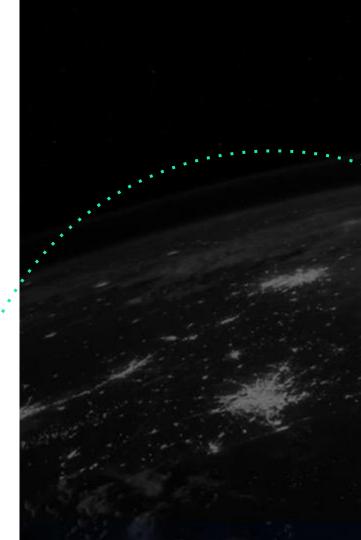


**BUSINESS CASE** 

# PowerPeel and Plug Berry: The Post-Merger Operation Strategy

Operation Strategies - Cohort A Team 16

Arnaud Val Serra Julie Segui Tika d'Hallewin Noè Mazzola Saket Palaskar



## **Approach**

## **OBJECTIVES**

- Expand PowerPeel's operations into the B2C market for EV charging solutions by leveraging the Plug Berry acquisition.
- Develop synergies between renewable energy provision and EV charging infrastructure.
- Enhance operational efficiency, team cohesion, and determine the procurement strategy.

## **DELIVERABLES**

Design an organizational structure to support both B2B (Plug Berry) and B2C (PowerPeel) operations and allocate resources effectively to meet new operational demands.

Create a 12-24 month roadmap for synergy realization, focusing on phased integration and operational streamlining.

Analyze how the merger aligns with PowerPeel's strategic objectives and explore emerging opportunities.

Procurement model that optimizes operational performance, considering the differences between PowerPeel (internalization) and Plug Berry (outsourcing).

**05.** Establish KPIs to monitor key performance areas: cost, quality, flexibility, and delivery.

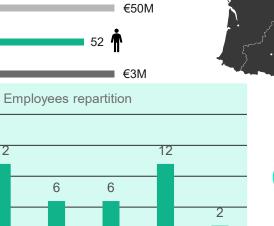
## Context of the merger

## **PowerPeel**

## A renewable energy provider (B2C)

· Core competencies: Renewable energy supply, excellent customer services, operational excellence.

Revenue €50M **Employees** Payroll costs



RH

6

Finance

Customer

Service

Marketing



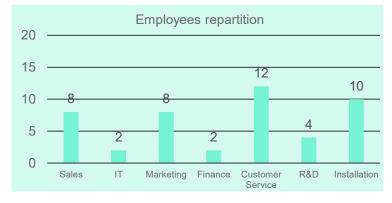
**VS** 

## **Plug Berry**

### An electric vehicle charging company (B2B)

Core competencies: EV charger installation for municipalities and private enterprises.







Sales

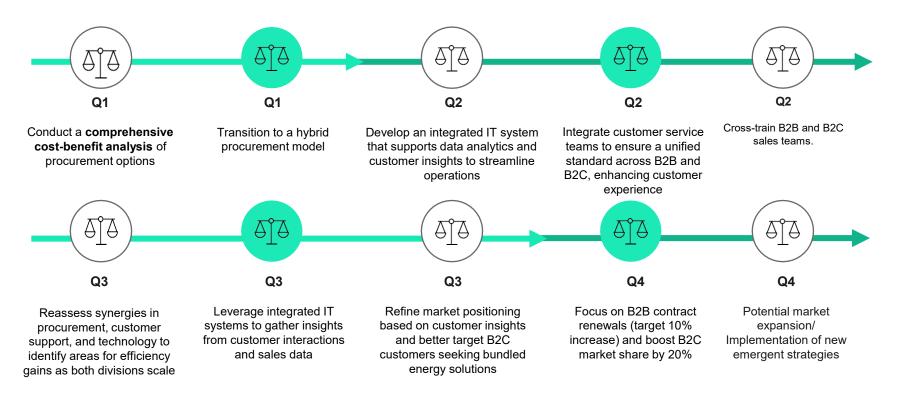
10

#### **New Organizational Structure** CEO **B2C Solutions B2B Solutions** Overall strategic direction 1 Head of B2C (New Position 1 Head of B2B (PB) 8 PP, 1 new hire All PB Sales 9 Sales 14 2 new hires, 6 PP, 6 PB **Customer Service Customer Service** 12 14 6 PB. 6 PP Technical/Installation 2 new hire, 2PB Engineering, R&D 12 All PB and installations **Shared Services**

# Product Dev & Marketing 14 6 PP, 8 PB Finance & Procurement 8 6 PP + 2 PB HR 2 From PowerPeel IT & Data Science 14 12 PP + 2 PB



## **Operational Strategy and Synergies**



## **Strategic Alignment**

WORKSTREAM	STATUS	KEY ACHIEVEMENTS	CHALLENGES	NEXT STEPS
Strategic Expansion into the Electric Vehicle Market	••000	<ul> <li>Entry into the B2C EV infrastructure market.</li> <li>Growth strategy with new services.</li> </ul>	<ul> <li>Building B2C expertise while keeping a strong position in the B2B segment.</li> <li>Adapting offerings to capture increasing demand.</li> </ul>	<ul> <li>Market analysis to adjust and prioritize B2C and B2B offerings.</li> <li>Define a roadmap for new products and services.</li> </ul>
Synergies Between Renewable Energy and EV Charging Infrastructure	•••00	<ul> <li>Solutions combining energy and charging.</li> <li>Cross-selling opportunities between energy services and charger installations.</li> </ul>	<ul> <li>Seamless customer experience in combined services.</li> <li>Defining a clear strategic value by a mix of renewable energy and EV charging.</li> </ul>	<ul> <li>Develop a cross-selling program.</li> <li>Create attractive packages.</li> </ul>
Value Chain Optimization to Reduce Costs and Increase Flexibility	•0000	<ul> <li>Economies of scale by combining purchasing and procurement processes.</li> <li>Benefits of internalizing or outsourcing some aspects of the supply chain to control cost.</li> </ul>	<ul> <li>Harmonizing internalization and outsourcing approaches for an optimal procurement strategy.</li> <li>Balancing the need for flexibility to address B2B and B2C demands while reducing costs.</li> </ul>	<ul> <li>Decide on the optimal strategy based on costs and synergies.</li> <li>Implement unified purchasing processes to achieve cost savings.</li> </ul>
Adaptation to Emerging Opportunities in the Ecological and Electric Vehicle Sector	••000	<ul> <li>Alignment with ecological transition trends and increased demand for home EV charging solutions.</li> <li>Developing an innovation capacity to answer changes and expectations for green energy.</li> </ul>	<ul> <li>Anticipating and adapting service offerings to the rapidly evolving EV and renewable energy sectors.</li> <li>Positioning PowerPeel as a key player in the ecological transition in Europe.</li> </ul>	<ul> <li>Invest in market research to identify future opportunities.</li> <li>Establish an innovation committee to explore new ecological solutions.</li> </ul>



## **Procurement Decision – Strategic Direction Post-Merger**

Post-Merger Opportunity: Integration of PowerPeel and Plug Berry's procurement models

Factors influencing the decision: Customer Service Excellence, Flexibility and Scalability, Cost Implications

## INTERNALIZED PROCUREMENT

#### Advantages:

- •Enables PowerPeel to keep quality standards high, which aligns well with their commitment to excellent service.
- •In the long run, it could lead to reduced per-unit costs, as it minimizes reliance on external suppliers.
- •Better alignment with company values on sustainability and consistent operations.

#### Drawbacks:

- •Comes with a hefty initial investment in infrastructure and resources, making it a substantial commitment.
- •Offers less flexibility for scaling up or down, which could be a hurdle during the early stages of B2C expansion.



#### Advantages:

- •Provides the adaptability to quickly adjust based on demand fluctuations, ideal for a market with uncertain growth.
- •Requires less upfront spending, which helps in managing costs as new service lines roll out.

## OUTSOURCED PROCUREMENT

#### Drawbacks:

- •Reduces control over supplier quality, which might impact customer experience.
- •Greater reliance on external suppliers, potentially resulting in less predictable per-unit costs over time

#### Strategy suggestion:

- Short-Term (Outsource): For immediate flexibility and quick scaling.
- Medium/Long-Term (Internalize): Gradual switch to internalization in order to guarantee cost control, quality assurance, and alignment with PowerPeel's values.



## **Performance Metrics KPIs**



### 2 KPIs:

Installation cost per EV charger (B2C): €2,300 per installation target: achieve <€2,000 by Q4 through bulk procurement and operational efficiency.

Cost

Variable cost per customer (B2B and B2C): €280 per client target: reduce by 15% within 6 months through streamlined service delivery and economies of scale.

#### 3 KPIs:

#### **Customer satisfaction**

rate: 88% (current), aiming for 95% by end of year target: achieve through enhanced post-installation follow-up and support.

**Defect rate in installations: 2.5%** of installations with issues target: reduce to <1.5% by enhancing technician training and equipment quality checks.

Customer retention rate (B2B): 90% (first 12 months) target: reach and maintain this rate by ensuring consistent service quality and proactive account management.

#### 2 KPIs:

#### Lead time for installation:

Average **2.5 days** from order to completion target: achieve a 2-day standard by

target: achieve a 2-day standard by Q3 through optimized scheduling and resource allocation.

On-Time delivery rate: 96% target: increase to 98% to reinforce reliability and customer satisfaction.

#### 2 KPIs:

Utilization rate during peak periods: Maintain 90% capacity usage

target: sustain high efficiency while ensuring flexibility to scale resources as needed.

#### Service launch flexibility:

Capability to deploy new services within **45 days** of market demand shift

target: enable rapid response to B2C and B2B demand fluctuations through agile project management).

## **Financial Implications**

1

## **Estimated Resource Allocation**

B2C Service Launch estimated budget: **€1.5M** to cover initial marketing, customer acquisition, and infrastructure setup for home EV charging services.

Customer Service Optimization: €500K to expand support capabilities to handle B2C customer volume.

Procurement Adaptation: €300K to establish flexible sourcing relationships initially through outsourcing.

2

## **Required Investments**

IT Infrastructure: €750K for comprehensive upgrades and system integration across both companies, ensuring scalability as new services roll out.

Talents acquisition: 400k in order to hire:

- Head Of B2C 120k
- 3 Technicians 60k each
- Customer Support specialist 100k

## **Overall**

As total **current payroll of €4.6M**, expansion into new service lines will require efficient spending and selective staffing, bringing total payroll to **€5M**.

The Gradual shift towards internal procurement as demand stabilizes will require additional investments, reflecting the phased approach.

## **Team presentation**

Team 16

