

Growing market share...of your installed base!

The Company

This manufacturer and distributor of PVC pipe and electrical fittings sells its products to two distinct channels including electrical, telecom and utility distributors as well as to the home improvement “big box” retailers. Most of its sales efforts are conducted through a combination of in-house regional sales managers and third-party sales representatives.



The Situation

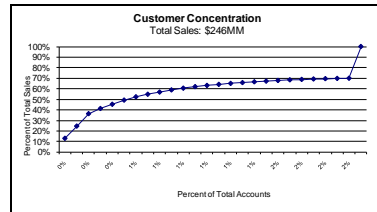
Keystone conducted a diagnostic of the business and concluded that management had done a good job of managing the business in what was a high volume, cutthroat market environment.

Although Keystone was able to identify several operational improvement opportunities, none offered as much potential as the opportunity for this market leader to better leverage and penetrate its installed base of customers.

The highly concentrated customer base was underserved, and all accounts were treated the same regardless of their past, current and potential value to the company.

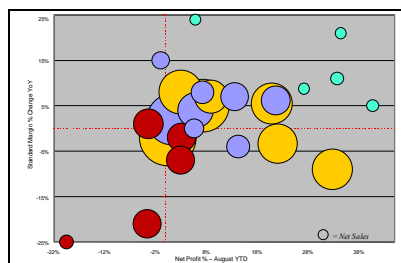
The Approach

Keystone recommended that a Key Account Management (KAM) strategy be developed and implemented.



Working with the business unit leadership team, Keystone helped define the KAM function, including its parameters and staffing requirements, and recommended an appropriate organizational structure.

Keystone hit the road with Sales Management and obtained buy-in from four critical “Pilot Key Accounts” to test the KAM strategy. Keystone coordinated the development of account specific contact plans, established key performance indicators and assisted the company in defining share growth plans for each Key Account.



The customer service function and pricing team were reorganized into dedicated, centralized teams to better serve the needs of the company’s Key Accounts.

The Results

The business now serves its Key Accounts through a dedicated KAM team, while at the same time leveraging its broad field presence consisting of regional managers and field representatives.

The first quarter of activity resulted in sales growth of 24% for Key Accounts; double that of the rest of the customer base, which grew at a 12% rate during the same period.

During this period of strong sales growth, and despite continuing pressure on pipe pricing, margins grew 4.2% as a result of improved product mix sold into these Key Accounts.

Feedback from Key Accounts was excellent, with scorecard results improving for the company on both financial and service-related metrics being tracked by the Key Accounts.

“Keystone brought customer intimacy to a new level by identifying, understanding and leveraging the attributes that made our company most attractive to our customers. They accelerated our change process to a pace that could not have been achieved without Keystone given our day-to-day functional responsibilities. The experience developed into a professional and personal friendship that I trust will continue to be mutually beneficial for years to come.”

- National Sales Director