

CASE STUDY: BUSINESS SERVICES

Improving market share, client retention rates, and gross profits

SUMMARY

Client:	Fortune 1000 food service, commercial cleaning and facilities management company
Geography:	North America
Challenge:	Enlarge market share, improve client retention rates and increase gross profits
Results:	<ul style="list-style-type: none">• Increased revenues totaling \$110,804,902• Operating profit contribution (OPC) gain of \$1,586,000• Retention of existing business totaling \$9,510,000• Net financial gain from the initiative totaling \$122,311,902

THE SITUATION: A STRATEGIC GOAL

Despite holding the leading position in the market and having a strong reputation for quality and reliability, our client was experiencing slowed growth, reduced profits, and client losses. This Fortune 1000 company launched a new strategy to reinforce its global leadership position in Food Services; accelerate growth in the Facilities Management Services sector; and become the global leader in Service Vouchers and Cards. BayGroup International was asked to help change the way this company sold and marketed to its customers and build a new sales discipline in order to:

- Double revenue growth within 11 years with an annual revenue growth of 7%.
- Accelerate profitable organic growth through new client acquisitions, improved client retention, and increased sales to existing client sites.
- Improve operating profits and cash flow.

THE BUSINESS CHALLENGE

Our client sought our help implementing its strategy to address these key challenges faced by the sales team:

- Buyers reluctance to change Facilities Management Service providers.
- Increased competition for the business from lower-priced competitors.
- Significant price pressure resulting in margin erosion.
- Decreased spending by customers in certain segments.
- Customer pressure to get more product and service for less money.

“The BayGroup International program had broad applicability and helped improve the results of very junior to very senior sales professionals...it drove a core set of principles, behaviors, tools, and techniques...participants were able to quickly gauge their own unique strengths and weaknesses and focus their energies on their own personal opportunities for improvement.”

— Senior Manager

HOW WE HELPED

BayGroup International partnered with our client to introduce a rigorous planning discipline and build substantial skill sets among sales professionals that led to improved overall agreement execution performance. After rolling out our methodology, sales professionals were able to:

- Deconstruct the “commodity” mindset by leveraging the company’s competitive advantages and differentiate the organization from its competitors.
- Generate facilities management services opportunities and revenue through effective positioning of past performance with existing food services clients.
- Help customers make the best total ROI decisions vs. decisions based upon what appeared to be “the lowest upfront cost of acquisition.”
- Build more strategic relationships with their customers by framing and anchoring their selling and negotiating positions in the context of business solutions based on the customer’s true, underlying needs.
- Counter premature pricing point discussions and instead focus on creating value-based, sustainable agreements with their customers.
- Avoid costly concessions that erode margins and diminish profitability.

THE RESULTS

As a result of integrating BayGroup International’s methodology into their overall “deal management” architecture, our client penetrated new markets, gained new business, won contract extensions on existing business, and negotiated better and more advantageous payment terms. Revenue from Facilities Management Services increased substantially and currently represents 18% of the company’s total revenue. Other gains included:

- Increased revenues totaling \$110,804,902
- Operating profit contribution (OPC) of \$1,586,000
- Retention of existing business totaling \$9,510,000
- Net financial gain from the initiative totaling \$122,311,902
- A return of \$325 for every \$1 invested in the project

PROVEN EXPERIENCE: FOOD AND FACILITIES MANAGEMENT

Over the past 27 years, BayGroup International has partnered with many of the world’s leading food and facilities management companies to substantially improve sales results. In recent years, competition has increased, customer spending has declined and providers face demands for more value from customers willing to pay less. In this environment it has become imperative that sales organizations operate uniformly and at peak capacity.

The focused expertise of BayGroup International has helped enable our clients to instill far greater discipline, planning structures, and skills sets among their sales forces that has led to dramatically improved sales results.