Global Intelligence Alliance

Market Intelligence for Sales and Marketing – Case Examples

GIA White Paper 3/2008

The case companies presented in this White Paper are Cisco Systems, De Telefoongids, MAG Industrial Automation Systems, and Tetra Pak. The text is based on interviews with intelligence executives in each company.

EXECUTIVE SUMMARY

Market Intelligence for Customer Processes, i.e. marketing, sales and account management, in four large companies will be presented and discussed in this GIA White Paper 3/2008. The case descriptions are based on interviews with intelligence executives in the case companies that have been conducted during April-May 2008.

The case companies featured in this White Paper are Cisco Systems, De Telefoongids, MAG Industrial Automation Systems, and Tetra Pak. Each case story provides a different angle to serving sales and marketing operations with systematic Market Intelligence activities.

The Cisco case discusses how strategy and business development can be supported through sophisticated research, analytics and econometric models. It also describes the measures that are being used in the company to demonstrate the value of the intelligence operation.

The De Telefoongids case demonstrates how emerging business models and industry players require new MI measures from an established market player.

The MAG case highlights the benefits of systematized sharing of intelligence when supporting sales, marketing and strategic decision making. An Early Warning System also plays a significant role in the MAG Competitive Intelligence operation.

Finally, the Tetra Pak article discusses the company's systematic approach to managing new opportunities in the marketplace. The Opportunity Toll Gate process and the Attribute Mapping framework are presented as concrete tools to develop Unique Selling Points that differentiate Tetra Pak's products from those of the competition.

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INTRODUCTION TO MARKET INTELLIGENCE FOR SALES AND MARKETING

The GIA White Paper series in 2007 discussed the theoretical frameworks by which Market Intelligence can be integrated with business processes. This White Paper moves forward on the GIA White Paper 3/2007: Market Intelligence for Customer Processes that discussed the types of Market Intelligence that the marketing and sales processes typically require. The paper looked into "what keeps sales and marketing directors awake at night" and what kinds of concrete Market Intelligence methods and tools can help companies succeed in their marketing and sales efforts.

The MI needs in customer processes typically range from highly strategic brand and media planning to understanding, on a very concrete level, how the company's marketing and sales productivity could be further enhanced in different market areas.

The reader is advised to refer to the GIA White Paper 3/2007, freely downloadable at www.globalintelligence.com, for a theoretical overview of linking MI with the marketing, sales and account management processes.

In 2008, the GIA White Paper series builds on the topics introduced in 2007 by presenting concrete case examples of the practical applications of MI for decision-making. As becomes apparent from the following four case articles, the principles of effectively supporting sales and marketing through MI follow largely the same guidelines in different types of organizations, but nuances do exists. Different organizational cultures and working methods dictate whether mathematical models, Early Warning Systems, collaborative networks, or other kinds of tools will be used for bringing the company's sales and marketing intelligence to the next level.

MARKET INTELLIGENCE FOR THE CUSTOMER PROCESSES

Processes

MARKETING & SALES PLANNING AND MANAGEMENT

MARKETING COMMUNICATIONS   **SALES**   **ACCOUNT MANAGEMENT**

Market Intelligence Needs

MARKETING & SALES PLANNING AND MANAGEMENT

- Understanding of the existing and potential customer segments, competition and applications
- Understanding of market size(s), market growth and market shares in existing markets
- Understanding the attractiveness of new potential markets
- Understanding the customer needs and preferences
- Understanding competitors' products, sales organization, marketing plan and pricing
- Monitoring trends and understanding the impact of them

MARKETING COMMUNICATIONS

- Positioning the marketing message optimally
- Identifying and analyzing media options
- Tracking the visibility of the company in the press (+ vis-a-vis competitors)
- Brand analysis

SALES (B-TO-B)

- Identifying new sales leads (target companies)
- Tracking public tenders
- Profiling key decision makers
- Current awareness about changes at customers
- In-depth understanding of competitors' offering and how to sell against them
- Credit information
- Competitor price information

ACCOUNT MANAGEMENT

- In-depth analysis of Key Accounts
- Current awareness about changes at Key Accounts

CISCO SYSTEMS – CUSTOMER INTELLIGENCE THROUGH ECONOMETRIC MODELS

Cisco Systems – Company Background

Cisco enables people to make powerful connections-whether in business, education, philanthropy, or creativity. Cisco hardware, software, and service offerings are used to create the Internet solutions that make networks possible-providing easy access to information anywhere, at any time. Cisco was founded in 1984 by a small group of computer scientists from Stanford University. Since the company's inception, Cisco engineers have been leaders in the development of Internet Protocol (IP)-based networking technologies. Today, with more than 65,225 employees worldwide, this tradition of innovation continues with industry-leading products and solutions in the company's core development areas of routing and switching, as well as in advanced technologies.

Interviewed for this case article was **Joost Drieman, Market Intelligence Director Europe** at Cisco Systems. The case interview sheds light on how Cisco supports its strategy and business development management activities through sophisticated research, analytics and econometric models, as well as what kinds of measures are being used in the company to demonstrate the value of the intelligence operation.

The 5 Pillars of Intelligence – Cisco's Intelligence Structure

"We are the eyes and ears to the market at Cisco", says Joost Drieman, from his office in Brussels, about the European Market Intelligence team that he is heading. "We serve as navigators for our strategy, marketing and business development people who work to win new business in the competitive marketplace."

The European Market intelligence organisation at Cisco have been built in to the "five pillars" that it's sophisticated intelligence operation rests on. The graph below illustrates how the intelligence system serves the company's different internal customer groups.

INTELLIGENCE ACTIVITIES AT CISCO

Euro/Country Dynamics	Verticals & Segments	Customer Intelligence	Competitive Intelligence	Channel Intelligence
PESTEL Business Climate Investment Climate Risk & Attractiveness Impact & Chain TAM Size & Share Market drivers, shifts Trends, Opportunities Benchmarking	Industrial market dynamics, trends, shifts Business Climate SWOT per vertical Risk/attractiveness TAM size and Growth Regulations By vertical, sizeband and technology	Potential and opportunity Account analysis Basket analysis, SOW, TAW, coverage Propensity models Loyalty analysis Customer Journey Profiling & segmentation Financial Linkage	Competitive Landscape Profiles main competitors by segment, region and Technology (SWOT, GTM, strategic moves) Risk assessment Emerging competitors Substitutes Vendor & buyer power	Channel Landscape Channel Profiles GTM models/ technology SOW Attractiveness/Risk Defend, retain/acquire Emerging channels Per country, vertical, technology and sizeband

Countries Business Development

Market Segments Business Development

Marketing

Channels

Management

1. Macro Intelligence ("Euro/ Country Dynamics"): Monitoring and analysis of political and macroeconomic issues, social trends, legislative issues and environmental topics and understand the relevancy of these findings for Cisco's business in Europe.

2. Verticals and segments: Monitoring of segments such as finance, retail, manufacturing and the public sector in order to understand the industry growth drivers and the subsequent needs for present and future solutions that Cisco can provide.

3. Customer Intelligence: Monitoring the (potential) customers in the market landscape that consists of the total addressable and adjacent markets for Cisco's products and services by region, by vertical, by sizeband and by technology focus. Understanding the potential to further develop existing accounts by using a set of econometric models as well as to identify new opportunities.

4. Competitive Intelligence: Building on the several models like Porter's 5 forces (industry rivalry, the power of customers, the power of suppliers, new entrants, risk of substitutes)

- Competitors: Looking at the competitive landscape and into the competitors' capabilities like position, behaviour, gtm model, strategy and sales offering. This is important for the business development people to understand in order to be able to focus on those customers that are not locked in with a competitor's solution. Equally important is to identify Cisco's unique selling points vis-à-vis the competition.

5. Channel Intelligence: In Europe Cisco's products are sold through Partners, which makes Channel Intelligence a vital area in the intelligence framework. Cisco is monitoring their 1st and 2nd tier resellers, system resellers, direct sales partners, integrators, distributors, as well as emerging channels.

- Joost Drieman mentions that they are continuously looking to what type of companies the emerging channels for Cisco's products could be.

Customer Intelligence guided by econometric models

Understanding existing customers

The Customer Intelligence unit at Cisco is responsible for maintaining a map of existing and potential customer companies in each region where Cisco operates. In this context, existing customers are evaluated from a risk perspective to their level of satisfaction and loyalty towards Cisco.

For each level of satisfaction and each individual customer, opportunities exist for either up-selling, cross-selling, or migration. "We have developed a sophisticated set of statistical models in order to understand both the risk and the business opportunities within each category of customers that we have", Drieman says.

Cisco has developed a set of "buyer rules", principles that seem to guide the customer's behaviour in different scenarios. The result is an econometric model based on the long experience Cisco has of the IT solutions market and of their customers. Variables in the model include things such as number of employees, number of PCs installed, number of telephones, distance between offices, IT profile, purchasing patterns, number of remote locations, and the company's growth pattern.

"Based on our model about the anticipated developments in our customer companies, we are well equipped to understand the life-cycle of our own solutions, and can consequently be proactive in proposing new ones when our analysis so suggests", Drieman explains. "Indeed our marketing and business development teams have good experiences about the model's accuracy: Successful sales is largely about good timing, and through using our model we have had a very good hit rate at identifying the situations where our customers are looking to purchase completely new systems or to migrate from an older generation solution to a new one", Drieman continues.

"How we do this?" Drieman smiles: "The model itself is of course our confidential information, but it combines regression analysis, decision trees, multivariable analysis as well as neural network analysis into a whole that covers more than 200 analytical aspects. The main framework is based on an OLAP system that is populated with data that can be purchased from public company information databases and internal data.

Buyer propensity analysis

"Prospect analysis is also something that is very much at the core of our intelligence services", Drieman says. "Based on what our model tells us, we will determine which companies in our target groups would probably be potential new customers and where our sales force should spend less time in being successful. Again it is very much about timing and efficiency: Our intelligence operation directly supports sales in pointing out where the resources are probably best spent at any given time", Drieman highlights the system's benefits and linkage to new business generation.

Measuring the ROI of the intelligence activities - Key Success Factors

Joost Drieman lists out the following Key Success Factors that Cisco has identified for its Customer Intelligence operation.

1. Quality of input data – In its models Cisco uses a large number of sources for data validation in order to avoid the "garbage in, garbage out" effect.

2. Sophistication of the model – The smarter the model is, the better the result. The number of data points for each analytical model is key.

3. Usage (by marketing and account managers) – All marketers and account managers need to understand the benefits of using the analysis in demonstrating the ROI of the intelligence/sales activities. Constant communication between management and sales people is needed.

Drieman views the ROI of intelligence activities as a specific area of expertise, and Cisco has developed models to improve their understanding of the subject. "One way we are doing this", Drieman explains, "is that we compare the amount of new sales generated to the companies included in our Buyer Propensity model to the sales generated to a control group that consists of companies that our sales people are targeting outside of the model. This is a simple approach to calculating ROI for our intelligence activities, and we are using it to understand – and to demonstrate internally - how much intelligence is worth for the company", Drieman continues.

According to Drieman, additional success factors in supporting customer processes with high quality intelligence input have been identified at Cisco as follows.

Approach to set-backs – "If we are not able to sell to a customer, we are not looking at this as a loss, a failure. Instead we see it as a temporary set-back. If we have identified the company as a good potential customer, we ensure that we keep trying to understand their needs better through good customer intelligence and on-going dialogue."

Listening to the customers – "Customers are of course very different and should be approached accordingly. Even though our econometric models have proven their worth, we of course need to go beyond the hard metrics and understand the soft issues in how companies purchase IT solutions. We are trying to understand the following parameters."

- Buying criteria – What, when and how the customer decides to purchase

- Support needs – How important training and interaction are for the customer

- Price and value – How the customer values the products and services that Cisco provides

- Product feature perception – Whether the solution should "just get the job done" or whether higher level of sophistication will be required

- Ease of use vs. complexity – What is the customer's capability and willingness to handle complexity in IT solutions

- Decision maker – Who is the ultimate customer (CFO, IT Director or someone else?)

Understanding new business models – "This is important both because we need to understand our customers' business, and because we very much depend on the channel business today. We are very well aware of the fact that our customers uses the network for business. "

Learning the lessons when the MI message was not heard – "It is vital to understand why intelligence may not always be utilized properly, and what happens if is not. We try to identify these situations and learn from them."

Finally on an overall level, Mr Drieman summarizes that Cisco's capability to support strategy, marketing, business development, as well as sales and account management through high quality intelligence activities is a function of three main variables, nothing more and nothing less:

1. Collaborative development of content
2. Synthesis of analysis models
3. Having a future oriented perspective

DE TELEFOONGIDS – SYSTEMATIC MI SUPPORT FOR THE MARKETING AND SALES STRATEGY

De Telefoongids

De Telefoongids – Company Background

De Telefoongids is the market leader in telephone directories in The Netherlands. The company's database is the most complete in the market, covering more than 40 telecom operators and 6,1 million phone numbers. De Telefoongids employs 800 people, and its website attracts 5,5 million unique visitors in a month.

Interviewed for this case article was **Eric Knibbe, Manager Marketing Intelligence and Research** at De Telefoongids. The case discusses how emerging business models and industry players require new MI measures from an established market player. In the midst of industry change, sales and marketing need new tools and insights, and it is the challenge for MI to produce them.

Sales and Marketing Intelligence for an industry under change

"Our business is changing, and we will have to do the same if we want to stay competitive", begins our interview Eric Knibbe, manager of marketing intelligence and research at De Telefoongids, Netherlands' largest telephone directory company. Knibbe is responsible for developing Market Intelligence activities at DTG, and says that there is a completely new battlefield out there for phone directory service providers these days. "Traditionally, paper was our product, but now there is a whole group of new services, markets and channels that our MI needs to focus on. Examples are SMS, the internet, Google Earth, Dect and mobile phones from suppliers such as Siemens and Nokia that have services from DTG included".

Knibbe describes the challenge for MI: "At DTG we have had to change the way we do Market Intelligence. We now need to build an understanding of a much, much larger set of business drivers and competitive scenarios than before. Based on that understanding our marketing and sales people should be equipped to maintain and increase market share even though the traditional cash cow, paper directories, is being challenged by new types of services."

Focus on supporting concrete sales efforts and the marketing strategy

"Sales managers, account managers, sales representatives and management are the primary users of intelligence in our company and therefore our primary customers", says Knibbe about the users of MI at DTG. "These people need arguments to back up their message to customers, and our responsibility is to provide "the ammunition" through an optimized MI operation that serves the right information to the right people at the right time", Knibbe continues.

The sales people at DTG receive information from MI on a number of topic areas:
- Number of clicks on each heading in the online directory
- Industry segment information
- Direct ads system results
- Call tracking that shows trends and the response to advertising
- Ad-hoc research in response to specific issues or problems

The main purpose of all this information is to demonstrate the ROI of DTG's advertising efforts towards the customers.

The management in turn receives input to support the marketing strategy. "Just recently we have taken on the initiative of making the development of our strategy a highly integrated process as opposed to the ad-hoc type of process it used to be", Knibbe says. "Continuous input of market information is vital in order for us to realize this objective", he continues. "We are working to provide an overview of the different customer segments, competitor strategies, and the growth projections of the internet-based business, just to name a few examples."

The case below will illustrate how DTG has organized for an increasingly systematic support for the marketing strategy and sales.

Case: Improving current market awareness at DTG

"Because of the added complexity in our operating environment with regards to technological trends, market segments, partners, new competition, and so forth, our traditional, only partially structured ways of managing market information did not suffice anymore", Knibbe explains. "We needed a solution for collecting and sharing information within the organization, and ended up implementing an IT tool and outsourcing the daily market monitoring that we did not have internal resources for."

The response in our organization was overwhelming, once we got to pilot the common MI system", Knibbe describes. "Fortunately we did not have to engage in any cumbersome IT projects, but instead our sales people started seeing the benefits immediately, when the daily market updates started to populate our new MI tool", Knibbe continues.

The aim at DTG was to make it easier than before for the sales and marketing people to get on top of what is relevant to know on an everyday basis in the marketplace, and they have also encouraged people to start leveraging the common platform for shared internal signals.

The pilot with the new system was a success, so the next step is to add 50 users that focus on different levels of sales. In total DTG has 400 persons in its sales department selling to four different channels. The intention is to expand the user base little by little when the information content has been tailored to the needs of the different groups.

Sales channels at DTG
1. National accounts
2. Field accounts
3. Direct marketing
4. Call centers

Communicating Market Intelligence in the organization

In addition to rolling out the common technical MI platform, we of course need to give MI presentations at sales team meetings, sales conferences, marketing planning meetings and other events where people focus on the customer processes", Knibbe reminds. "Pure facts are very necessary to back up good business, but typically the real intelligence is only generated when the facts are discussed and evaluated in a group of people", he continues.

Next steps: Towards a Corporate Intelligence Solution

Knibbe describes the future plans for increased support to the sales and marketing efforts at DTG: "In the future, we will be considering ways of linking our CRM system with the Market Intelligence solution in order to have a single source for information related to customers and market segments. But we will need to take one step at a time, to focus on the right things for the right purposes. We hope to be able to integrate pretty much everything in the future, who wouldn't, but we also need to scope things so that they can be managed today", Knibbe analyzes the path forward.

Key Success Factors for MI at DTG

Finally, when asked about the Key Success Factors of Market Intelligence so far at DTG, Eric Knibbe raises four things:

- "The R4" - Right information to the right people at the right time, using the right sources

- Contribution - Making people aware of the ways in which they can contribute to improving shared customer knowledge

- The information pyramid – Demonstrating how important the human component is at all stages of information processing

- The value of being different – When introducing a new MI solution one needs to stand out from the crowd and make a difference. The new MI organization needs to rise above the traditional MI tools: Emails, newsletters and random reports.

MAG – ACTIVE INTELLIGENCE COMMUNITY SUPPORTING SUCCESSFUL MARKETING AND SALES

MAG Industrial Automation Systems – Company Background

MAG is the third largest metal cutting machine tool manufacturer in the world.

The company produces machines from micro machining for medical use all the way up to 3 storey high machines for large diameter cutting and milling. Customer industries include aerospace, automotive, construction, mining, oil fields, and power generation. MAG is headquartered in New York.

Intervieweved for this case article was **Noam Sahbti, Director of Intelligence and Strategic Planning** at MAG. In the article, Sahbti discusses the benefits of systematized sharing of intelligence when supporting sales, marketing and strategic decision making. An Early Warning System also plays a significant role in the MAG Competitive Intelligence operation.

From the Information Monster to the MAG Intelligence System

MAG Industrial Automation Systems today have a comprehensive intelligence system in place that supports key processes in the organization, marketing and sales included. The reality looked quite different back at the time when Noam Sahbti, Director of Intelligence and Strategic Planning at MAG, took on the challenge of changing what people frequently referred to as having an "Information Monster" in-house.

"It was quite a chaos if you think of it", Sahbti remembers. "Information was being collected by a number of people from all kinds of sources, and it was stored on shared drives, in people's emails, in the intranet and what not. Making sense of the 'big picture' was obviously a challenge, and we decided to go with a full blown intelligence system to 'tame the monster' if you will", Sahbti describes.


INFORMATION SHARING SYSTEM

Today, the intelligence workflow process at MAG runs smoothly, centring around the "ISS", Information Sharing System as they call it. According to Sahbti, input is secured from a wide variety of relevant sources, and analysis is continuously being produced on topics that matter for the company. Conclusions and recommendations to senior management have a vital role in the process.

"Especially the high end analysis has been made possible in our intelligence system by us having outsourced parts of the content work", Sahbti explains. "Us inside the company should have a lot of time to discuss the conclusions and implications of the market developments that we see around us, and outsourcing parts of the content work has been a great support there."

INFORMATION SHARING SYSTEM (ISS)
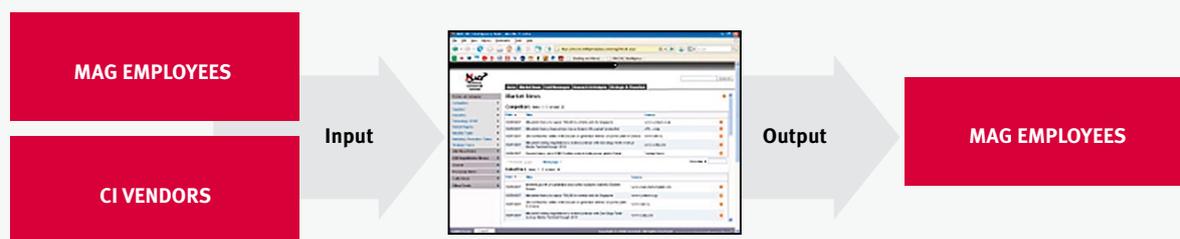
On top of the information that is constantly being collected and processed from a variety of sources, MAG have concentrated on involving especially their sales people, product managers and marketing managers – those who typically talk to customers and interest groups - in sharing signals from the field with the rest of the organization. In the ISS, the internally produced signals will be combined with information collected from the outside as presented in the above graph.
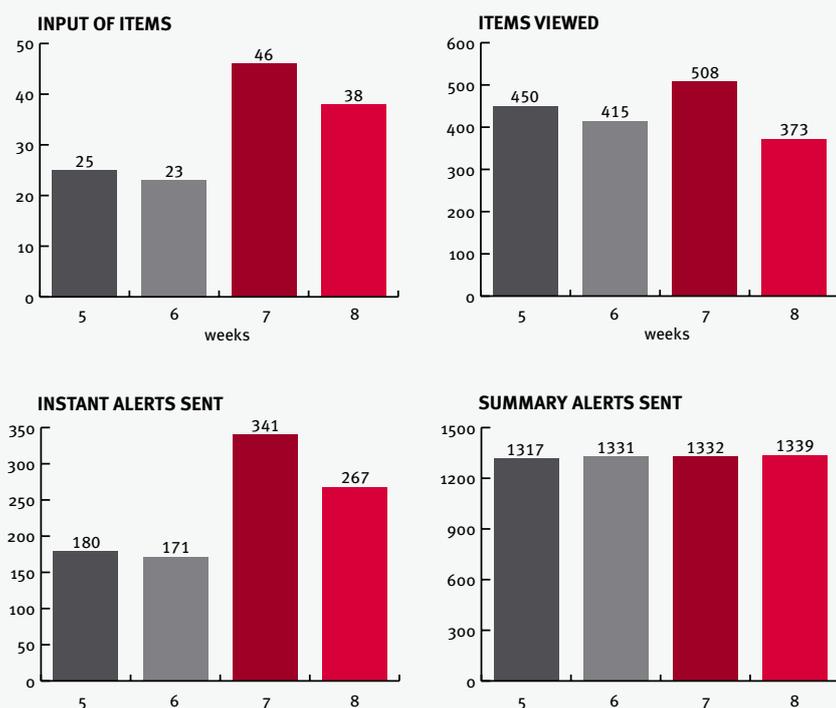
"I think the internal signals from the sales and marketing front adds greatly to the level of interest that the ISS provokes among our employees", Sahbti says. "Of course it's important to have the external signals collected into one place in a structured way, but the moment when someone personally picks up and shares a signal that he or she thinks has special relevance for our company, it is reflected in the usage statistics", Sahbti continues.

INPUT OF ITEMS

ITEMS VIEWED

INSTANT ALERTS SENT

SUMMARY ALERTS SENT

From on-going monitoring to an Early Warning System

The ISS solution at MAG strongly focuses on the customer processes but also covers the competitors, markets and geographic regions that are of relevance for MAG. Sahbti still wants to emphasize that they are not only interested in what is happening, but are rather keen to develop an early warning capability that will provide a basis for scenarios on what is going to happen.

The MAG approach to collecting and interpreting weak signals from the operating environment has been described in the table below.

EWS Aspects	Description
Select key players	Identify companies and organizations that have an impact on the industry (customers, regulators, competitors, suppliers…)
Set and prioritize developments to monitor	Determine the key issues to track, such as customers' purchasing process, competitors' product launch processes, or technology adoption processes
Develop indicators	For each issue, develop a set of indicators in order to track the sequence of events
Monitor indicators	Monitor the indicators at regular intervals in order to identify changes
Analyze indicators	Analyze changes in the indicators with regards to reasons, impact, influence on other indicators and possible future change
Determine and implement action	Based on the changes in indicators, take appropriate action

The monitoring and analysis of the indicators is naturally supported by the ISS system where designated employees track topics within their scope of the business and summon an analysis meeting when required.

Measuring the performance of the Intelligence Sharing System

It is vital to understand how the users perceive the performance of the intelligence function and the ISS solution, and MAG conducted an end user survey among the users.

- 90% of respondents were better informed of market developments than earlier

- 80% of the respondents felt that time savings has been achieved in dealing with business information

- 96% of the respondents felt that the topics monitored were relevant for them

"I interpret the survey results among our users so that it is fantastic to have a centralized system in place", Noam Sahbti comments. "We have never had the ability to share information this efficiently", he continues.

"In addition to interpreting the survey results, we of course also monitor what information is being used and what is not in order to further adjust the scope of our information coverage", Sahbti says.

To add to the above measurements, a number of other indicators are in use at MAG to demonstrate the value of the ISS system and the intelligence operation:

- **Number of requests for information coming in** – Repeated requests from the organization tell that people are happy with what the CI team produces

- **Organization-wide interest and recognition** – Usage of the intelligence solution and discussions about intelligence in regular sales and management meetings

- **Success stories** – Winning a new customer, successfully entering a new market segment, and other stories demonstrate the advantages of the intelligence approach

- **Active input of information from people within the organization** – "Nothing demonstrates the recognition of the ISS better than people out in the field sharing their signals through the system."

- **Intelligence is embedded in business processes and strategic initiatives** – Business Intelligence is involved in all high level company activities from the sales council, through product design and development, and to strategic analysis, acquisitions and market penetration.

Key success factors

Asked to list out the key success factors in Competitive Intelligence at MAG, Noam Sahbti links them with "the gap" that the company initially identified when starting to develop intelligence activities. The key success factors according to Sahbti are

1. ...to fill the gap by providing intelligence that matches needs.
2. ...to demonstrate results that directly relate to the CI function.
3. ...to provide relevant contribution to the sales process, strategy and decision making in general.
4. ...to establish a workflow process and executive buy-in.

TETRA PAK – OPPORTUNITY TOLL GATE PROCESS SECURES A SUCCESSFUL SALES FUNNEL

Tetra Pak – Company Background

Tetra Pak supplies complete integrated processing, packaging and distribution lines and stand-alone equipment for the food industry. Tetra Pak is operating in more than 150 markets with over 20,000 employees. Founded in 1951 by Dr. Ruben Rausing, Tetra Pak's unique innovations have changed the way food is packaged and distributed around the world.

This case focuses on Tetra Recart, "the 21st century alternative for canned food", which is one of the latest additions to the Tetra Pak product portfolio. The Tetra Recart package is specially designed for products that have traditionally been packed in cans, glass jars and pouches.

Intervieweved for this case article was **Erik Lindroth**, former **Marketing Director** at **Tetra Recart**. The article discusses Tetra Pak's systematic approach to managing opportunities and developing their understanding of customers. The Opportunity Toll Gate process and the Attribute Mapping framework are presented as concrete tools to develop Unique Selling Points that differentiate Tetra Pak's products from those of the competition.

Opportunity Toll Gate Process - A Knowledge Driven Approach to Sales

The Swedish Tetra Pak has developed what they call the "Opportunity Toll Gate approach" for managing the company's sales funnel. At Tetra Pak Recart it is being used for developing a good understanding of the customer needs so that the best solution can be built for each customer.

"Our model is all about identifying and managing business opportunities, which is why Tetra Pak has named it the 'Opportunity Management Process'", says Erik Lindroth who used to lead the marketing team at Tetra Recart. "We feel that both our customers and we ourselves have benefited from the very systematic way of doing customer intelligence within the framework of the Toll Gate process", Lindroth continues.

TETRA RECART OPPORTUNITY MANAGEMENT PROCESS

UNDERSTAND NEEDS	DEVELOP CONCEPT & VALUE PROPOSITION	EVALUATE SOLUTION & PREPARE FOR QUOTE	QUOTE & CONTRACT
OTG 1	OTG 2	OTG 3	OTG 4
DOCUMENTS...	DOCUMENTS...	DOCUMENTS...	DOCUMENTS...
ACTIVITIES...	ACTIVITIES...	ACTIVITIES...	ACTIVITIES...
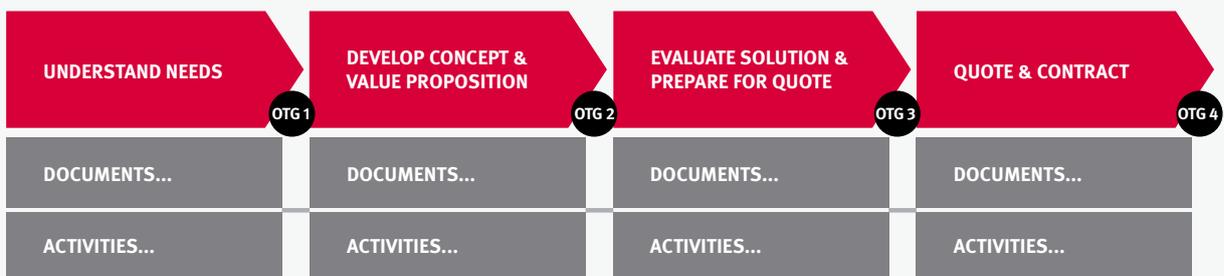
The Opportunity Management Process consists of steps that have been described in the table below.

Process Steps	Description
1. Understand the customer needs	- Category planning – understanding different customer categories in order to identify the most important ones - Business story - Risk map – Identify risks in general, and risks related to each customer category as well as to individual customers
2. Develop a concept and value proposition to manage customers	- Business Case - Payback calculations - Risk analysis
3. Evaluate solutions and prepare for quoting	- Review needs and scope of supply - Updated risk assessment - Risk response plan - Finalized payback calculation - Prepare a quote
4. Quote and make a contract	- Final scope of supply - Updated risk response plan - Sales contract - Sales confirmation - Risk re-evaluations

More than anything, the Opportunity Management Process for Tetra Recart is a method for ensuring quality at each step of the process. The first step ensures that the focus is on the right customer categories and that Tetra Pak understands the general needs of these customer categories – along with the needs of each individual company that they contact.

At the second step, a business case is developed based on the needs analysis that was conducted. Payback calculations are included in order to both highlight the investment nature of the solution and to describe the implementation process.

Step 3 includes developing the proposed solution and preparing the final quote. In this phase, the needs of the customer must be thoroughly understood. A finalized pay-back calculation will be presented as well as a risk response plan. At this stage, Tetra Pak must of course understand the customer's existing solution and price per produced volume. Tetra Pak has a good understanding of different competing solutions but needs to also know the precise cost per can or bottle in order to understand the financial impact on the customer and how valuable they will perceive the eventual Tetra Recart solution.

Case: Attribute Mapping Identifies Unique Selling Points for Tetra Recart

Tetra Pak conducts "Attribute Mapping Analysis", illustrated in the graph below, in order to identify product development needs as well as Unique Selling Points. The USPs are used in order to be able to discuss and convince customers to switch from cans, bottles or whatever they are using for their food products today to Tetra Recart. A product attribute is a feature of the product that may be perceived in a positive or negative way by the clients. The product attributes also differentiate the Tetra Recart solution from competing solutions in metal or glass.

In a sales situation, the Attribute Mapping Analysis will depend on the role of the person on the customer's side: The attributes will vary based on whether Tetra Pak's sales people meet a plant manager or a marketing or sales executive. From the strategic perspective, the analysis is of more generic nature. The idea is to identify the "strategic sweet spot", i.e. the attributes that are perceived as important by the customers, but where Tetra Recart comes from a position of relative strength.

ATTRIBUTE MAPPING AT TETRA RECART - FROM STRATEGIC CONCLUSIONS TO SALES ARGUMENTS

Importance from a customer perspective	Weak	Neutral	Strong
High	Capital investment		**MAJOR SALES ARGUMENTS** — Supply chain efficiency; Distribution and shelf space efficient
Intermediate		Easy to open	Based on renewable resources for recycling and minimal environmental impact.
Low			

Competitive Position
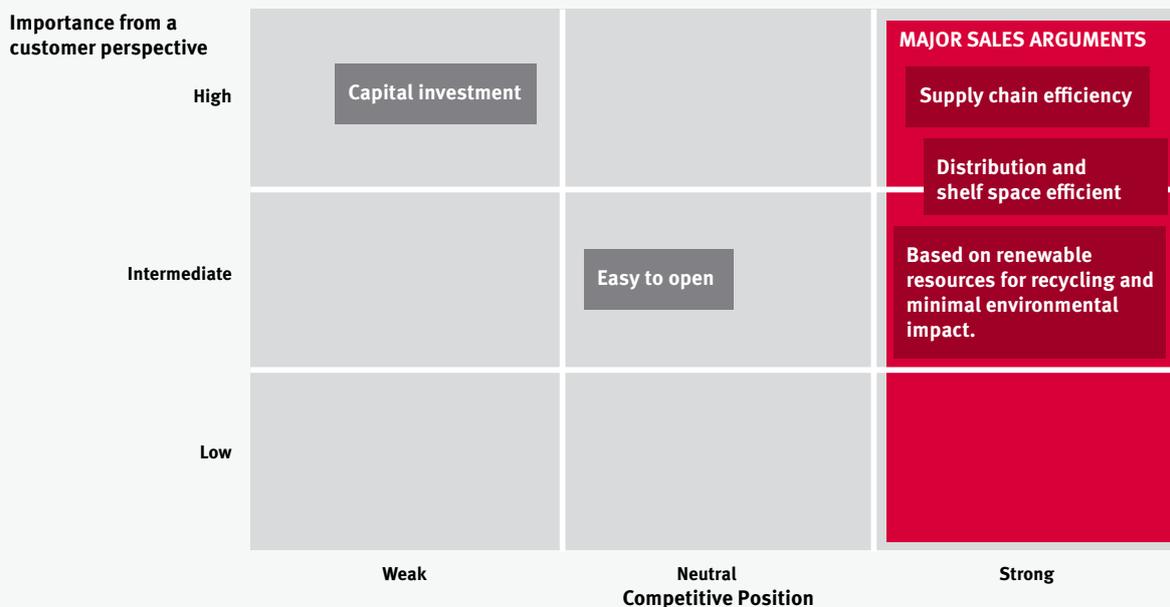
Input to the Attribute Mapping Analysis

1. Thorough understanding of the needs of various stakeholders at the customer's side translated into product attributes
2. In-depth knowledge about competitor capabilities as well as about their marketing and sales messages

The customer knowledge is developed by meeting the potential customer and discussing the needs with them. "Historical knowledge of similar companies in the same industry also helps, but that will only take you so far", Erik Lindroth comments. "Understanding each customer's unique visions, ideas and needs is vital, and we need face time to achieve that", he continues.

Typical examples of attributes that Tetra Pak uses are "capital investment needed", "easy to open", "supply chain efficiency", "shelf size efficiency", "environmental image", and "appropriate for marketing and information purposes".

Within the Attribute Mapping context, the understanding of competition is developed through conducting benchmarking analysis, consumer research, customer satisfaction surveys and even direct shop visits to learn how the final product is displayed in supermarkets and local shops. "I usually have quite a number of photos in my camera showing competing products displayed in stores around the world when I come home from business trips or vacation", Lindroth smiles.

Analysis

Step 1: Listing attributes based on the customer needs analysis

Step 2: Weighting the attributes in order to prioritize between factors

Step 3: Benchmarking against competing solutions to obtain a score for each attribute

Step 4: Visualizing the attribute map based on the competitive capability and the importance of the attribute from a customer perspective

Output from the Analysis

The attributes on the right hand side of the matrix in the graph presented are the Unique Selling Points that will be used in the general marketing communication as well as in the sales discussions with potential customers. Other attributes may be the basis for product development actions.

Result

Based on the above analysis, Tetra Recart has identified the Unique Selling Points that they want to communicate to the customer and to the end user. These are benefits to the customers that other containers like glass, plastic or aluminium cannot provide to the same extent.

- Eye catching package with excellent brand building opportunities

- Shape to optimize transportability throughout the logistics chain

- Shape to also optimize the usage of shelf space and marketing opportunities

- Light weight, easy to store, safe to open (no tools required), and easy to dispose of carton

- Renewable and recyclable materials

"Competing solutions such as the aluminium/steel can as well as glass containers do not have all these attributes", Erik Lindroth points out. "Since the green environmental trend is in vogue at the moment, Tetra Recart is trying to ensure that customers can capitalize on the minimal environmental impact that the product has compared to other solutions", Lindroth explains.

In its sales argumentation, Tetra Pak also relies on its solid understanding of different market segments. "When meeting a Latin American juice manufacturer, we make sure that we provide our views on the present and future developments in that geographical area. If research is not available, we will conduct it", Lindroth tells about Tetra Pak's approach. "We will need to demonstrate it to the customers that we understand their business in order to be considered as a credible supplier", Lindroth continues. By exchanging views and discussing with existing and prospective customers, we maintain our mode of continuous improvements."

Frequently Tetra Pak's customers who may not have an intelligence program in place by themselves, become impressed by the understanding that Tetra Pak has developed about its customer segments. "Showing customers that we are interested has often carried us a long way", Lindroth says. "Through systematic customer intelligence, we have managed to improve our relationships with existing customers, but we also have an improved understanding of risks related to different types of customers", Lindroth sums up Tetra Pak's experiences.

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Interviewed for this GIA White Paper were:

- Joost Drieman, Market Intelligence Director Europe, Cisco Systems

- Eric Knibbe, Manager Market Research at De Telefoongids

- Noam Sahbti, Director of Intelligence and Strategic Planning, MAG Industrial Automation Systems

- Erik Lindroth, former Marketing Director, Tetra Recart

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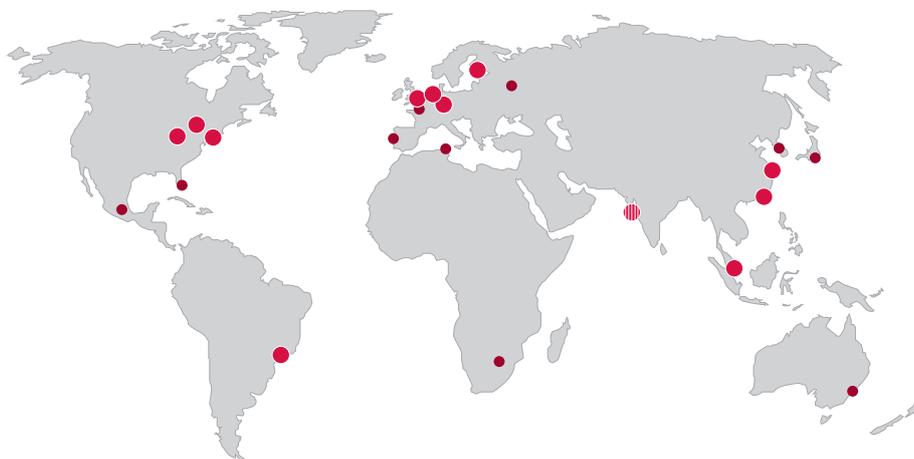
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