



# Knowledge of Market Structure and Go-to-Market Alignment Drive Revenue Growth

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## Issues

A billion dollar beverage importer and distributor after nearly twenty years of unprecedented growth and expansion to cover the entire United States, began to see its revenues decline at twice the rate of the overall market. Although the deepening recession was certainly a driver of this decline, the company suspected elements of its go-to-market strategy were also sub-optimal.

## Approach

At the outset of the project we focused on understanding the evolution the company's sales model had undergone, the drivers of return on sales and marketing investments, and the structure and performance of its wholesaler, on-premise, and off-premise customers.

These focal points led to five insights:

1. Investments in Sales and Marketing were being made without consideration of market potential; the sales model was virtually undifferentiated Region by Region across the country
2. Wholesalers are adding less and less value and continuing to consolidate
3. Off-premise coverage, particularly of super-regional and national retailers is critical to driving volume
4. On-premise sales coverage builds brand preference and was seriously deficient
5. Market share is maximized in markets with three characteristics: median income, high Hispanic population density, and high Millennial population density

With these insights, we made several changes to the go-to-market strategy, including:

- Increasing coverage of on-premise, super-regional and national accounts in high potential markets
- Moving to inside sales coverage of smaller/low potential wholesalers
- Reducing the number sales regions from eight to four to speed decision making and enable execution

## Results

Marketing and Sales resources were refocused on 16 states instead of 50. The size of the sales force was reduced by 18%. 30% of wholesale accounts were migrated to inside sales creating a 20% increase in sales capacity for Sales Reps. Coverage of on-premise accounts was increased by 10-20%, while off-premise coverage of super-regional and national accounts increased by 10-20%. Cost of sales remained neutral year-over-year.