qualification being a minimum, and many have specialisms in related disciplines such as finance, accounting and statistical analysis. Our industry specialists in areas such as telecoms, energy and transport work across issues of competition, regulation and commercial strategy. And we also draw on a number of special advisers including leading academics, former regulators and leading commercial figures.



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