



CASE STUDY: CHEMICALS INDUSTRY SALES

Increasing profitability through better management of price negotiations

SUMMARY

- Client:** E. I. DuPont de Nemours and Company, \$30 Billion global leader in materials (chemicals, coatings, crop protection, electronic materials, polymers, resins, and safety/security materials)
- Geography:** North America, Europe, Asia-Pacific, Latin America
- Challenge:** Protect and improve margins by managing critical price negotiations more effectively
- Results:** According to a client-sponsored results tracking study, the initiative achieved a **68:1 return on investment** within six months of initial deployment.

THE SITUATION: A STRATEGIC GOAL

As one of the world's leading global materials manufacturers, E. I. DuPont de Nemours and Company's strategic goal was to maintain and grow profitability in the face of rising raw material costs, demanding customers, and constant competitive threats to profitable business—at the same time it needed to ask customers to accept price increases.

THE BUSINESS CHALLENGE

DuPont operates in a global, highly competitive marketplace characterized by varied and complex sales processes and intense price pressure from buyers. The challenge: help the company's multi-regional sales teams build confidence and competence to deliver more value, find new and unique ways to meet the needs of its customers, and close more high-quality, profitable business.

Specifically, DuPont needed to equip its sales teams to:

- Think differently about the value the company offered customers,
- Become more assertive and effective in sales negotiation, and
- Increase the creativity of its approach to selling its solutions.

"BayGroup International's sales negotiation methodology has helped our sales team develop and execute plans for maintaining—and in many cases improving—our pricing in a very challenging business environment. Our investment in this approach achieved payback extremely quickly, and will continue to pay dividends into the future."

— H. Daniel James, Vice President,
Sales Operations and Strategic Accounts E. I. DuPont de Nemours and Company

“A principled road map guides reps through high-tension negotiation conversations. Simple but powerful language [from BayGroup International’s methodology] enables reps to focus the negotiation on value instead of following the customer’s lead into an early price conversation.”

— Corporate Executive Board

HOW WE HELPED

BayGroup International’s sales negotiation methodology was deployed globally—in local languages when needed—to more than 1,500 sales professionals and managers. It was further reinforced through coaching by trained managers, email-based messaging, and ongoing collection and dissemination of results and best practices in the field.

The initiative focused on providing DuPont sales professionals with new approaches for:

- Positioning and framing customer dialogue about price increases to achieve goals;
- Handling price resistance and premature price objections from customers;
- Uncovering unconsidered customer needs that would help establish the value of the company’s prices;
- Making concessions more effectively during the sales process; and
- Developing and executing sales negotiation plans that would result in profitable pricing.

The introduction of proven negotiation principles, behaviors, tools, and planning methods instilled a disciplined and consistent approach to sales execution, and gave sales professionals and their managers a common language with which to manage the negotiation process.

THE RESULTS

During a year of global financial uncertainty, intensified competition, and increased customer focus on cost control, DuPont was able to achieve measureable results from this initiative. In a study of one typical sales team, gains of up to 5% in pricing were realized. According to a client-sponsored results tracking study, DuPont achieved a 68:1 return on investment in the initiative within six months of initial deployment.

PROVEN EXPERIENCE: CHEMICALS INDUSTRY SALES

For more than three decades BayGroup International has partnered with many of the world’s leading chemicals companies to increase sales volume and enhance profitability by deploying a proven methodology for improved negotiation and sales execution.

The focused expertise of BayGroup International has enabled our clients to build negotiation skills and increase confidence among their sales professionals. Our real-world approach allows sales professionals to quickly gauge their own unique negotiating strengths and weaknesses and focus their energies on their own personal opportunities for negotiation results improvement. From neophytes to pros, sales teams find they can immediately apply what they have learned and improve their performance.