

CASE STUDY: INDUSTRIAL MANUFACTURING

Boosting profitability and slowing margin erosion

SUMMARY

Client:	Fortune 1000 global leader in packaging and containers
Geography:	North America
Challenge:	Boosting profitability and slowing margin erosion
Results:	<ul style="list-style-type: none">• Increase in projected annual revenue totalling \$37.699 million• Projected net increase in profitability totalling \$5.649 million• A 46.7 to 1 ratio of return on the company's investment• Future anticipated gain—an anticipated additional gain of \$104.5 million increase in revenue, and \$8 million increase in profitability.

THE SITUATION: A STRATEGIC GOAL

BayGroup International was approached by a major player in the packaging and container industry to help build market share and profitability in the face of continuing pressures of declining prices, competition, and commoditisation. The goal was to attain better results by enabling the sales organisation to revisit price pressure and change the sales dialogue from price and commoditisation to value and solutions in order to:

- Capture greater share of wallet, and
- Achieve critical revenue and profitability goals and meet Wall Street expectations.

THE BUSINESS CHALLENGE

The client sought our help implementing its strategy to address these key challenges:

- Increasingly savvy customer negotiators with a strong determination to cut costs.
- Integrated supply and group purchasing organisations flexing their combined muscle to consolidate buying opportunities and force price concessions.
- Competitive landscape changes (such as superstores and e-commerce) that were commoditising product solutions.

“Extremely relevant. Best workshop that I’ve ever participated in that relates to our industry.”

— District Sales 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 increased confidence and more consistent performance in critical customer situations throughout the sales cycle. After rolling out our change methodology, sales professionals were able to boost profitability and reduce margin erosion by:

- Creating and positioning a value proposition that removed the commoditisation barrier and delivered higher price points.
- Developing a deep understanding of buyer motivations, constraints, and opportunities that allowed them to meet a broader set of customer needs.
- Crafting sales agreements that increased margins, reduced giveaways, and led to higher profitability on every deal.

THE RESULTS

- Increase in projected annual revenue totalling \$37.699 million
- Projected net increase in profitability totalling \$5.649 million
- A 46.7 to 1 ratio of return on the company’s investment
- Future anticipated increases of \$104.5 million in revenue, and \$8 million in profitability.

PROVEN EXPERIENCE: INDUSTRIAL MANUFACTURING

Over the past 27 years, BayGroup International has partnered with many of the world’s leading industrial manufacturers to substantially improve sales results. In recent years, as competition has stiffened from existing and new sectors and customer buying processes have become increasingly sophisticated, it has become critical for sales organisations to operate uniformly and at peak capacity.

The focused expertise of BayGroup International has helped enable our clients instil far greater discipline, planning structures, and skill sets among their sales forces and has resulted in dramatically improved sales performance.