

The background of the slide features a close-up, high-angle photograph of a bright yellow tennis ball resting on a dark grey tennis court surface. A white line of the court is visible on the left side, and a white line is also visible on the right side, framing the ball. The lighting creates a soft shadow of the ball on the court.

**Roland Berger**  
Strategy Consultants

# Match Point Management

Strategies for profitable growth

Competence Center Marketing & Sales

Munich, August 2008

# Our understanding of Marketing and Sales goals: Exploit hidden customer potentials and optimize sales efficiency

Goal

## MATCH POINT MANAGEMENT

Exploit hidden CUSTOMER & SALES potentials

### CUSTOMER CENTRICITY

Realign organization towards CUSTOMER needs

- > Channel Management
- > CRM
- > Communication



### EFFICIENCY

Enhance internal efficiency of SALES activities

- > Sales organization
- > Process optimization
- > Sales controlling
- > Incentive systems

Market share  
(in %)

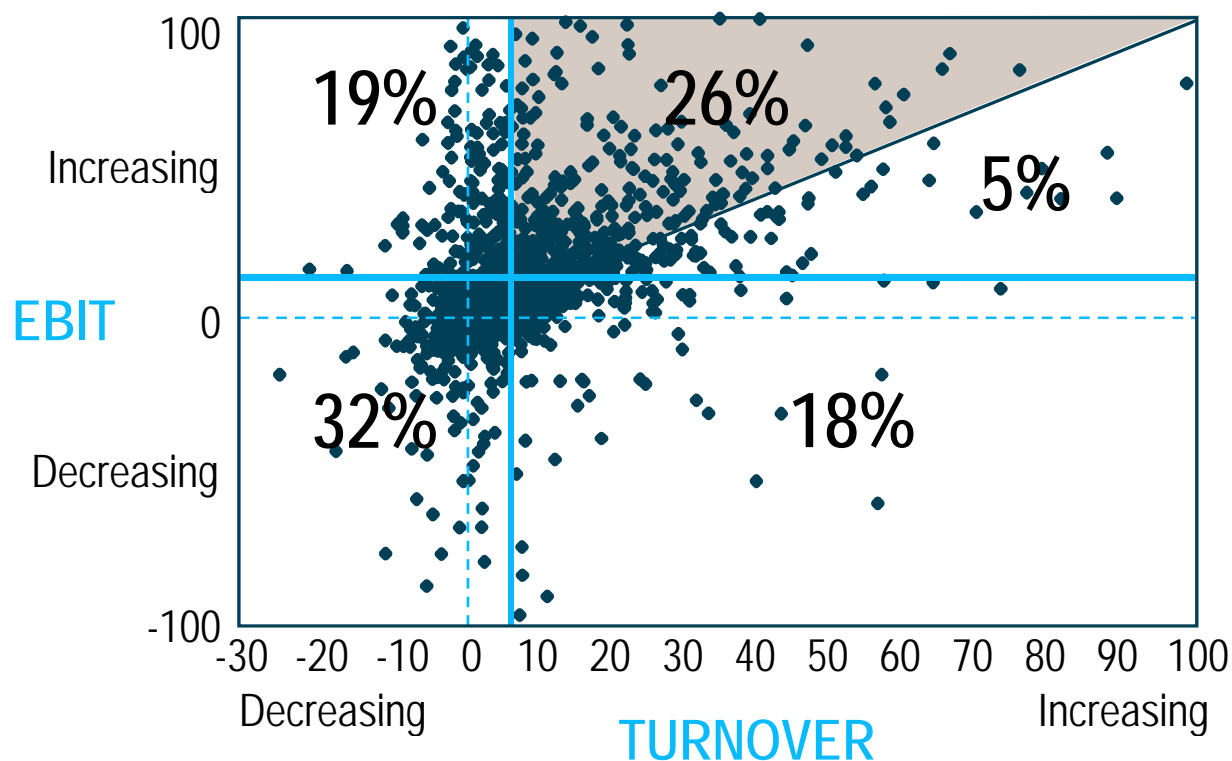


SG & A  
(in % to revenues)



# Only about one fourth of the companies grow profitable meaning increase turnover and profit simultaneously

Panel study 1.700 companies – Ø growth 1996-2006 [arithm. mean % p.a.]



- > Period of 13 years under review
- > 2000-03 as years of a weak economic environment are included
- > Calculation of growth figures through arithmetic mean and median of cluster analyses (industries, regions), respectively

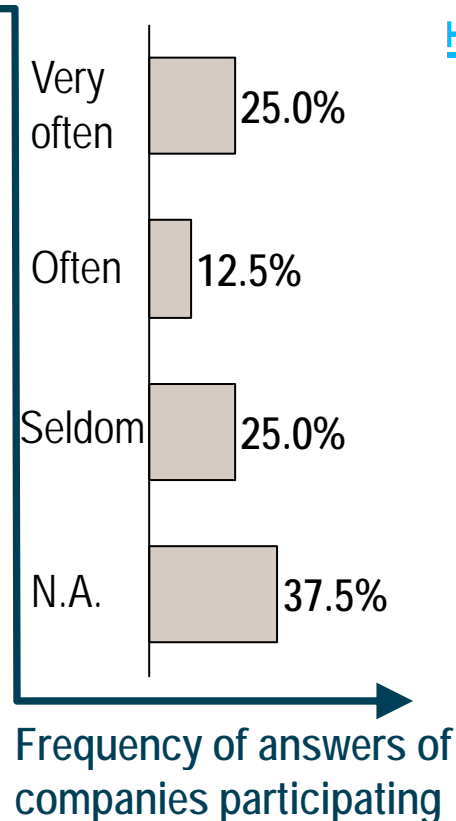
■ = Outperformer – only these companies grow profitable

# Many times companies see difficulties in projects combining cost cutting and turnover increasing

Conflicts arise, if...

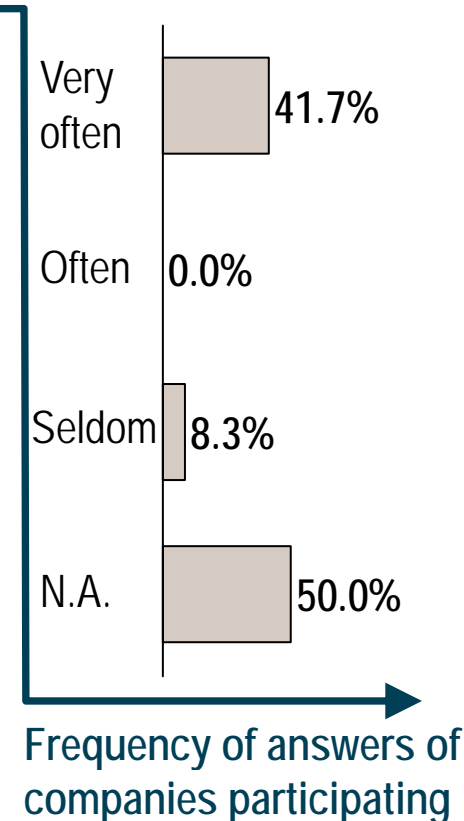
**PHARMA**

- > ...Marketing spendings are defined as cost not as investment
- > ... increase in ROI is planned
- > ... additional employment of staff is necessary
- > ...direct effects on the customers exist



**IT**

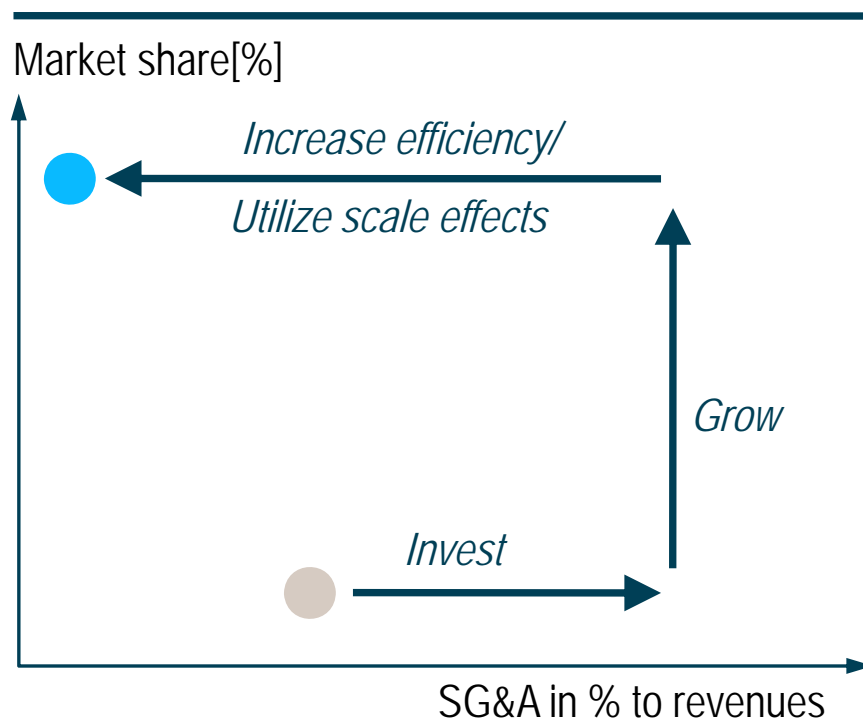
- > ...cost intensive project are about to start
- > ...long-term planning interferes with short-term company goals
- > ...reduction in staff is planned
- > ...focus is mainly on internal resources



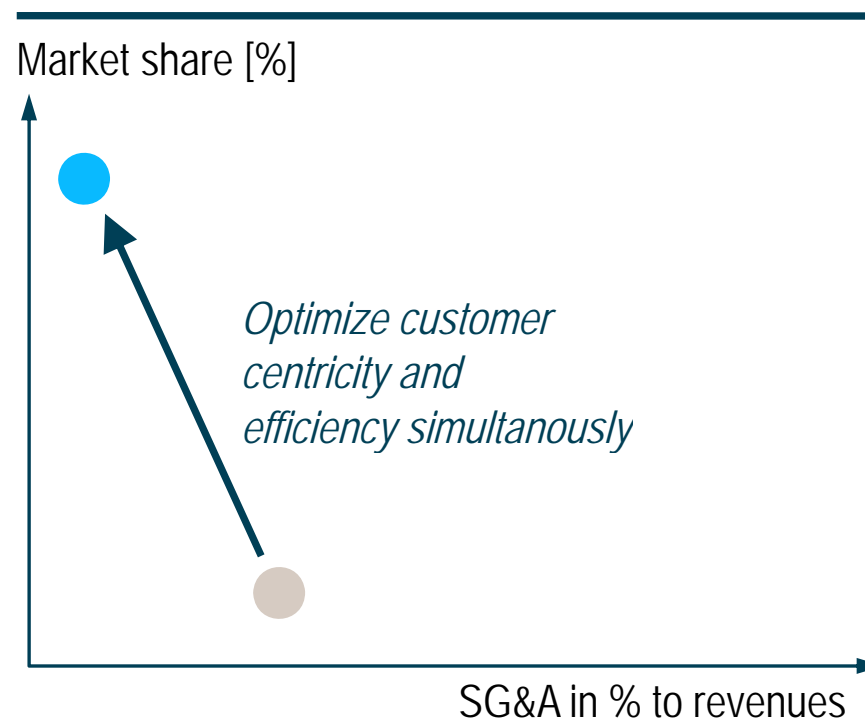
# To grow profitable the potential of customers and efficiency have to be harmonized and exploited

## Paradigm Shift

### TRADITIONAL APPROACH: Seeding before harvesting

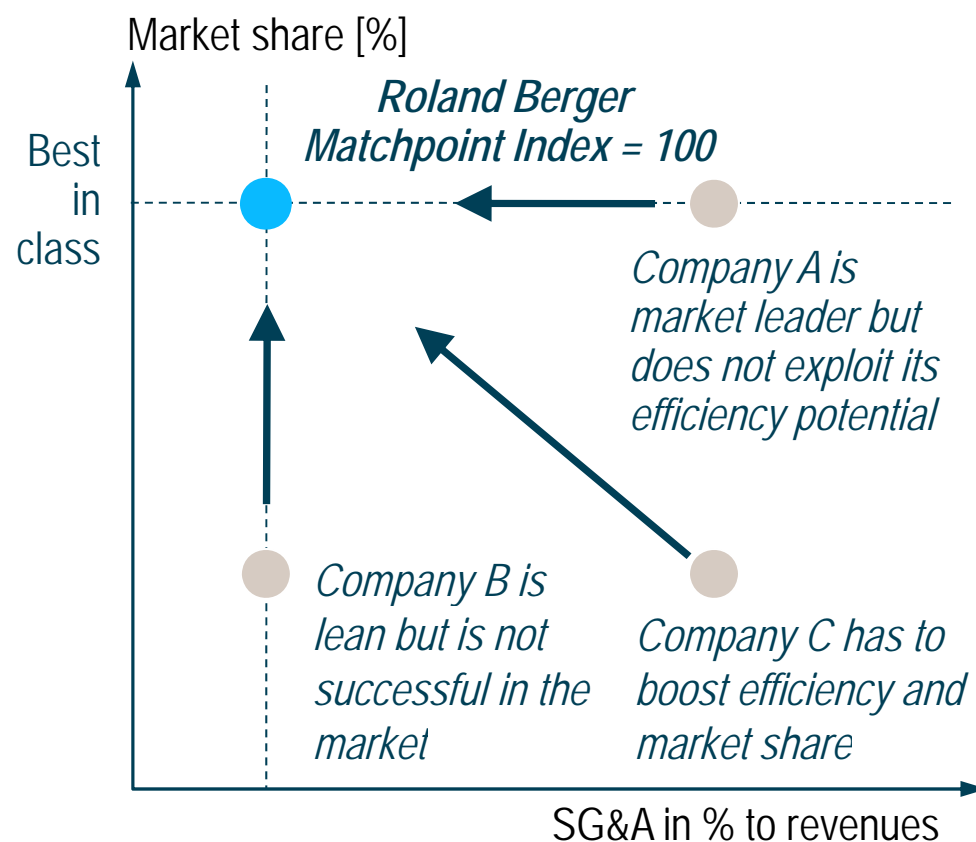


### CHALLENGE: Profitable growth



# The Roland Berger Match Point Management approach offers an integrated controlling- and implementation tool

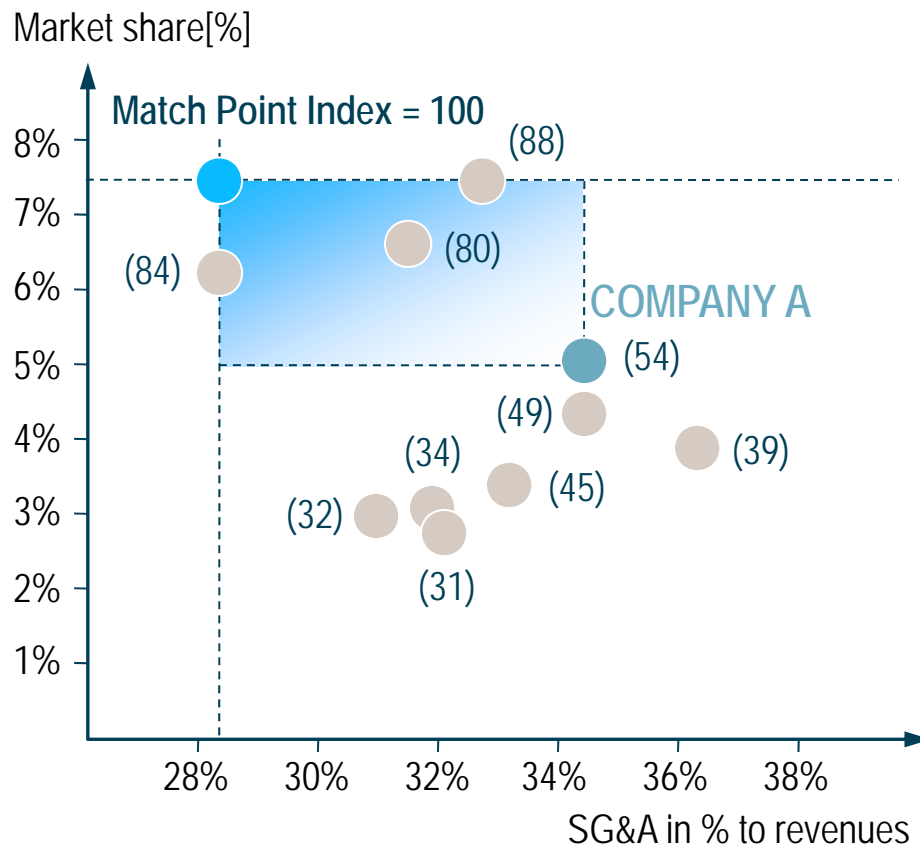
## Modules of Match Point Management



- 1 MATCH - CEO Report (external)**  
Integrated measuring of market and cost performance compared to its competitors through Match Point Index (MPI)
- 2 POINT – Internal Analysis**
  - a) Internal performance benchmarking of corporations
  - b) Quick check of performance levers
  - c) If required: ancillary benchmarking
- 3 MANAGEMENT - MPM Toolbox**  
Short- and long-term exploitation of identified potentials

# Marketing and sales performance of Company A reveals further space for improvement

## Pharmaceutical key players by MPI in 2006



## APPROACH

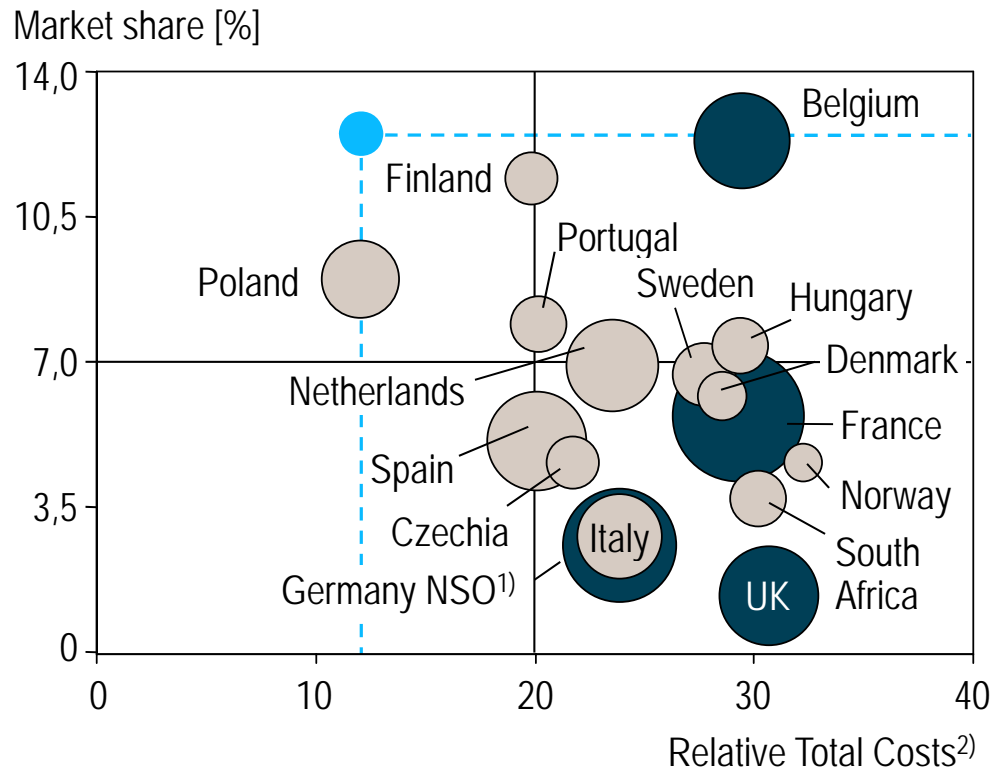
- > MPI-Report for CEO or Head of Marketing & Sales is based on external sources
- > Base: External sources
- > Point out potentials and need for action
- ➔ Decision about internal MPI-Analysis

## RESULT

- > Company A MPI of 54 (out of 100)
- > Company A rank 4th in competition
- > Average MPI of Top 10 in 2006: 54
- > Market capitalization as function of MPI( $r=0.5$ ): improvement of one MPI point = 850 m €

# The MPI can be applied to internal benchmarking by comparing regional entities or branches of an organization

## Project example of an manu. of security systems



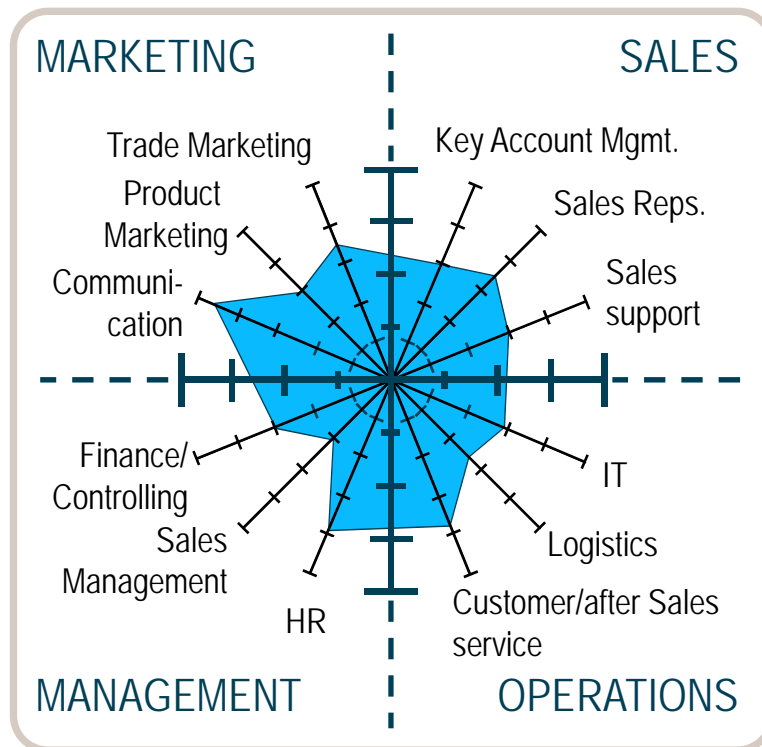
● Volume of Sales to Third Parties [EUR '000] 1) Excluding BT business 2) Cost of Organization as share of Sales to Third Parties

## APPROACH

- > Determination of company's match point is based on its best practices internal-wise
- > Internal performance indicator will gain higher acceptance
- > Ranking of regional entities/branches with strongest need for action
- > Starting point for detailed analysis per regional entity/branch

By analyzing the financials and business processes the MPI-Gaps can be turned into concise levers of optimization

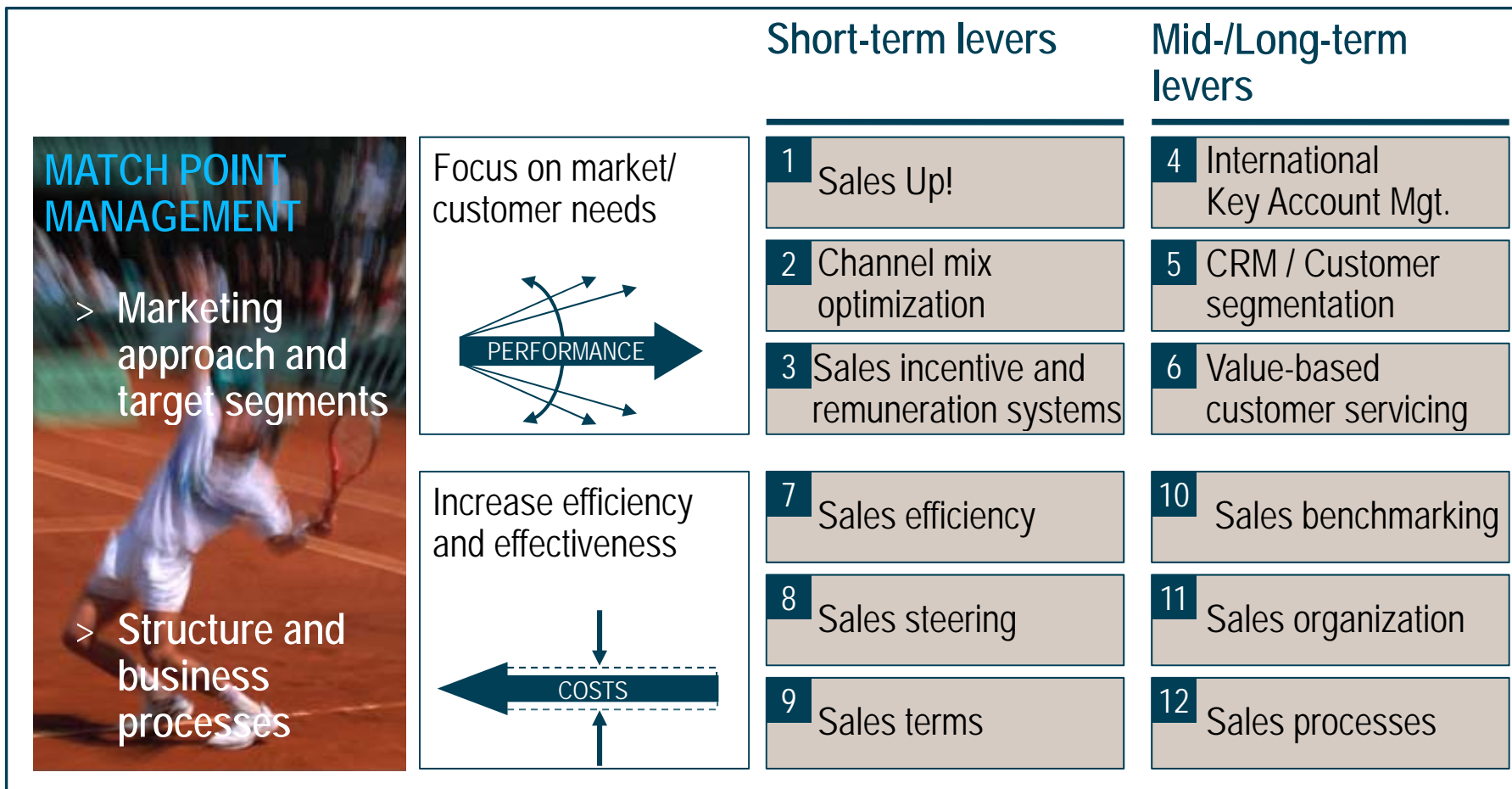
## REVENUES



## COSTS



# A broad toolbox is available to exploit identified potentials over the short- or long-term



# Roland Berger Sales Practice Group is prepared to optimize your Match Point

## Contacts



Björn Reineke

**PARTNER**

**CC Marketing & Sales**

- > 10 years of consulting experience
- > Marketing & sales excellence
- > Customer relationship management
- > Sales optimization



Lars Luck

**PRINCIPAL**

**CC Marketing & Sales**

- > 7 years of consulting experience,  
3 years in private equity
- > Expert multi-tier distribution networks /  
Channel Management
- > Customer Relationship Management
- > Sales optimization