

March 2008

New Approaches to Marketing and Sales Effectiveness

Marketing and Sales Effectiveness and how to measure it has long been a topic to occupy the minds of marketing and sales leaders and practitioners, so hats off to Jacob Fleming for organizing a two-day annual conference to tackle this subject specifically within the chemicals industry.

Now in its third year, the Annual Marketing and Sales Effectiveness Conference attracted over 130 participants to the excellent Okura hotel in Amsterdam last week. And they were not to be disappointed thanks to an excellent set of papers delivered from a cross-section of chemicals and plastics producers, who are practicing various aspects of marketing and sales effectiveness together with a select injection of consultants and practitioners who serve the industry with marketing and sales effectiveness services.

Shelley Bausch kicked off the proceedings with a lively account of some of the latest things that Xiameter and Dow Corning are doing to perpetuate the resounding success of their now famous dual branding strategy introduced on an unsuspecting market back in February 2002 and now able to demonstrate a 6 year track record of double digit growth in income and profitability, far outstripping their peers. We also heard from Paul Brouillard of Sigma Aldrich on when, how and why to fire an account!

Frank Jungmann of BASF explained the advanced approach that his company is taking to comprehensively change and advance the thinking of their 15,000 marketers and sellers through the *perspectives* marketing change management programme, which encourages BASF marketers to apply their new marketing learnings directly to business cases in what they have come to call Impact Teams. In the past three years BASF has taken 6000 marketers through the programme and is continuing apace in the firm belief – driven from the very top of the organization – that this is the only way to help their customers to be more successful – a guiding principle in BASF's business management guidelines.

Klaus Hofmann of Dynea explained the importance and impact of their new pricing guidelines in capturing value from a commoditizing market-place and this was elegantly complemented by Dr. Kaj Storbacka of Nyenrode Business University and Vectia, who explained some of their approaches to benchmarking and improving value. Vectia had indeed worked with Dynea on their pricing guidelines.

We all know how important good market and business intelligence is in contributing to marketing and sales effectiveness and it was interesting to hear from two companies on their leading-edge approaches to the subject. Jens Thieme from Ciba Specialty Chemicals explained their approach to competitor intelligence and Ubald Kragten from DSM Innovation Center explained the importance of business intelligence in the innovation process.

It is always good to hear some real case successes and I was pleased to be able to share examples of how our new Value² Double-Impact approach to marketing and sales has brought direct impact and results to several of our clients, enabling them to achieve differentiation in undifferentiated product-markets and to capture extra value through value pricing in competitive markets. Even more impressive was the tale of value creation throughout a mature value chain, when the perseverance of Doug Placek and his Evonik RohMax team over several years enabled them to create new value in the oil additives market and to create a Win-Win-Win-Win-Win for oil marketers, operators, OEMs, RohMax and competitors. Laura Lozza kept the audience from sleeping with her tale of how a P&G marketer is bringing that experience to bear for Yara in the agrochemicals market in France and having a great impact on their price achievements.

Processes and systems to support marketing and sales effectiveness were the focus of the second morning when Haimo Zekoll of Solvay and Dirk Tourwe of Brenntag explained how their companies managed to implement important marketing and sales effectiveness initiatives. Paul Betsis, CEO of pVelocity was ably supported by Rainer Blaha of Cytec Surface Specialities in explaining how that company has adopted pVelocity's tool to manage their pricing and profitability to great effect. I was also pleased to be able to share our new Value² Double Impact measuring tool with the audience, a tool that supplements the standard types of marketing and sales effectiveness measures (price, profit, share etc) with a measure of success based on the marketers and sellers own personal feelings, motivations and attitudes that contribute to their own self-belief and self-confidence in enabling them to achieve an overall success.

Further interesting contributions were enjoyed by the near capacity audience from Lionel Breuilly, Huntsman and their approach to integrating newly acquired businesses and companies into the Huntsman way of marketing, Daniel Deneffe from Arthur D. Little on various approaches to price management for profitability and Mohan Murti of Reliance Industries on the importance of marketing to companies in emerging markets, reflecting how widespread the interest and activity on marketing and sales effectiveness is in the chemicals industry.

It was both an honour and a pleasure for me to have chaired this interesting conference and to be able to meet and network with so many people actively involved in pursuing and practicing marketing and sales effectiveness in the chemicals and plastics industry.