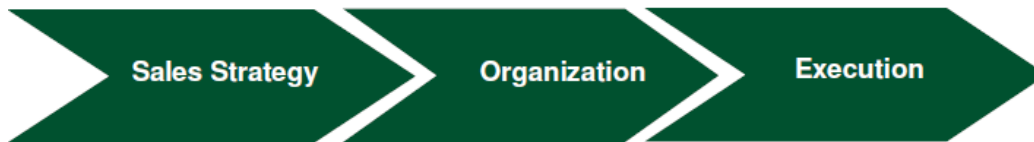


CASE EXAMPLES



The following cases illustrate how we work with our clients to identify opportunities for immediate revenue improvement and align **Strategy, Organization, and Execution** to ensure sustained growth.

SALES STRATEGY

- A leading, publicly traded **For Profit Education Company** wished to assess whether international expansion was an attractive business strategy overall and then to identify and prioritize, through systematic evaluation, those international markets that presented the most attractive opportunities. We developed a quantitative screening process that leveraged the best data sources on international demographics, macroeconomic factors, education statistics and regulatory structures. We complemented this quantitative analysis with first-person interviews, research reports and other publicly available data. We segmented countries into three categories: those deserving *proactive* pursuit, countries deserving *opportunistic* engagement and countries that should be avoided. Our analysis culminated in our client committing to a formal international expansion effort and, as a first step, an accretive acquisition of a multi-campus post secondary school in Latin America.
- A private equity owned **Industrial Products Manufacturer** had seen revenue and profit decline for two years due to price pressure, high rates of scrap, operating inefficiencies from short orders, and poor new product conversions. After gaining an understanding of the profit dynamics of the operation, we dug into the revenue and profit characteristics of customers. We re-segmented customers based on the type and criticality of the problems they were solving and developed sales strategies and processes to acquire, penetrate, and exit certain customers in each segment. As a result of our efforts, gross margins improved 63%, EBIT margins grew 467%, and cash flow increased 400%.
- A private equity owned **Textile Manufacturer** wished to validate its thesis that a segment of the window coverings market represented a “break-out” market opportunity large enough to add an incremental \$25 million in annual fabric sales. By completing a large sample of first-person interviews with market participants, supplemented with proprietary data sources and secondary information, we developed an in-depth market assessment that delineated the sales potential of the new market, consumer trends, purchase criteria, pricing, and channel landscape and requirements. Based on this analysis, it was apparent that our client would not be able to overcome incumbents to cost-effectively build the distribution network required and capture the channel “mindshare” necessary to achieve its criteria for success. We delivered our findings and were commended for providing “an honest, accurate yet disappointing” assessment.

ORGANIZATION

- A **Mutual Life Insurance Company** had recently re-designed a number of its products to better meet customer needs, but failed to realize an increase in revenue. After quickly reviewing the product re-designs, we realized the problem related to the sales process, not the products. With the feedback of our client's broker community, we developed a new sales process and value proposition focused on improving agent support and reducing proposal development and approval time. Sales increased 17% in the following twelve months.
- A publicly traded **Manufacturer of Energy Efficient Lighting Systems** for factories and warehouses had experienced exceptional growth through a direct sales strategy focused on large, national accounts. Recognizing that significant market opportunity existed with middle-market and small companies, we worked with this client to design a channel strategy and associated channel programs and then implemented partner recruitment, training and management processes. Today, sales contributed by indirect channels represent over 40% of this company's revenues and carry profit margins greater than those recognized on direct sales.
- After twenty years of unprecedented growth, an **Importer of Foreign Beers** saw its sales decline at twice the rate of the category. At the outset of the project, we focused on understanding the evolution of the company's sales model which had been expanded via acquisitions, and the drivers of market share and profitability. We quickly recognized: sales investments were being made without regard for sales potential, sales coverage of high value accounts was sub-optimal, and the company lacked a fundamental understanding of market share and how to value markets. We re-designed the sales organization, reducing the number of divisions and reducing the number of layers, and increasing coverage of high value markets and accounts. The size of the overall sales organization was reduced by 18%, while 30% of wholesale accounts were moved to a new inside sales channel, creating a 20% increase in sales capacity, and increasing account coverage by nearly 20%.

EXECUTION

- A **Medical Products Company** had seen its cost of sales rise, its sales productivity decline, and its booked to ship ratio decline. Through analysis of sales and compensation data and interviews with members of the Sales Organization, we concluded that the compensation, goal setting, and territory design were at fault. We implemented a number of changes including: new sales territories with equal potential, new plan mechanics and measurement system to eliminate the subsidization of low performers and increase pay for performance. Bookings and shipments increased 38% and 17%, respectively, while sales costs remained flat and low performers were exited.
- On the eve of a major product launch, we worked with a prominent, publicly traded **Software Company** to perform an audit of its channel network. We conducted detailed interviews with its business partners to assess technical competencies, sales and business development competencies, brand loyalty, "growability", willingness to invest, and target markets. The results of the audit were used by our client to better design its technical training and support programs, its marketing and sales support programs, and to make educated decisions on which partners to invest time and resources developing.

- A publicly traded leader in **Electronic Gaming** sought to change its sales strategy to focus attention on increasing revenue per machine, driving the sales of specific strategic products, and increasing the rate of conversion of old games to new platforms. We began the project with a quantitative analysis of the current compensation plan to identify how compensation dollars were being spent and earned. Our research revealed that in addition to being misaligned with the new strategy, the payout curve of the primary elements of the compensation plan was upside down, and actually rewarded higher levels of performance at a decreasing rate. This meant that to earn similar compensation as they had the previous year, sales people would have to out perform in three areas: core products, strategic sales, and revenue and conversion goals. Our modeling and scenario analysis successfully triangulated this situation and enabled our client to recognize a 13% increase in revenue per machine per day, a 53% premium over its nearest competitor, and increase its installed base of machines by 9% in a challenging market environment.