

# SUSTAINABLE REALIGNMENT OF A GROUP DIVISION

From product sales to assortment and therapy sales

# Company

Strongly production-oriented group division in the healthcare industry and full-service provider for hospitals with annual sales of approx. EUR 2 billion, more than 25,000 employees and approx. 20 production sites worldwide.

# Challenge

- Only slightly increasing contribution margin with continuously strongly increase of divisional sales (6% p.a.)
- Factories and production sites need high-capacity utilization to avoid further increase in production costs
- Uncertainty as to which topics and product areas further investments should be made
- Local and regional competitors act extremely price-aggressive with continuously increasing product quality
- · Global competitors are already successfully testing new concepts and marketing methods

## **Task**

Realignment of the sales and marketing approach and increase of the contribution margin by the sales department, while maintaining the high sales growth (at least 6% p.a.).

#### Solution

- Formation of a core team to conduct a baseline study, assess results and develop a strategy
- Close involvement of divisional management
- Representative focus countries from all continents are part of the core team and serve as sparring partners and idea providers
- Safeguarding of the customer-centric strategy through subordinate involvement of the other areas of the division
- Elaborated implementation and execution plan with kick-off meetings in the top 30 markets



## **Benefits**

- Extraordinary team spirit and mutual understanding by global core team and focus countries
- High level of market understanding due to locally conducted analyses and research
- No need for redefinition and additional circuits during local implementation
- Implementation plan provides clear actions and is flexible to apply
- No loss of revenue during the implementation phase

# **Project duration**

• 15 months

## Results and lessons learned

- Customer-centricity ensures implementable strategy without major additional effort in the global areas
- Further continuous sales growth of more than 6% p.a. by gaining market shares
- Global marketing & sales costs reduction by 2% points
- · New team spirit between global and local sales organizations

## **Factors of success**

- Clear market orientation
- Very early involvement of focus countries
- Open communication of the new strategy and introduction of an implementation plan per country with designated responsible for implementation