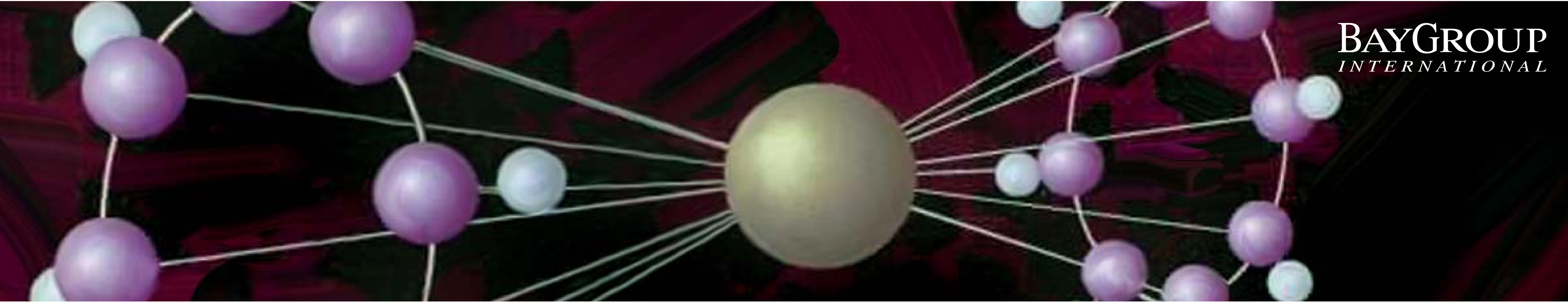

Case Study: Chemicals

Enhancing commercial effectiveness through better sales execution

Summary

Client:	**Global Fortune 500, Chemicals Pharma Solutions**
Industry:	**Chemical manufacturing (specialty chemicals)**
Geography:	**North America**
Challenge:	**Drive commercial effectiveness through better sales execution**
Results:	• Significant, measurable improvement in deal profitability and/or revenue were realised • A 7.5% increase to the average deal size (compared to historical data within the same accounts) • Revenue gains of over $3.2 million from new product introductions within existing accounts • Revenue gains from increased volumes of existing products (existing accounts) in excess of $4.4 million • Increase in **c**ontribution margin (net profit) of $2.1 million

The Company

This global Fortune 500 company manufactures and sells high-quality Pharma Ingredients and Excipients for optimising pharmaceutical processes and products. Their comprehensive product portfolio and service package has made them a preferred partner for the largest drug makers in the world.

They are one of the top three manufacturers in the pharmaceutical ingredients market and have historically maintained their position through innovation, superior service, quality, and consistency of supply. Despite these competitive advantages, their market share had come under attack by Asian competitors who were entering the market with low priced generic offerings.

The Strategic Goal

Drive the organisation's three-pronged strategy to grow its market position which consisted of:

1. Protect "at risk" business from the growing competitive threat by Asian manufacturers;
2. Gain a greater "share of wallet" within the existing customer base to leverage the high cost of switching suppliers; and
3. Institute price increases for under-performing customers.

This global Fortune 500 company has successfully adapted a planned, disciplined approach to driving its growth strategy. Within the first nine months of launch, the new process had yielded significant financial gains for the organisation.

The Business Challenge

This company's strategy was designed to address several unfavourable market conditions:

- Customers reducing the number of supplier relationships to gain more buying power.
- Escalating energy and raw materials costs driving down margins and necessitating the need for price increases.
- Industry "commoditisation": product parity and price disparity perceived by customers.
- Inaccurate sales forecasting, resulting in higher-than-necessary inventory levels, write-offs of aged or surplus stock, and discounting.

How We Helped

BayGroup International's approach to this challenge was to first help the company map out the *Pivotal Agreements* executed during the sales cycle that lead to the greatest level of deal optimisation. BayGroup also examined the "wrong turns" that sales professionals tended to make when implementing sales strategy and assessed the impact that these had on the outcomes of their deals.

Once a clear sales execution "road map" was created, BayGroup International implemented a methodology for the entire Pharma Solutions customer engagement team (sales professionals, sales managers, product managers, and marketing managers). This solution helped their sales organisation imbed a set of skills, tools, and principles to consistently drive a more effective sales process based on the successful management of the *Pivotal Agreements* that took place throughout the sales cycle. In addition, managers participated in a programme which was designed to help them transition from "deal rescuers" to deal facilitators.

The Results

This company has successfully adapted a planned, disciplined approach to driving its growth strategy. Within nine months of launch, the new process had yielded significant financial gains for the organisation. Highlights of these gains include:

- A 7.5% increase to the average deal size (compared to historical data within the same accounts)
- Revenue gains of over $3.2 million from new product introductions within existing accounts
- Revenue gains in excess of $4.4 million from increased volumes of existing products to existing accounts
- Increase of $2.1 million in contribution margin (net profit)

Proven Experience: Chemicals

Over the past 27 years, BayGroup International has partnered with many of the world's leading chemical companies to substantially improve sales results. Today, as market forces have increasingly challenged sustained growth and profitability, BayGroup International methodologies have become even more of a strategic, competitive advantage.

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