

Client

A food-processing industry

- ✓ Turnover: €180m
- ✓ Number of employees: 270

Context

- A concentrated market that is very likely suffering from over-capacity;
- A future reduction in the price of sugar is a major threat to the producer's profitability;
- The majority of the volume sold by the producer in 2005 was sold at a negative net margin;
- There are big differences in levels of profitability by client in relation to products;
- The producer hired Hemeria to assist it in improving its profitability by making changes to its commercial policy.

Objectives

- To define client approach strategies (to improve sales profitability);
- To prepare negotiations for sales contracts for 2006;
- To identify opportunities to make purchasing cost savings.

Project Content

- Segmentation of client portfolios:
 - ✓ Identifying client/channel combinations in relation to the most profitable products.
- Developing sales and marketing support tools:
 - ✓ Analysing the impact of price and volume on the contribution to the margin;
 - ✓ Weekly monitoring of sales and marketing objectives.
- Definition, prioritising and planning of actions to be taken to make purchasing cost savings.

Results

- Establishing a sales and marketing strategy aimed at increasing the contribution by €4m:
 - ✓ Client segmentation according to profitability and strategic importance;
 - ✓ Development of sales and marketing approaches corresponding to each of the segments:
 - Price increases,
 - Doing away with clients with no hope of becoming profitable.
- Identifying opportunities to reduce purchasing costs from €783k to €1.4k.