



The Go-To-Market revolution

The power of Commercial Excellence

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THE BOSTON CONSULTING GROUP

Why Commercial Excellence is necessary

Profitable growth



- Accounts for nearly three-quarters of 10-year Total Shareholder Return (TSR)
- Returns from other levers, e.g., margin and cash release, diminish over time
- Builds advantages of scale and presence
- Forces competitive investment



Institutional value



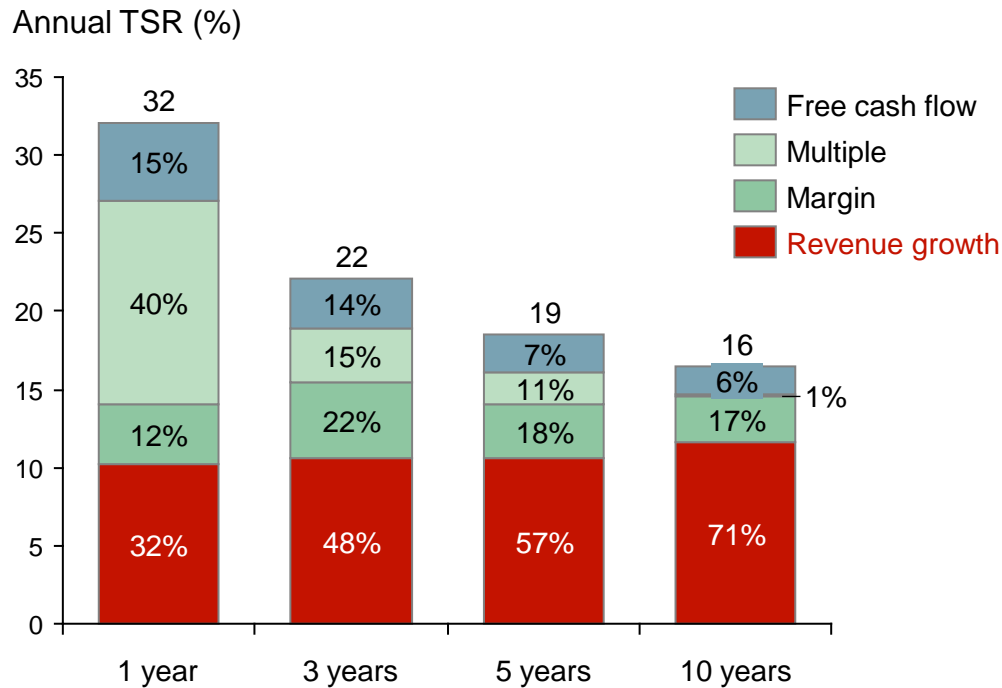
- Creates a winning spirit
- Attracts high-caliber talent and offers advancement opportunities
- Ensures sustainability of the institution and its stakeholders
- Increases industry relevance and attractiveness as a partner

Profitable growth is not optional and not easy

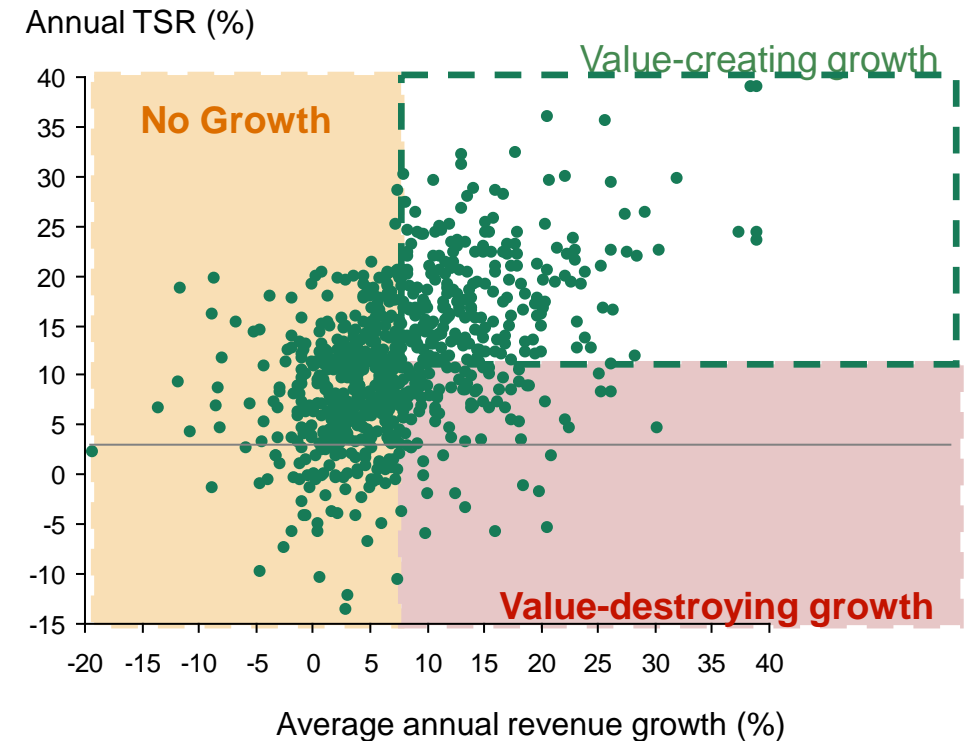
Growth is most important driver of shareholder value...

... but value-creating growth is hard to get right

Sources of TSR for top-quartile performers (S&P Global 1200, 1993–2013)



Correlation of revenue growth and TSR (S&P Global 1200, 2003–2013)



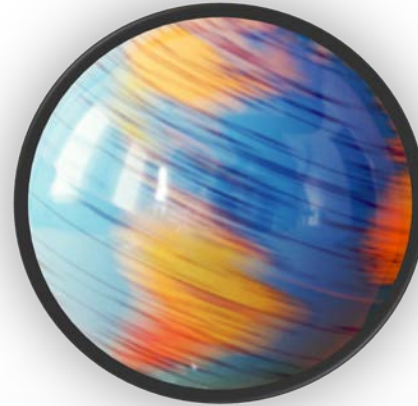
We are in the midst of a Go-to-Market Revolution

Rapid, fundamental changes are occurring across...



Customer pathways

Dramatic shift of customer purchase experience in almost every industry



Globalization

Globalizing world; slow-down of growth in RDEs



Data, analytics & tools

Advance of data, technology and sophisticated analytics

What is Go-to-Market Transformation?

Our approach to Commercial Excellence

go-to-market transformation

[goh-too mahr-kit trans-fer-mey-shuh n]

noun

Transforming commercial functions — sales, marketing, pricing, branding and customer insight — to create an engine of near-term revenue growth and profits

No one-size-fits-all approach, but efforts follow a common sequence:

- Start with vision & ambition
- Assess commercial functions, size the prize by area
- Tailor a series of programs to build capabilities and improve performance simultaneously
- With initial success in place, expand efforts rapidly

Go-to-Market Transformation fuels growth and moves the stock price—using current assets and resources

Go-to-Market Transformation

Growth (10%+), margin improvement (5%+), lasting competitive advantage



Pricing

3 – 8% revenue to bottom line



Marketing & Branding

15% higher ROI on spend



Sales/ Channels

10% revenue lift



Customer value

Double digit revenue lift



GTM in emerging markets

Double digit revenue lift

Centers of Excellence

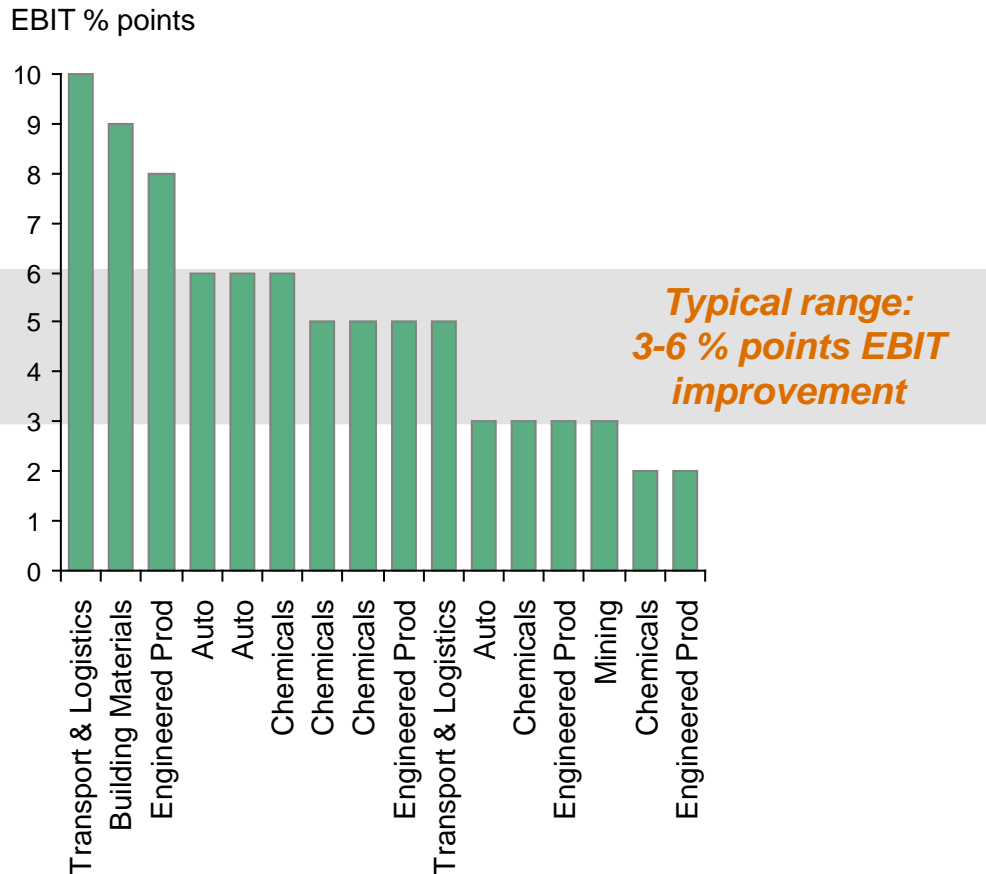
Advanced Analytics & Tools

Proprietary Data

Note: Overall Go to Market Transformation results shown reflect undertaking a sub-set of functional programs; efforts across all functions would have more dramatic results
Source: BCG case experience

In industrial companies, Go-to-Market Transformation has generated huge impact

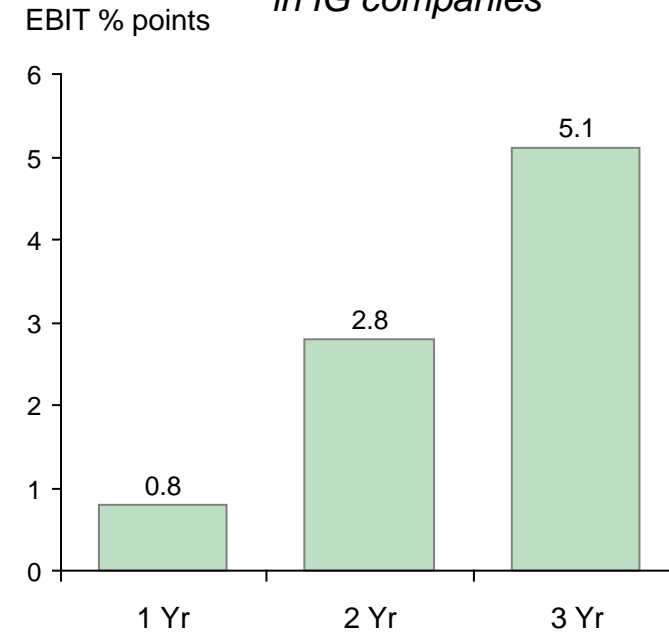
Commercial excellence levers have delivered significant impact...



Source: BCG Analysis and case experience

...With material impact from the first year onwards

BCG average case experience of commercial transformation in IG companies



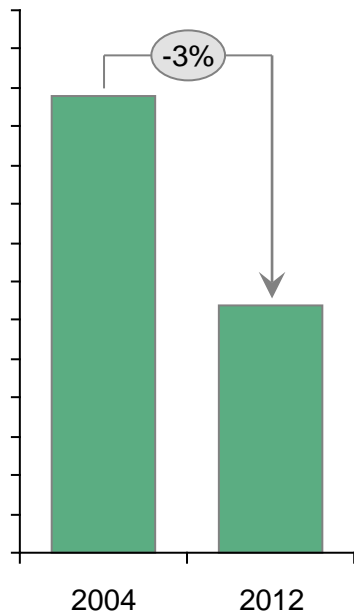
One example: European OEM turned around decade-long decline through go-to-market transformation



Major EU automotive OEM in turmoil

- Facing market share decline, eroding brand image and static revenues

Global market share



Launched transformation to improve volume and margin

✓ Pricing

Streamlined trimline offering and optimized prices by removing unneeded features

✓ Sales/ Channels

Relaunched conquest engine to target untapped audience

Enabled network by launching dealer excellence program

✓ Customer value

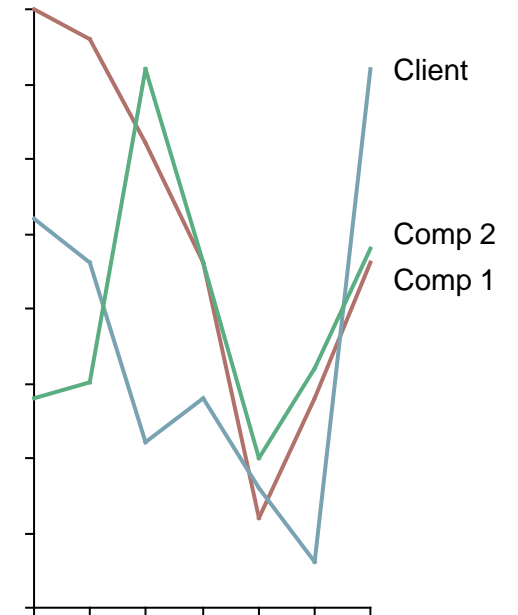
Differentiated consumer incentives to develop margins & volumes



Returned to #1 position in key European segment

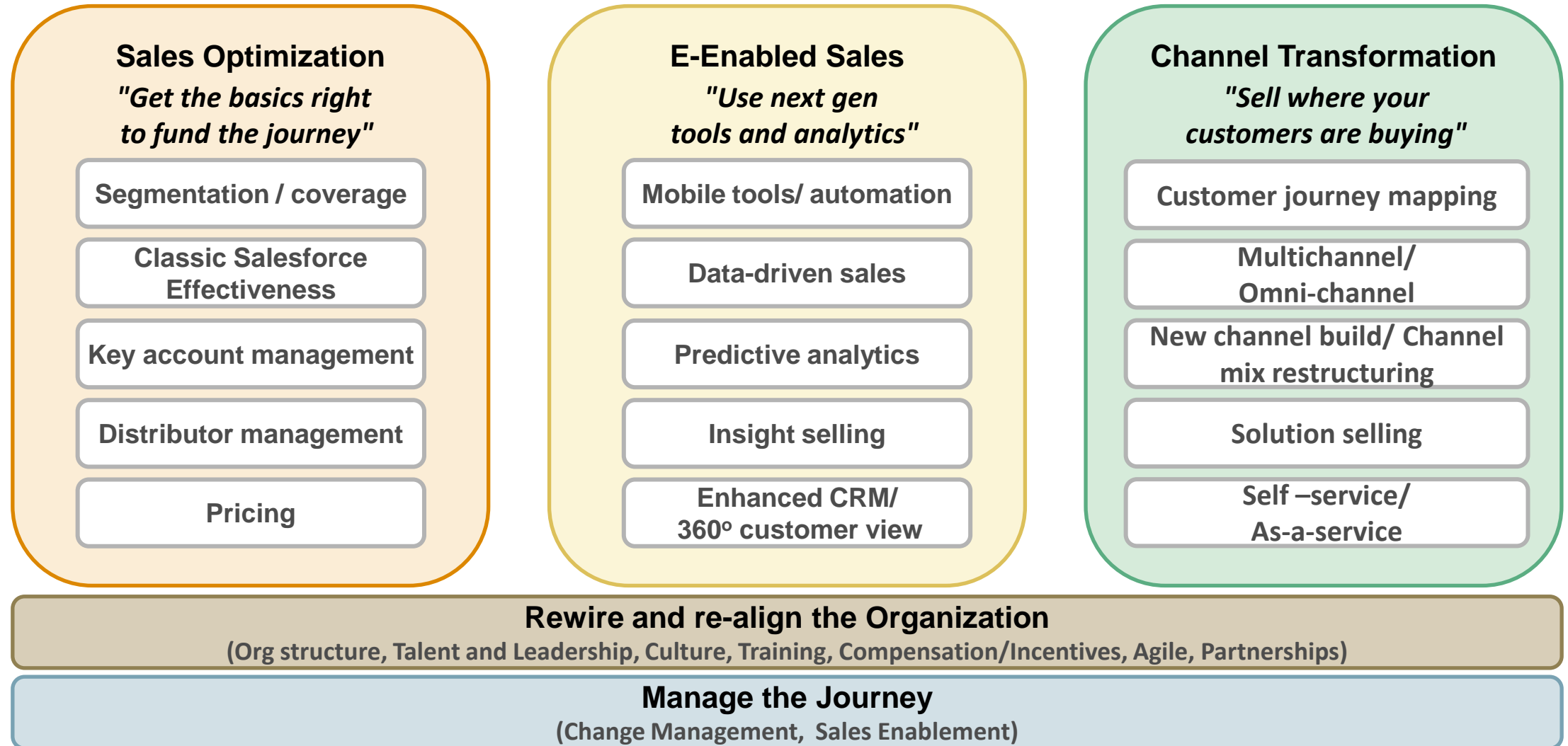
- Leading market position
- Improved brand perception

Market share European segment x



Another client's Go-to-Market Transformation program

Deliberate steps over 18+ months



Key messages

Tremendous value creation opportunity – double-digit growth, 3-6% points EBIT improvement (or more)

Commercial Excellence efforts may take different forms (e.g., depending on the company's starting point)...

... but success almost always depends on:

- **Linking overall business strategy to commercial efforts**
- **Taking a customer-centric perspective**
- **Building lasting commercial capabilities**
- **Commitment and a deliberate change management approach to drive execution over 18-24 months or more**