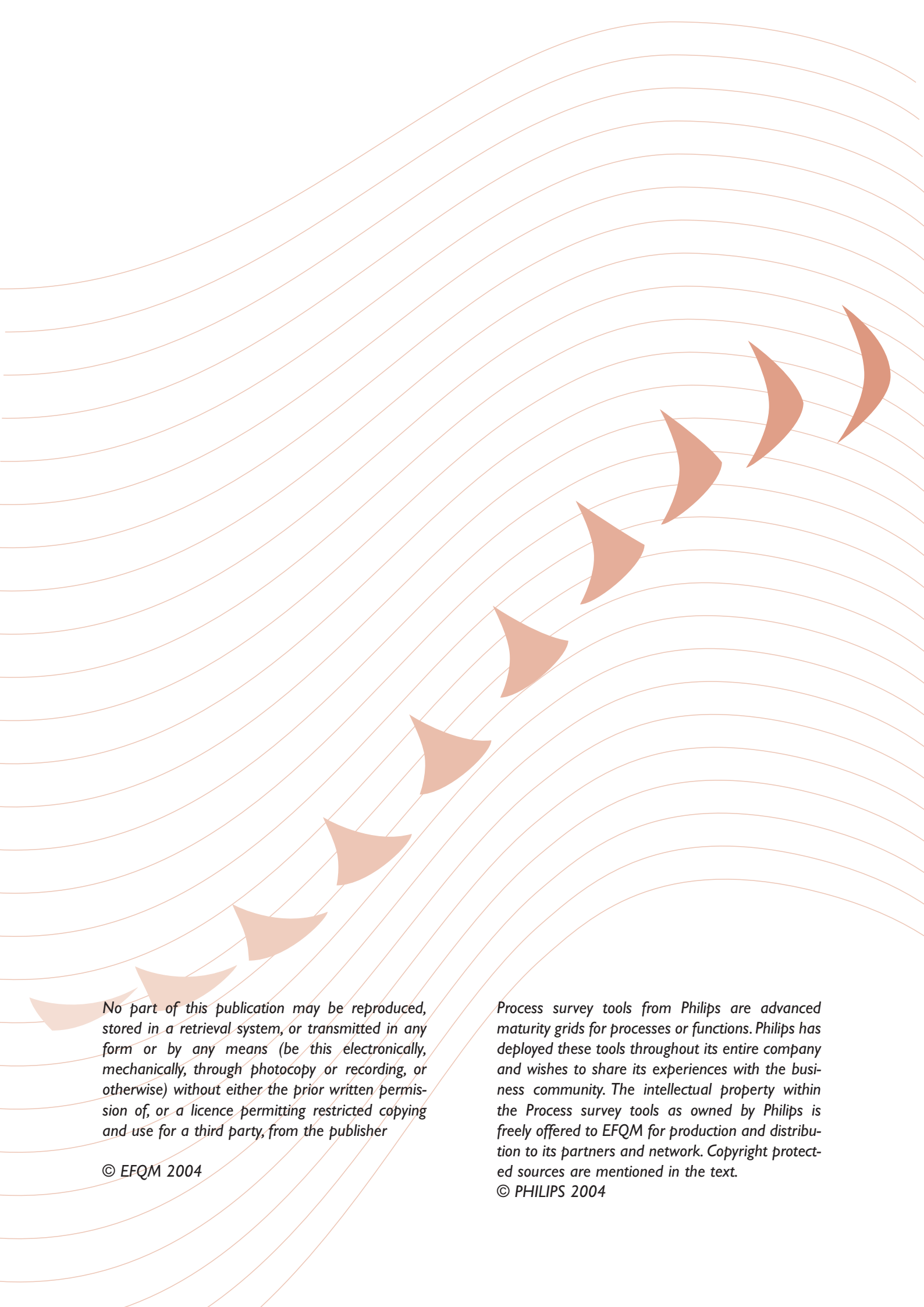




Process Survey Tool for Marketing & Sales





No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means (be this electronically, mechanically, through photocopy or recording, or otherwise) without either the prior written permission of, or a licence permitting restricted copying and use for a third party, from the publisher

© EFQM 2004

Process survey tools from Philips are advanced maturity grids for processes or functions. Philips has deployed these tools throughout its entire company and wishes to share its experiences with the business community. The intellectual property within the Process survey tools as owned by Philips is freely offered to EFQM for production and distribution to its partners and network. Copyright protected sources are mentioned in the text.

© PHILIPS 2004

Process Survey Tool For
Marketing & Sales

EFQM and Philips

Philips is one of the founding members of EFQM and has been a member ever since. A long-standing relation with the EFQM evolved which resulted in many forms of co-operation. Philips is strongly involved in the model development as well as the design of the award process. One of the members of the Group Management Committee of Philips is Governor of the EFQM and year on year several Philips employees take part in EQA assessments and other activities like study groups. Philips uses the EFQM Excellence Model as their prime assessment and improvement methodology in all parts of the organisation worldwide.

The company wide improvement program in Philips is called “BEST” (Business Excellence through Speed and Teamwork). This program consists of several approaches and tools and is strongly embedded in the business processes. One of the most important tools used in the BEST program are the Process Survey Tools (PST) that are meant to assess the maturity of a process. As part of its strategic commitment to helping organisations generally improve their performance, Philips has decided to make some of the PSTs available widely through EFQM and its partners network.

About EFQM

EFQM® is a membership based not for profit organisation, created in 1988 by fourteen leading European businesses, with a Mission to be the driving force for sustainable excellence in Europe and a Vision of a world in which European organisations excel.

EFQM has promoted the concept of partnership with similar National organisations in Europe and its members to help promote sustainable excellence in European organisations. All of these National organisations have worked with EFQM to develop the Fundamental Concepts of Excellence and to promote the EFQM Excellence Model. Contact details for our partners can be found at <http://www.efqm.org>

By January 2004, EFQM membership had grown to around 700 organisations from most European countries and most sectors of activity. Together with the National organisations the membership network runs to thousands of organisations with several million individuals employed in those organisations.

In addition to being the owner of the EFQM Excellence Model and managing The European Quality Award, EFQM also provides a portfolio of services for its members.

About Koninklijke Philips Electronics

Koninklijke Philips Electronics of the Netherlands (NYSE: PHG, AEX: PHI) is one of the world's biggest electronics companies and Europe's largest, with sales of EUR 29 billion in 2003. With activities in the three interlocking domains of healthcare, lifestyle and technology and 165,600 employees in more than 60 countries, it has market leadership positions in medical diagnostic imaging and patient monitoring, color television sets, electric shavers, lighting and silicon system solutions. News from Philips is located at www.philips.com/newscenter.

Introducing Process Survey Tools

Process Survey Tools (PSTs) are maturity grids designed for specific processes or functions. PSTs help to assess the maturity of a process or function and give clear indications on how to improve to reach next levels of maturity. Each process is broken down into a number of “elements” or sub-processes that make up the entire process. Typically there are 10 to 15 elements in each of the PST processes.

For each of the elements, a maturity scale has been created – ten levels of maturity starting from basics in step 1 and culminating in worldclass performance in step 10. By assessing their position against the maturity scales for each of the elements, organisations can establish a “maturity profile” for a particular process and gain an insight into the steps they need to take to move in the direction of world class. The procedure clearly provides a basis for benchmarking progress with others within or outside the organisation.

The level descriptions in the elements are based on various sources and own Philips’ experience. They all reflect expert knowledge on the road to worldclass for the described processes.

Software will be made available to facilitate the assessment process as well as for presenting results as bar charts, spider diagrams and for analysing performance over time. This software will be known as the **PST supporting e-Tool**

For more information on how to apply the PSTs, please use the separate **PST Guide** that accompanies each PST.

Positioning against the EFQM Excellence Model

For any organisation, improving performance from self-assessment or other approaches usually means working for improvement in the whole network of processes through which the organisation’s goods and services are produced and delivered. Processes lie at the heart of the EFQM Excellence Model.

There are clear links between the criteria of the EFQM Excellence Model and processes for which there are PSTs - for example:

“Marketing and Sales” links into criterion part 5c

“Manufacturing” links into criterion parts 4e and 5d.

“HRM” links into criterion 3.

Thus the PSTs will be of assistance and provide guidance to organisations, using self-assessment against the EFQM Excellence Model, wishing to improve their processes.

Clearly the maturity steps for each of the elements are specific to the process under consideration and therefore are defined differently for different elements. However the logic of the PDCA cycle is built into the levels of the maturity scales for each of the elements of all of the processes and, to a substantial degree, these levels reflect the RADAR tool of the EFQM Excellence Model.

Content overview

Introduction	
How to use the Process Survey Tool for Marketing & Sales	9
Element 1	Marketing Strategy
Element 2	Marketing Planning
Element 3	Market Intelligence
Element 4	People Capability & Marketing Leadership
Element 5	Brand Positioning Implementation
Element 6	Product Portfolio Management
Element 7	Communications
Element 8	Pricing
Element 9	Distribution / Sales Channel Strategy
Element 10	Market Introduction
Element 11	Account Management
Element 12	Sales Execution
Glossary of Terms	47



Definition of the Marketing & Sales Process

The Marketing & Sales process contains the entire process of marketing and selling. It includes both strategic and tactical tasks. It fully links the customer, end-user, and all of the internal/external functions supporting the 'commercial' side of a company.

Components of Marketing Strategy	
Component	Definition
1. Business Definition	Categories we compete in; end users and buyers we seek to sell; what we sell.
2. Growth Goals	Targets for increases in revenues, margins, market share, and franchise loyalty.
3. Core Strategy Components	
□ Brand Positioning	This is literally the position we want our brand to occupy in the minds of our stakeholders, the association we want them to have when they think of our company.
□ Competitive Advantage	How we differentiate from competitors on a basis which is sustainable. Foundation for realizing positioning and for achieving profitable growth.
4. Manifestation of Core Components in Market	
□ Communication Strategy	Cohesive translation of brand positioning into advertising and other communication.
□ Product Portfolio & Pricing	Cohesive line of 'value proposition' whose points of difference make brand positioning tangible to target prospects
□ Distribution Strategy	How to effectively deliver the product portfolio target end users want, through purchase and service channels.
5. Execution Strategies	
□ Account Management	How to become preferred supplier among target accounts
□ Sales Execution	How to most effectively and efficiently sell the brand value proposition to/through customers
□ Market Introduction	How to plan and successfully introduce new products

Principles Guiding Tool Design

1. Address the mindsets and skill sets required to drive profitable top line growth.
Result: Tool content encompasses both marketing and sales and has 12 discrete elements
2. Apply the principles of business improvement, recognizing the strategic importance of this PST, and the need to educate, not only provide process steps.
Result: Tool incorporates more content; addresses B2C and B2B businesses with progressive steps of proficiency, from 1 to 10, where 10 reflects world class.
3. Highlight foundational elements, i.e. those overarching elements vital to success.
Result: Marketing Strategy, Marketing Planning, Market Intelligence and People Capability & Marketing Leadership are the foundational elements.
Note: Although Brand Positioning belongs to the overarching elements, the Brand Positioning Implementation process is one of the execution elements in this PST.
4. Content founded in best practices of marketing and sales, and validated at world class marketing companies.
Result: High quality tool which has been used effectively over time.

The 12 elements of the PST M&S



Logic of Tool Design

1. Individual elements structured to:
 - Aid understanding, by beginning with a definition of each element, a description of how it works and an overview of world class performance;
 - Provide clear direction via maturity steps written to help users determine what they have to prove (evidence) to assess at what step they are. And next step indicating what to improve to advance to the next step.
2. Progress is designed to loosely link progress “horizontally” as well. For example:
 - A certain level of progress on foundational elements is needed to advance beyond certain levels on more tactical elements. Without fulfilling level #4 in People Capability where capabilities are assessed against new requirements for success, with upgrades made in level #5, it will be difficult to progress beyond step #4 in marketing planning.
 - Marketing Strategy is unlikely to improve significantly beyond level 4 without being informed through a market intelligence plan (level #4).
3. Progress from 1-4/5 on most elements can be accomplished within one function, whereas progress in the 6-10 levels typically requires competency in cross functional linkage.
4. Disproportionately greater business impact occurs between levels 6 and 10 because this is where the benefits of strategic business management and category leadership come in.

Managing the business strategically can cause a different class of decision to be made, with far-reaching implications for the business. Moreover, a very high level of skill sets and a market-driven mindset can result in category leadership with disproportionate share of category profits accruing. It can also lead to the successful launch of major new businesses.



HOW TO USE THE PROCESS SURVEY TOOL FOR MARKETING & SALES

General

Business process improvement is what it is all about. Balanced Score Cards are used to identify which processes to improve and by how much.

Process Survey Tools are tools for self-assessment. They give teams tools to assess their business processes and to develop improvement plans based on their assessments. For clarification, organizations or units are allowed to add functionalities/examples to the descriptions of the levels.

Policy

Process surveys must enable internal benchmarking, sharing of best practices and learning based on common language and facts. This means that this PST must serve as a common tool for use throughout a company.

Self-assessment approach

Self-assessments based on the use of this tool should be performed in cross-functional teams.

- **Team composition**

Chairman: Sales or marketing manager

The scoring group must have a minimum size of five people who must represent various disciplines from within the organization (sales, key account management, marketing, product management, marketing communications, and market intelligence).

- **Timeline**

Process Surveys should be carried out preferably twice a year, but at least once a year.

- **Action list**

Recommendations:

1. List strength (evidence) supporting a certain level
2. List improvement opportunities, objectives and possible improvement actions to qualify for the next level.
3. After having completed the self-assessment: make a prioritization of the possible improvements ("which have the most impact on your business success"?)
4. Focus on max 5-7 improvement actions
5. Define the target level for the next self-assessment (in line with the improvement areas/ actions defined)
6. Regularly review the improvement actions, ensure a closed loop.

Scoring Rules

- **Element scoring**

Scoring is on a strict 'level' principle. This means the conditions for level 1 must be completely satisfied before moving on to level 2 etc. If level 4 is not completely satisfied your organization will only score 3, even if you already have major parts of level 5 and 6 in place.

Basic principle: if you encounter a phrase or term you do not understand, this indicates a learning opportunity. So do not say 'This tool does not fit our way of working' but 'What is the tool trying to tell us about how we should really work'.

- **Total score**

The total PST score is the average of all 12 elements.

Element I **MARKETING STRATEGY**

Description

The process to define our marketing strategy as well as the process to deploy this strategy.

- Clear statement of Marketing objectives and the value creation strategy for the business (product leadership, operational excellence and customer intimacy).
- The marketing strategy identifies, prioritizes and ensures a consistent, integrated approach to all the key elements in the Marketing & Sales process.
- Marketing strategy incorporates Brand Positioning and shows how we are going to deploy our Brand Positioning and Touchpoints.

World-class:

- Marketing strategy is based on clear competitive advantage
- Clearly differentiated strategy that provides value to customers
- Dedicated (company-wide) strategies for Key Accounts
- Clear, fact-based marketing vision is deployed in all business plans
- Employees understand their individual roles in its achievement

Introduction

- The marketing strategy is the guide for content development throughout the Marketing & Sales process. It is based on a clear vision and mission and describes, in summary form, the key strategies needed to fulfil them.
- Maturity steps measure the levels of clarity and specificity of strategy development over time. It is an iterative process.
- The marketing strategy must be linked to other processes within the company (e.g. innovation, capacity planning) with inputs from outside the company (e.g. end-user/ consumer, trade, competitors, environmental, market and stakeholders).
- The marketing strategy is based on fact based market intelligence input.
- A good strategy clearly shows how profitable growth will be achieved and the choices which have been made to maximize resource productivity and achieve superior business results.
- The marketing strategy, leverages the internet as appropriate to create value.
- The marketing strategy provides direction for internal communication to help the organization focus.
- The marketing strategy is based on clear understanding of the Brand Positioning and the Touchpoints of our business with the market. This understanding is based on a qualitative and quantitative analysis of our value chains.
- The marketing strategy provides direction for external communication.

Element I **MARKETING STRATEGY**

1	<p>We have a document titled “marketing strategy”</p> <p>We have appointed some-one in the organization with the explicit responsibility to lead/manage.</p>
2	<p>We have a documented marketing strategy that is focused on the immediate customer.</p> <p>There is some end-user data.</p> <p>We have a process to come to this strategy.</p>
3	<p>We have gathered sufficient data to develop a preliminary marketing strategy that is focused on relevant customer categories in the value chain up to and including the end-user.</p> <p>We have a formal marketing strategy document.</p> <p>A process is defined to generate a marketing strategy update as part of the business strategy.</p> <p>We have observed what the competition is doing and we are discussing our response.</p> <p>Part of our strategy is how we are going to deploy on Brand Positioning and Touchpoints.</p>
4	<p>We have evaluated our competition and ourselves through objective analysis of strengths, weaknesses, opportunities and threats (SWOT).</p> <p>Through Market Intelligence we have fact-based customer and consumer insight including regular customer satisfaction surveys.</p> <p>We have identified existing voids in the marketplace.</p> <p>A formal process is used to review the strategy and the Business Balanced Scorecard.</p> <p>We understand the value chain for our business.</p> <p>Selected Key Accounts get dedicated attention in our marketing strategy.</p> <p>We have analysed what our touchpoints with our market are and have also prioritised these based on the impact they have for our business.</p>
5	<p>We have established a clear vision and mission.</p> <p>We have provided the strategic guidance needed to optimize all related strategies and processes (the other 11 PST-Elements).</p> <p>We allocate the resources that enable us to optimize all major touchpoints with the marketplace in accordance with the Brand Positioning.</p> <p style="padding-left: 40px;">We have defined the major programs in our strategy that we expect will help us achieve our goals.</p>
6	<p>We have secured management agreement to our strategy.</p> <p>We have agreed direction for allocating marketing spending which is deployed within the company.</p> <p>For Key Accounts we have developed cross-region and cross function account strategies.</p>

7	<p>We have optimized the marketing strategy by developing a strategic information base.</p> <p>Key elements of the strategic information base are:</p> <ul style="list-style-type: none"> - research among end user/consumer, immediate customer, influencers, in order to uncover important/poorly met needs and understand perception of our Brand Position and touchpoint performance - research into potential key accounts - changes in market trends/structure, technology, regulation and environment, - identification of opportunities risks and gaps, <p>For Key Accounts we have company-wide account strategies.</p>
8	<p>We have transformed our marketing strategy by making it truly market oriented.</p> <p>Our strategy focuses on delivering powerful competitive advantage.</p> <p>We can prove that we are exploiting growth areas in the marketplace, and taking market share away from the competition. This enables us to upgrade functional sub-strategies.</p> <p>Our speed of upgrading is in line with business requirements.</p>
9	<p>We evaluate the validity of our marketing strategy in the marketplace via research and business performance.</p> <p>Specifically, this is done in terms of competitive advantage and added value from the end user and customer points of view.</p>
10	<p>We have developed a superior marketing strategy.</p> <p>It delivers measurable added value for our Customer.</p> <p>It results in significant enduring profitable growth in the marketplace.</p>



Element 2 **MARKETING PLANNING**

Description

- The marketing planning process identifies the key tasks and responsibilities required in building an effective Marketing & Sales program based on our marketing strategy.
- The marketing planning process embeds the 'marketing strategy' in all elements of Marketing & Sales.

World-class: clear 'marketing vision' is deployed in all business planning processes and all business units.

Introduction

Marketing planning is part of the business planning process and aims at translating the business objectives and marketing vision into focused activities in sales, key account management and marketing.

The quality level of the marketing planning process depends on the answers to the following questions:

- Is the process clearly defined and understood?
- Is the marketing planning process based on full understanding of our Brand Positioning and touchpoints
- Are our marketing activities aimed to improve our performance with respect to those touchpoints that have priority for our business?
- Do we have business plans for Key Accounts?
- Are Key Account plans covering multiple regions and do they interact with other functions within the company?
- Is the quality of the input sufficiently focused on the customer and/or end-user/consumer?
- Is the cycle time of the overall process designed to deliver the required business and market responsiveness?
- Is the performance of the overall process measured and evaluated?
- Is the process sufficiently linked with other critical business processes such as the innovation planning process and the manufacturing planning process?
- Do we have tools in place early on in the process to guide the information development and analyses required to develop high-quality plans?



Element 2 **MARKETING PLANNING**

1	We have a document titled 'marketing planning process'.
2	<p>Within the product management/marketing functional area, a process is defined to generate an annual marketing plan.</p> <p>It is updated as part of the business planning process.</p> <p>This plan describes the actions required for that year to achieve what has been defined in the Business & Marketing Strategy.</p>
3	<p>The marketing vision and the Brand Positioning are clearly understood, and are the foundation for marketing planning.</p> <p>Marketing and sales activities are developed to deliver the vision.</p> <p>Life-cycle business is included.</p>
4	<p>The marketing vision is aligned with the overall business objectives (including innovation strategy and industrial strategy).</p> <p>The annual marketing planning process includes a review of achievement versus sales and marketing targets.</p> <p>It also includes the subsequent development of corrective actions.</p>
5	<p>The marketing planning process is well defined, with clear marketing vision / marketing objectives.</p> <p>Marketing and sales activities are aligned.</p> <p>Plans are defined for all of the other survey tool elements.</p> <p>We have defined the key marketing metrics to track.</p>
6	<p>Marketing planning and overall business planning are effectively linked.</p> <p>Performance targets and measurements are understood throughout the organization.</p> <p>Ownership of KPIs is clearly defined.</p> <p>The use of the Internet is an integrated part of our marketing planning process.</p> <p>Multifunctional improvement teams address bottlenecks and take corrective actions.</p>
7	<p>There is a clear set of communication tools (newsletters, intranet-based tools, town meetings etc.).</p> <p>They are used to gain awareness in the organization and to gain alignment with:</p> <ul style="list-style-type: none"> - the marketing vision, - the overall marketing plan and - performance targets and measures.

8	<p>We have a well established marketing planning process.</p> <p>There is also a structural process for getting input, sharing of output and for involvement of:</p> <ul style="list-style-type: none"> - key supplier partners - global innovation management and - key accounts. <p>For Key Accounts our planning goes across the entire company.</p>
9	<p>Formalized benchmarking of the marketing planning process occurs, including its relationships with other business processes.</p> <p>The marketing planning process measures consistently at the same level as or better than those of 'best-in-class' companies in similar industries.</p>
10	<p>Our business operations are based on our marketing plan which is fully integrated into our business plan.</p> <p>Execution of our plan results into predictable profitable growth.</p>



Element 3 MARKET INTELLIGENCE

Description

· Market intelligence is a crucial source of input for fact-based marketing strategy development. It enables identification, measurement and anticipation of market needs. It provides the basis for identifying and verifying revenue and/or margin opportunities. Market intelligence provides benchmarking and market performance information including market share on all marketing elements, and provides information on competitors and technology trends. Consumer insight ensures the right input for strategy, communication and innovation development.

Ongoing observation of market developments and competitors' activities and strategies are the input for the development of pro-active competitive marketing and sales strategies.

Market intelligence provides fact based information which can be used as:

- input to application/product roadmaps
- input to marketing strategy and plans
- input for account selection and for the development of (key) account plans
- input for technology planning
- input to the Value Proposition Model
- business/resource planning

Market Intelligence also has to deliver:

- fact based information on our touchpoints in the market
- information on competitor performance on the high priority touchpoints.
- information of the perception of our Brand
- validated consumer insight

World class: full fact-based end-user/consumer/application, environment, technology and competitor understanding as a foundation for business & marketing strategy.

Information is shared through the cross-company Market Intelligence Network.

Introduction

It is only when the in-depth knowledge of the end-user/consumer is taken as the foundation of the strategic business plan that a unit starts to become truly market-driven. We speak of a world-class market intelligence approach when a full fact-based knowledge and insight of end-users/consumers/application and competitors are established as the foundation of the marketing strategy.

Most units start by gathering some ad hoc data on the size of their market, followed by some competitive data. After this the sales channel is the main object of market intelligence. Information on distribution coverage, market share and pricing is gathered. When this is done in a more structured way, touchpoints are identified, trade channels are segmented and market intelligence information is even gathered on key account level. The introduction of Internet-based businesses has created an additional opportunity to perform ongoing monitoring of market trends and developments, as well as of competitors. Market intelligence takes also technology trends and competitor understanding including SWOT analysis into account.

A step change is made when the unit focuses on the end-user/consumer as the main object of market intelligence. This market intelligence is gathered in a structured way. Through one-to-one communication, this end-user/consumer knowledge and insight can be collected continuously and interactively, ensuring up-to-date input.

The results are shared with all involved people in the unit, within the company via the Market Intelligence network.

Element 3 MARKET INTELLIGENCE

1	The unit has basic market data on market size and growth rates for their products.								
2	<p>The unit has a plan for market intelligence including competitive intelligence.</p> <p>The plan defines the intelligence requirements.</p> <p>Market Intelligence data are easily accessible on an approved need-to-know basis.</p>								
3	<p>The unit has a yearly market intelligence plan based on business needs.</p> <p>The plan describes research activities, budget and responsibilities.</p> <p>Information on the perception of our brand (performance on the pillars of our Brand Positioning) versus our competition is gathered.</p> <p>This is based on the attributes defined by Corporate Market Intelligence for our Brand Positioning.</p> <p>Through analysis of our touchpoints with the market we have identified those few touchpoints that have most impact for our business.</p>								
4	<p>The market intelligence activities are planned and budgeted as part of the marketing planning process.</p> <p>The focus of the market intelligence plan is on the immediate first-level customers and key competitors.</p> <p>Measurements provide insight on key aspects of the business.</p> <p>Examples include:</p> <table border="0"> <tr> <td>Market Sizes (volume/value),</td><td>SWOT of competitors in relation to the company,</td></tr> <tr> <td>Prices (per main article group),</td><td>Distribution (weighted/numeric),</td></tr> <tr> <td>Market share (volume/value),</td><td>Touchpoints,</td></tr> <tr> <td>New product concept testing,</td><td>Brand perception.</td></tr> </table>	Market Sizes (volume/value),	SWOT of competitors in relation to the company,	Prices (per main article group),	Distribution (weighted/numeric),	Market share (volume/value),	Touchpoints,	New product concept testing,	Brand perception.
Market Sizes (volume/value),	SWOT of competitors in relation to the company,								
Prices (per main article group),	Distribution (weighted/numeric),								
Market share (volume/value),	Touchpoints,								
New product concept testing,	Brand perception.								
5	<p>The focus of the market intelligence plan is the end-user as key driver for our businesses.</p> <p>The plan also addresses the related customer categories in the value chain. .</p> <p>Measurements provide insight on:</p> <ul style="list-style-type: none"> - end user/consumer, immediate customer, influencers, in order to understand important/poorly met needs, perception of our Brand Position and touchpoint performance - research into potential key accounts - changes in market trends/structure, technology, regulation and environment, - identification of opportunities risks and gaps, - The installed base business (own & competition) - Communication, - (New) product and services acceptance, - Awareness, usage and application, - Information on web presence of competitors and consumer groups <p>We test and validate concepts with consumers</p> <p>The same parameters are measured in our business-to-business units with the focus on our (OEM) customers.</p>								

6	<p>Market Intelligence includes analysis and verification, typically through quantitative research of:</p> <ul style="list-style-type: none"> - end-user / consumer insight - application insight and trends. - customer insight <p>For key competitors, completion of in-depth assessments, addressing intentions, capabilities across the business system and economics, with implications for our business.</p> <p>Through net capabilities these data are up-to-date and available directly.</p> <p>This allows fast reading of results and improvement of plans.</p>
7	<p>Market intelligence is applied for the development of our key accounts.</p> <p>Product category management plans are defined.</p> <p>They are based on tailor-made market intelligence for key customers and end-users.</p> <p>A closed-loop management system (PDCA) is in place to proof that improvements are achieved.</p>
8	<p>Quality and value of the strategic information base is improved through competitive gaming, resulting in strengthened strategies and Information and templates exist for measuring:</p> <ul style="list-style-type: none"> -Size of market through the installed base. -Product introduction performance through penetration, distribution, customer loyalty and its effect on the existing range. -Channel dynamics, the effect on market, market share and profitability when sales shift from one channel to another. -Other influences, e.g. regulatory bodies, governments, environmental regulations, standards bodies, content and service providers. <p>Data are easily accessible through net-based tools.</p>
9	<p>Value of superior market intelligence, effectively used by the business, is demonstrated in our leadership in new product development and market share growth. Thus it allows us to anticipate to those needs.</p> <p>This makes that they choose our company as their preferred supplier.</p> <p>In-depth analysis of key competitors' positions, behavior and strategies is available.</p> <p>Through one-to-one interactive communications, customers and end-users/consumers are interactively involved in our Market Intelligence processes.</p>
10	<p>Business results demonstrate that we have gained a superior understanding of end users, customers and competitors, and have become adept at translating our learning and insights into profit value.</p> <p>Market intelligence is a key element in all business planning processes.</p>

Element 4 PEOPLE CAPABILITY & MARKETING LEADERSHIP

Description

· Ensures that the people in the marketing and sales organization have the ability and mindset required to achieve world-class Marketing & Sales performance.

World-class:

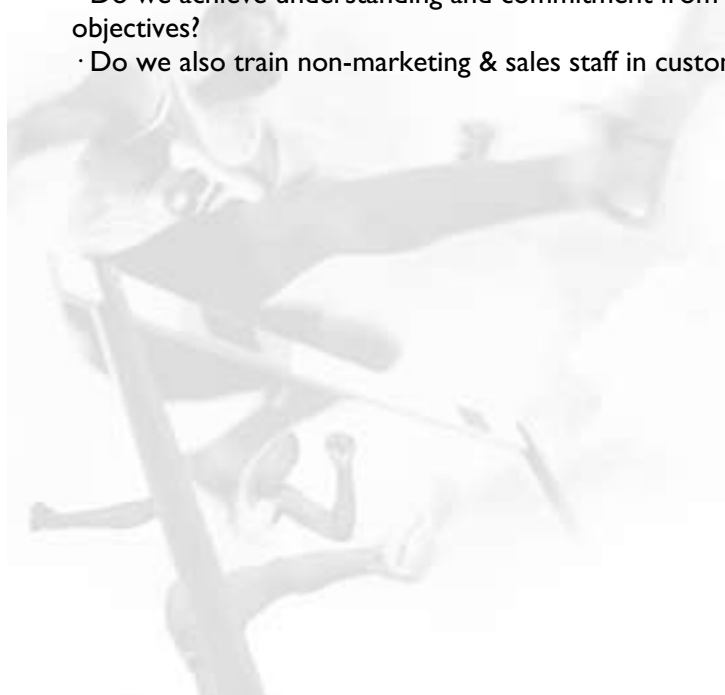
- Business leaders with strong marketing expertise to profitably grow their businesses.
- All of our businesses are customer/end-user/consumer and application-driven, and therefore we are driving the market.
- Most knowledgeable, skilful and motivated marketing/sales teams in our company.
- Our marketing and sales capability is viewed by our customers as superior to all others.
- A business culture where the driving force is to achieve marketing excellence and secure a competitive advantage.
- All our staff is well trained and highly skilled with respect to e-business issues.
- Our staff has a clear understanding of our Brand Positioning and is disciplined and relentless in its full application.

Introduction

The quality of the Marketing & Sales process will only be as good as the people who implement it. Highly skilled marketing professionals and sales professionals, motivated to reach world-class level in Marketing & Sales, can build the leadership culture that the company needs to drive profitable growth.

To realize this opportunity, there are a number of key questions to answer:

- What capabilities are required to successfully implement the Marketing & Sales process?
- What tools and training will be needed to help our people build their capabilities?
- What is the plan for providing this support?
- Do we have job descriptions for all marketing, account management and sales functions?
- How can we move from a product focus to a customer/consumer and market focus?
- What are the organizational implications for the company to achieve and sustain leadership in marketing and sales?
- Do we achieve understanding and commitment from the total company for our Marketing & Sales objectives?
- Do we also train non-marketing & sales staff in customer understanding and Brand Positioning?



Element 4 PEOPLE CAPABILITY & MARKETING LEADERSHIP

1	<p>A marketing function exists.</p> <p>There is technology and sales expertise.</p> <p>We have a product management focus on immediate customers by channel.</p>
2	<p>The marketing function focuses more on a market defined by needs / applications than on immediate customers and product specifications.</p>
3	<p>The ability to become application or end-user/consumer-focused is recognized as requiring new skills, talent, roles, leadership, accountability and structure.</p> <p>As a result, ongoing training in the basic Marketing & Sales process skills as well as upgrade training takes place.</p> <p>Job descriptions for all marketing, account management and sales functions have been defined and documented.</p> <p>We do understand the relevance and importance of managing touchpoints in our business.</p>
4	<p>Work is completed to assess the current capability of the existing resources.</p> <p>They deliver the marketing and sales/account management organization that is consumer/end user/customer focused' and 'Brand Positioning-focused' instead of 'product-focused'.</p> <p>Specific skill and talent gaps are identified.</p> <p>Appropriate decisions have been made to recruit/train and develop the capability to satisfy these new needs.</p> <p>Competence profiles exist for key people involved.</p> <p>A Marketing & Sales HR plan is in place (e.g. succession, training, recruitment and career planning).</p>
5	<p>The marketing team is able to formulate and gain approval to a comprehensive marketing plan.</p> <p>The sales team and the account team are able to formulate and gain approval to their sales / account plans.</p> <p>These teams know how to proactively manage touchpoints.</p> <p>Career paths for marketing, sales and account staff are defined.</p> <p>We know how to maximize customer / consumer experience at all touchpoints of our sales process.</p> <p>We have hired or trained highly talented marketing and sales leaders who can teach by doing and are capable of becoming mentors to those capable of shifting their skill sets.</p> <p>Our performance appraisal process is consistent in the identification of our problems and the actions that need to be taken.</p> <p>Customer profitability and performance appraisal on teaching / leading / creating new business are key considerations for compensation</p>

6	<p>Sales and account management, customer support, marketing management and logistics work seamlessly together and have a culture of creating marketing / sales 'business people'.</p> <p>Our Key Account Managers proof that they have ownership of their customer.</p> <p>They are empowered and backed by their management to manage their integral Key Account Team without limitations of hierarchical barriers.</p> <p>They ensure an ongoing increase of professionalism and effectiveness in the total marketing team, the key account team and the sales team.</p> <p>There are a few commercial leaders who are asked to give external lectures and speeches.</p>
7	<p>This integrated commercial unit is now accountable for implementing the Brand Positioning and a customer-driven culture.</p> <p>We have institutionalized a proprietary evaluation process that creates complete customers/sales & account management alignment on a regular basis.</p> <p>It has become the benchmark for managing the marketing/sales Business Balanced Scorecard.</p>
8	<p>Our marketing managers, key account managers and sales staff are acknowledged by others as the most knowledgeable, skillful, self-learning, motivating, end-user-driven marketers.</p> <p>They are regularly asked to help resource and teach in other business areas.</p>
9	<p>This commercial unit is best-in-class in the industry, and has obtained breakthroughs in the market place.</p> <p>It has become a self-sufficient organization by self-training, mentoring, developing and enhancing new marketers.</p> <p>It is a recognized place of employment by aspiring business school graduates.</p>
10	<p>It has become the most knowledgeable, skillful and motivated marketing, account management and sales organization, that attracts 'too many' potential candidates from the best companies and business schools globally.</p>



Element 5 BRAND POSITIONING IMPLEMENTATION

Description

A brand's positioning is the promise that distinguishes its image in the minds of target prospects from competition. Put simply, it is what the company wants its targeted stakeholders to think when they hear and see its name, experience their products and do business with it.

Implementing Brand Positioning is defined as the "act of designing the company's offerings, image and way of doing business so that it occupies a distinct and valued place in the target customer's minds".

The adoption of the pillars of the Brand Positioning by every employee and the application to use the pillars collectively and consistently as filters in everything you do.

World-class:

One brand: one promise, founded on competitive advantage.

One brand: our Brand Positioning is alive in the minds of all our stakeholders, customers, consumers, partners, suppliers, media, shareholders, and most crucially, our employees.

We consistently deliver on the Positioning, and take the responsibility to act as an ambassador and further deploy it within the organization.

Our activities are always driven by insights into how consumers / customers seek to experience the benefits of technology. The offerings that we are involved in and the way of doing business are convenient and easy to experience – they remove all hassles for the end-user. However, they continue to deliver the benefits associated with innovation. Many people around the world know what our company stands for. We create brand value, and have business results that are measurably higher because of what we have achieved with the brand.

Introduction

The Brand Positioning is the description of what our company delivers in terms of benefits to end-users/consumers/customers and other targeted stakeholders. The value propositions of our Brand clearly differentiate our company from other competitive (or competing) brands.

The Brand Positioning can best be described as the territory we would like to hold in peoples' minds. Just as Volvo stands for 'safety' and Marlboro for 'rugged individualism', our company should have a clear stance for the relevant stakeholders.

Our company should have a clear value for the end-user. That 'value' should be made up both of the company's overall Brand Positioning and the business product positioning of the specific business units of our company, supported by the end-user product benefits.

The way we ensure that people look upon us in that way is by delivering on the pillars that build our Brand Positioning. The pillars must be integral to all our activities - strategy, planning, implementation, communication, evaluation etc – as well as at all our touchpoints. We must constantly ask and challenge ourselves against the pillars. This applies to both our products and the way we do business in our markets, and with each other.

Element 5 BRAND POSITIONING IMPLEMENTATION

1	Our Marketing & Sales staff is aware of the company's Brand Positioning and its three pillars.
2	<p>All M&S staff are fully aware of the Brand Positioning and of the effect this should have on the work they do.</p> <p>Through market research the unit is aware of the image of the company's brand today among a defined target group.</p> <p>The unit is also aware of the attractiveness of the Brand Positioning for our products.</p> <p>To facilitate better understanding of Brand Positioning, training programs have been designed and are implemented.</p>
3	<p>We have identified and analyzed our touchpoints with targeted stakeholders.</p> <p>We understand how our company is perceived at these touchpoints.</p> <p>We have a clear and simple plan how to implement the pillars that build our Brand Positioning</p>
4	<p>The Brand Positioning is known, understood and rigorously applied by the management and all people in direct contact with the market.</p> <p>This understanding is consistently deployed into communication briefings or at town meetings.</p> <p>We have prioritized our touchpoints, identifying the top 3-5 with potentially strong impact on our business.</p> <p>We have determined our performance on the key touchpoints relative to the competition.</p>
5	<p>The description of our Brand Positioning is translated into the product promise to all customers in the value chain, including end-user / consumer and other targeted stakeholders.</p> <p>This promise is relevant, perceivable and attractive to the target group, and distinctive from the competition, and is an integral part of each key account plan.</p> <p>In applying the company's Brand Positioning in a given product category, we make sure that we can achieve competitive advantage by focusing on important poorly met category needs.</p>
6	<p>Our Brand Positioning is reflected in all our communications:</p> <ul style="list-style-type: none"> - packaging - backing cards - TV spots - public relations campaigns - our internet presence <p>Definition of new products includes specifications that will enhance our Brand Positioning, based on the Brand Positioning pillars.</p> <p>Regular checks on Brand Position delivery at our touchpoints in the market are done.</p> <p>All Marketing employees and all Sales employees live the brand and constantly deliver on the positioning.</p>

7	<p>The Brand Positioning is regularly measured on all relevant attributes in a quantitative way among the most important touchpoints, consumers, customers and other targeted users.</p> <p>Gaps between target and actual Brand Positioning are identified.</p> <p>The relative position versus competition is always checked.</p>
8	<p>The unit has formulated a plan to close the gap between actual and target Brand Positioning at our touchpoints, consumers, customers and other targeted stakeholders.</p> <p>This plan also guides the definition of the product portfolio, distribution / sales channel strategy and market introduction policy needed to realize the targeted Brand Positioning in the marketplace.</p>
9	<p>Our progress in implementing our brand positioning has resulted in measurable increases in profitable revenue for the company.</p> <p>The Brand Positioning is an integral part of the business plan.</p> <p>We can show that our business results have been enhanced by a measurable brand value.</p>
10	<p>The company's brand has become the most recognized, highly valued brand in our product categories, and one of the highest value brands in the world, as measured by Interbrand.</p>



Element 6 **PRODUCT PORTFOLIO MANAGEMENT**

Description

Product portfolio management aims to translate market input into future product/service requirements (as input for the Business Creation / Product Creation (PCP) process) and to prune the current product / service portfolio based on understanding of the business added value of the products. The intended result is that our company consistently has the most competitive product portfolio that best meets end-user/consumer needs, and also achieves optimum integral business results.

The product portfolio / product categories reflect our Brand Positioning.

The development of propositions is based on validated consumer / end-user / consumer insight. Product positioning needs to be developed and needs to reflect the consumer insight. It must be translated into benefits and reasons to believe.

Product in this respect includes all value propositions we offer to the market, including service and services.

World-class:

- Product range offerings cover marketing strategy objectives (including Brand Positioning) and target audience needs.
- The product portfolio is more market-responsive than that of the competition.
- Product portfolio management is seamlessly aligned with the Business Creation / PCP and Order Fulfillment process.
- Product profitability is understood using activity-based costing in the whole chain of Marketing, Sales and Order Fulfillment, and understanding of the product-account relationships.

Introduction

Product substantially drives customer satisfaction and revenue. Hence, management of the product portfolio is essential for the success of Marketing and of Sales. Doing so effectively requires answering a number of questions:

- Does the product portfolio reinforce the marketing objectives, as well as the Brand Positioning?
- Does our product portfolio fully comply with the pillars of our Brand Positioning?
- What are the gaps in the product portfolio to realize an optimal array that:
 - best meets end-user/consumer/application needs?
 - optimizes the company's value opportunities?
 - allows responsiveness as demanded in e-business
 - fully exploits the new opportunities that are created by e-business
- Does the array differ by market segment? If so, how?
- How to anticipate in time product portfolio needs and trends per user segment, based on market intelligence?
- How to monitor (together with manufacturing) the integral product profitability to identify in time those products which should be pruned?
- How to determine the business impact (additional sales, margin, accounts, and cannibalization effects) of realizing product portfolio wishes?
- How to ensure adequate input of the product portfolio wish list in the Business Creation / PCP processes?
- Does our product portfolio include products and services for life-cycle business?

Element 6 PRODUCT PORTFOLIO MANAGEMENT

1	We manage our product portfolio on basis of history and line extensions.
2	<p>Product portfolio management reacts to competitors' portfolios, technology opportunities and individual customer requirements.</p> <p>Products with very low margins are identified and alternatives requested.</p> <p>We collect some customer feedback.</p>
3	<p>A set of business criteria has been determined and these are monitored for updating (phase-in/phase-out) of the product portfolio.</p> <p>We have a robust system for customer feedback.</p> <p>The product portfolio policy is described.</p> <p>A clear process of product deletion and introduction is installed.</p>
4	<p>The communicated product portfolio policy incorporates:</p> <ul style="list-style-type: none"> - Customers' and target market segment requirements. - Consumer / end-user insight - current product sales and margins or other business parameters. - identification of the gaps or redundancies in the current product/services portfolio. - products and services for life cycle business where appropriate. - a clearly embedded Brand Positioning and adhering to the "Brand Architecture Decision Tree". <p>We have a defined list of features and attributes that customers want us to include in future products.</p>
5	<p>Structured market intelligence and business analysis of competitors' product offerings together with the consolidated customer/consumer/end-user insight are the basis for identifying current product portfolio gaps.</p> <p>This information is used as a direct input to the Business Creation / PCP process.</p>
6	<p>Based on end-user / customer / application requirements and analysis of future requirements, we have created a long-term product development plan.</p> <p>Integral product and services profitability is understood and defined, and product pruning is applied where appropriate.</p> <p>The products and the product ranges we offer are determined by our Brand Positioning in our target markets.</p>
7	<p>The effect of our product and services portfolio on our business performance is monitored and measured against KPIs.</p> <p>Our strategy is updated at least once a year, based on adequate, interactive, market intelligence.</p>
8	<p>A clear link is established between product and services portfolio policy and overall business strategy.</p> <p>The product and services portfolio 'wish list' includes expected business results.</p> <p>The competitiveness of the portfolio is benchmarked.</p>

9

The product and services portfolio consistently exceeds target customer and consumer expectations, competition portfolio performance and EPR targets.

Our portfolio is so advanced, that most of our competitors follow our lead.

Product profitability is understood using methods like activity-based costing in the whole chain of Marketing and Sales and Order Fulfillment, and in the understanding of the product-account relationships.

10

Our products have enabled us to achieve #1 market share and highest margins in our categories on a sustainable basis.

- Product range offerings completely cover the marketing strategy objectives.
- They fulfill the Brand Positioning and target audience needs.
- Due to superior consumer insight our product and services portfolio is more market-responsive than that of the competition.
- It is seamlessly aligned with the Business Creation / PCP and Order Fulfillment processes.



Element 7 COMMUNICATIONS

Description

· Communication enables the business to firmly establish the Brand Positioning and other important messages in the minds of target end users, customers and prospects. As such, it is the first step in building loyalty and contributes importantly to achievement of marketing objectives.

World-class:

Target audiences are increasingly becoming more loyal to our company's Brand, can describe a consistent message and are persuaded by that message to buy our products in preference to those of competitors.

Introduction

Communication strategy:

- Includes both advertising and promotion as tools in persuading prospective buyers to purchase from our company and influencers to recommend our company.
- Ensures communication tools are fully integrated with the Brand Positioning and with each other.

Developing competency in communication strategy requires:

- Skills in developing strategy and managing execution through the internal resources and external specialists.
- Skills in using consumer/end user and customer insight as basis for our communications.
- Skills in defining, analyzing, prioritizing and optimizing our touchpoints
- Skills in developing promotion structures and programs through internal and external resources.
- Understanding of analytical tools for measuring spending effectiveness and efficiency and accumulating in-depth knowledge on the relationship between the marketing objectives to be reached, the communication goals derived from these objectives and the budget needed to achieve them.
- Understanding how the communication strategy contributes to the communication of the Brand Positioning, the creation of brand loyalty as well as to building the lifetime value concept.
- Understanding all elements of e-business and the resulting requirements for communication.
- Measuring of spending effectiveness, including how to optimize the balance between the promotional ('push') and the communication ('pull') investments?



Element 7 COMMUNICATIONS

1	<p>The business is supported by various communication tools.</p> <p>They are created according to our company's identity rules.</p>
2	<p>A yearly communications plan is in place detailing objectives, actions, timing and responsibility.</p> <p>The plan is executed according to the specified time schedule, although timely alterations are made when the competitive setting changes.</p> <p>The tools are developed without any mistakes, meeting clear briefing guidelines.</p>
3	<p>The Brand Positioning is known and serves as basis for the communication plan.</p> <p>We understand what kind of communications our customer desire, and shape our communication plans around their needs. This communication plan is based on information gathered through market research.</p> <p>It identifies the desired level of awareness, attitudes and purchase intent towards our company and our relevant competition.</p>
4	<p>We have developed, tested and measured the potential communications towards the targeted audiences.</p> <p>We verify that the messages delivered will be clearly understood, memorable, distinctive, persuasive and consistent with the Brand Positioning.</p>
5	<p>We have based our communications on superb and consumer, end-user and customer insight.</p> <p>We have developed a balanced communication strategy outlining the actions needed to achieve both long- and short-term sales objectives.</p> <p>This strategy also contributes to stronger customer intimacy and stronger brand preference.</p> <p>The result is the consistent execution of a clear market communication budgeting policy.</p> <p>This policy describes any 'push' and 'pull' expenditure levels necessary to achieve the above targets.</p> <p>The budgeting policy is flexible and allows interactive changes in expenditure levels if developments in business demand this.</p>
6	<p>Communication strategy and plans are guided by the marketing strategy and plan</p> <ul style="list-style-type: none"> - The communication strategy is no longer an addition of separate tools and campaigns. - The different 'push' and 'pull' actions are part of an integrated ('through-the-line') campaign comprising public relations, packaging, promotions, etc. - In principle this results in a measurable shift from 'push' to 'pull'.
7	<p>The communication goals as defined in the marketing plan are consistently reached or surpassed.</p> <p>A proven track-record demonstrates how this has contributed to achieving the marketing objectives described in the marketing plan.</p> <p>This has led to an increased effectiveness for the same financial spending.</p>

8	<p>Experience achieved over time and supported by external research has contributed to in-depth knowledge of marcom investments needed to achieve the communication goals and marketing objectives.</p> <p>The insights into the relationship with customers / consumers / end-users increasingly guide the strategy and its implementation.</p>
9	<p>We regularly create breakthrough communications which measurably drive sales, support increasing margins and improve business performance</p> <p>The unit is now able to properly deploy the resources needed, and is doing this in a consistent manner.</p> <p>We have achieved the planned awareness and persuasion objectives, and this has translated into market share and/or margin growth.</p>
10	<p>Our communications drive profitable sales over the long term and our company's brand becomes a world icon .</p> <ul style="list-style-type: none"> - We dominate the mind-space in the categories in which we compete. - The group of customers who are loyal to our company is becoming measurably larger.



Element 8 PRICING

Description

Pricing drives the margins realized. Pricing must be managed within the context of competition to achieve purchase and profitability. Three aspects of pricing must be considered:

- Intelligence: information about price levels, erosion, elasticity of demand etc. (understanding the perceived value to the customer, and what the market will bear).
- Strategy: policy as an aid to positioning, portfolio management and maximizing profit.
- Operational control: discipline, price-setting, procedures, authorization.

World-class: Simply to understand and fully transparent list prices. We achieve the targeted brand index.

Introduction

Pricing intelligence requires:

- Knowledge of the competition's pricing policy.
- Understanding of the price sensitivity of users.
- Knowledge of the pricing policy of channels/key accounts.
- Understanding of customers and users regarding performance differences of product offerings.
- Customer classification.
- Awareness of the customer gross margin needs of market and channel.

Pricing strategy includes:

- Understanding how product positioning should be translated into a price positioning.
- Understanding how market share ambitions and competitive position should be translated into different price points in different price segments.
- Understanding how to add value and change paradigms.
- Tuning of prices based on customer classification.

Pricing control requires:

- Clear definition of the price waterfall (rebates, bonus systems, payment terms etc.).
- Clear policy and deployment of the different elements of the price waterfall reflecting the pricing strategy and an understanding of the added value of the customers.
- Authorization levels are set for the different elements of the price waterfall and are deployed into the organization.
- Market intelligence for pricing is in place

Price management therefore involves four areas:

- a. Price monitoring and control: establishes knowledge of both own and competitors' pricing, and aims at securing full control over the pricing process (ongoing, Internet-based).
- b. Discount policy and price waterfall: identifying all elements of the price waterfall, structuring and optimizing it. (Price waterfalls are not used by all companies)
- c. Price positioning: describes the relative differences in price among our different product offerings vs. those of the competition.
- d. Pricing strategy: describes how we can achieve our marketing objectives by optimizing the relationship between the actual price at which we sell our products and the volume sold.

Element 8 PRICING

1	<p>Reference price levels are defined and minimum prices are fixed.</p> <p>New product prices are based on their predecessors.</p>
2	<p>A basic discount structure is defined for specific customer groups.</p> <p>Business is volume-/price-driven.</p> <p>Pricing is highly transactional.</p>
3	<p>Pricing objectives are defined per product family, and the pricing policy for new products is established.</p> <p>Pricing is based on customer classification.</p> <p>Negotiation techniques are practiced for mutual benefit agreements.</p> <p>Competitor pricing is monitored and included in our pricing.</p>
4	<p>We have a pricing strategy.</p> <p>Monitoring of actual pricing systematically leads to feedback into the pricing policy process.</p> <p>The practice of pricing waterfall (gross prices, rebates, bonuses, terms and conditions) is developed where appropriate.</p> <p>Packaging and bundling of products is used to improve pricing realization.</p> <p>A price / volume management process is in place.</p>
5	<p>A transparent list price is available.</p> <p>Where appropriate the total price waterfall is implemented, and regular monitoring and analysis of deviations takes place.</p> <p>Price positioning for new products is externally tested and fact-based.</p> <p>Time-to-Customer (TTC) is considered and has pricing impact.</p>
6	<p>Pricing strategy is based on characteristics of:</p> <ul style="list-style-type: none"> - Customer - End-user / consumer - Application - Channel. <p>The fully implemented price waterfall (where appropriate) is supported by externally used transparent list prices.</p> <p>Prices levels are increased by adding benefits with additional value to the products or services offered.</p>

7	<p>Pricing strategy is based on full understanding of:</p> <ul style="list-style-type: none"> - customer value, - pricing of competition, - costs to serve the customer, - internal integral and variable costs. <p>We are working with customers to reduce total cost of ownership and time-to-technology.</p> <p>We have a profitability map for our marketplace, so we can see where people are making profits. This enables us to achieving higher prices for our products or services.</p>
8	<p>An action plan (PDCA) to reduce price waterfall size is in place where appropriate.</p> <p>Other tools, such as value mapping and modeling, packaging, product differentiation etc. are actively used to support implementation of the pricing strategy.</p>
9	<p>Effective implementation of our pricing strategy, in conjunction with our branding, communications and product portfolio strategies, has enabled us to support the highest margins of all competitors in our category.</p> <p>Implementation of the pricing strategy, pricing control and the pricing waterfall are continuously measured and benchmarked.</p> <p>Proof of continuous improvement is visible in terms of consistent movement towards end goals, e.g.</p> <ul style="list-style-type: none"> - profit level, - financial target, - competitive behavior, - customer satisfaction with pricing and price points. <p>Value added positioning creates pricing breakthroughs by changing paradigms.</p>
10	<p>Management of our pricing strategy as an integrated part of our marketing strategy has enabled us to establish a lasting premium price position for our product lines.</p> <p>We are a recognized model for pricing management across industries.</p> <p>Pricing control is world-class in terms of discipline, monitoring, systems and culture.</p> <p>Objectives in terms of profit level, financial target, price points, market place results etc. are achieved.</p> <p>Our customers are buying due to how we deliver value versus price.</p>

Element 9 DISTRIBUTION / SALES CHANNEL STRATEGY

Description

We need to effectively and efficiently sell and distribute our products to the targeted customers, the stakeholders in the value chain and the chosen marketplace via the right channels and supported by superb trade marketing.

- Defines how to achieve marketing and sales objectives through distribution/sales channel including OEM, overall and by market.
- Specifies how to allocate resources across the channels.
- Management focus for channel management.
- Reflects an understanding of the whole value chain concept and how each part of it is influenced (push-pull).
- Allows e-based measuring, tracking of distribution performance through web-based tools.
- Can be readily applied to sales execution.

World-class:

- There is a complete understanding of the distribution/sales channel and value chain. This is also true where we sell to OEM customers.
- We know exactly where the customer/end-user (consumer) is buying products and services out of our product category.
- We are successfully offering the customers our products and services according to their needs and at the lowest costs.
- Performance of the whole distribution/value chain is continuously measured and reviewed against our business objectives and benchmarked with leading companies. This is also the case for OEM customers.
- Customer management across channels is in place.
- Management of our channels is done across geographies as well as across organizational boundaries.

Introduction

- We are able to leverage our understanding of/experience with distribution/sales channel to create new source of competitive advantage and growth.
- We are excellent in organizing the 'pull' and managing the 'push'.
- The distribution/sales channel strategy is fully aligned with the strategic direction resulting from our marketing and sales objectives.
- We are excellent in managing sales, cost, profit, customer satisfaction and the strategic fit with our customers
- New ways and opportunities for distribution are actively analyzed.
- There are clear procedures described and implemented for dealing with channel conflicts including escalation procedures.

Element 9 DISTRIBUTION / SALES CHANNEL STRATEGY

1	<p>Sales and marketing efforts are differentiated between customer groups and/or channels.</p> <p>The key characteristics per channel are described.</p>
2	<p>The distribution channels are understood in terms of their size, importance, structure and the added values they offer towards their customers.</p> <p>We understand how our customers prefer to purchase our products, and design our sales channels around their needs.</p> <p>Understanding local market conditions better will enable us to make better decisions on the selection of distribution channels.</p>
3	<p>Key accounts and OEM customers per channel are selected and managed based on their future potential contribution to sales.</p> <p>The sales and distribution strategy reflects understanding of which channels are appropriate for which customers/users (based on market intelligence).</p> <p>We manage our sales channels so they are advanced and easy to experience</p> <p>We have a process to manage channel conflicts.</p>
4	<p>The channel / account strategy as well as the OEM strategy are selective and reflect understanding of differences between channels.</p> <p>They also reflect how these channels serve our marketing strategy.</p> <p>The characteristics of the channels are linked to the product mix they buy and distribute.</p> <p>The strategy also reflects how well the channels serve the customer / end-users.</p> <p>The application-specific product usage is identified as ideal for specific channels so that they generate added value and competitive advantage.</p>
5	<p>Out of this strategy (inter-)national distribution, partnership selection criteria have been defined and partners have been selected.</p> <p>Product portfolio management defines specific product families for specific channels when they serve different customers / end-users.</p> <p>We have extended this partnership also to our OEM customers.</p> <p>For large customers we have developed company-wide account management.</p>
6	<p>Market intelligence provides insight into the volume and brand perception of the users.</p> <p>This is used to organize the 'pull' and manage the 'push'.</p> <p>We have full insight to know where the customers / end-users / consumers buy.</p> <p>We also have insight where they want to buy our products or the products of our customers.</p>

7	<p>The way the buyer/user/consumer reaches his buying decision and the (future) trends in this behavior are well understood based on market research.</p> <p>Understanding of the decision structure used by the customer allows us to influence the buying behavior of buyers / users / consumers.</p> <p>The distribution / sales channel strategy is benchmarked against competitors.</p> <p>All elements of 'push and pull marketing' are translated into a balanced marketing mix (4 Ps + S) to the different players in the market.</p> <p>We understand:</p> <ul style="list-style-type: none"> - Trends in buying behavior and - Perception of our Brand Positioning - Shifts in importance of the distribution channels <p>This understanding is used as input for our key account planning.</p>
8	<p>Distribution via channels towards customers/consumers/end users is quantified, including differences in product (added value) mix.</p> <p>The relative added value of the channels towards the users is translated into a product / pricing policy per channel.</p> <p>Performance of the whole distribution / value chain is continuously reviewed against business objectives and strategic directions.</p> <p>Distribution coverage policy reflects an understanding of:</p> <ul style="list-style-type: none"> - the buying behavior of the user segments - the added value (margin requirements) of the channels - trends over time. <p>New ways or opportunities for distribution are actively analyzed.</p>
9	<p>Superior understanding of distribution strategy/sales channel opportunities enables the business to create new sources of competitive advantage and profitable growth.</p> <p>It is ensured that the target user segments as well as OEM accounts are served with high added value at low costs.</p> <p>Continuous market research is embedded in annual review cycles regarding both:</p> <ul style="list-style-type: none"> a) buying behavior of the target user segments b) the channel performance in adding value for these users at low costs.
10	<p>We have become masters of distribution/sales channel management, regularly translating our knowledge into new sources of market share and profit growth.</p> <p>We've been able to uncover and capitalize on our capabilities to successfully expand into new channels or replace current channels with more profitable ones.</p> <p>The target end-user segments and OEM accounts are served according to their needs with relevant company's value propositions at the lowest costs.</p>

Element 10 MARKET INTRODUCTION

Description

- The process for defining, planning and implementing the successful introduction of a new product or service based on an agreed marketing plan.

World-class:

- Ability to execute 'big bang' introductions at will, to consistently meet target introduction dates, and to achieve volume, share and earning goals.
- Ability to execute focused introductions at Key Accounts

Introduction

Issues that determine the quality of market introduction are:

- Clarity and completeness of all key issues that need to be decided and implemented in the market introduction process (see example of checklist below).
- Clarity of process definition, tasks and responsibilities.
- Quality of alignment with process milestones in the Business Creation / PCP and Order Fulfillment processes.
- Level of deployment, performance measurement.
- Level of interactive communication with those involved.

We deliver value proposition defined as: the total value delivered by the combination of product, positioning, service, support and price.



Element 10 MARKET INTRODUCTION

1	<p>Market introduction activities are planned in advance.</p> <p>Sales objectives and priorities are formulated based on our marketing strategy.</p>
2	<p>The marketing strategy drives new market introductions.</p> <p>New market introductions support the overall objectives of the marketing strategy as well as the Brand Positioning.</p>
3	<p>Market introduction is defined as a process that allows for on-time activity planning and clear definitions of tasks and responsibilities.</p> <p>The process is followed.</p> <p>Market introductions are based on agreed customer oriented Value Propositions which also fulfil the requirements of the three pillars.</p> <p>Market introductions at key accounts are based on our key account plan.</p>
4	<p>The market introduction process is deployed in the total organization.</p> <p>A clear introduction plan covers all key elements of the market introduction (based on a checklist, including for example samples, spec. sheets, phase-in/phase-out etc.)</p> <p>All marketing communication actions (internal & external) are based on all the latest decisions on product, price, positioning etc.</p> <p>They clearly support the key business objectives in terms of contents, quality and quantity.</p>
5	<p>The Market Introduction Process is based on defined inputs from the Marketing Strategy & Planning processes.</p> <p>For key accounts it is based on the Key Account Strategy & Plan.</p> <p>Product and market communications are built upon understanding of customer behavioral patterns, as well as market insights.</p> <p>KPIs are established to measure the performance of the introduction plan.</p>
6	<p>An active market introduction calendar is available.</p> <p>A differentiated approach is chosen depending on the importance of the product.</p> <p>A plan has been written, presented and approved, and appropriate resources have been allocated.</p> <p>All communications are in line with the Value Proposition, as well as the Brand Positioning.</p>
7	<p>There is a good understanding of the relationship between the market introduction process and other relevant processes such as Order Fulfillment and the Business Creation / PCP processes.</p> <p>Progress measurement and corrective actions are in place.</p> <p>The market introduction process is defined and linked to key milestones of the related processes.</p> <p>It is based on our Brand Positioning, so that the business value of introductions is optimized.</p>

8	<p>Performance measurements are in place.</p> <p>They ensure on-time corrective actions.</p> <p>Review of each market introduction is consistently done to support continuous improvement of the process itself.</p> <p>External benchmarking is done.</p>
9	<p>We introduce major new products with military precision, achieving all KPIs, resulting in the achievement of substantial growth.</p> <p>The market introduction process strongly supports the marketing strategy or key account strategy.</p> <p>Our company's market introductions outperform those of the competition.</p> <p>The market introduction process benchmarks favourably against competitors.</p>
10	<p>We are recognized by end users, customers, competitors and the financial world as experts in the introduction of "big bang" new products, as demonstrated by consistent business results over time.</p> <p>It consistently meets the target introduction dates and achieves volume, share and earnings goals.</p>



Element I I ACCOUNT MANAGEMENT

Understanding and managing the differential between accounts.

Description

- Account Management is an approach adopted by our company aimed at building a portfolio of loyal (key) accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs.
- To co-ordinate day to day interaction under the umbrella of a long term relationship, we form dedicated teams headed up by a (Key) Account Manager.
- This special treatment has significant implications for our organization structure, communications and managing expectations.

World-class

- All of our processes are viewed by every account as world-class because of their operational performance and the high quality of their results.
- Our people and relationships capability is viewed by our customers as better than that of their own managers/merchants and all competitors. They have passed the test of the pillars of our Brand Positioning.
- Our Brand Positioning is fully understood and appreciated by all our Accounts. They regard our Brand Positioning as genuinely motivating.
- We have structures and procedures in place which allow us to manage Key Accounts across regions, across business units and across functions with a seamless reporting structure.
- We have integrated our business systems with those of our customer resulting in:

Joint business plans	Joint University/joint research
Joint HRM plans	Joint communications
Tuned brand positioning	

Introduction

- We have used all the available market intelligence data, insights and industry factors, and are able to lead the management of accounts by effectively creating pull for the competitive advantage our products/services offer to the end-user / consumer.
- We have created a training goal for superior business/sales individuals who can lead and manage change with accounts, so that we secure and enhance our long-term competitive advantage.
- We have the ability to leverage our learning and findings from one account to another in such a unique way that we continually secure additional incremental competitive advantage, while not putting our integrity at risk.
- We know and are professionally respected by all key influencers at key accounts, creating significant exit barriers.
- We have a superb account selection process in place with clear and communicated selection criteria.
- We realise the importance and power of identifying, analysing and improving all of the touchpoints we have with the various accounts, and incorporating the Brand Positioning at each of these touchpoints.
- Through analysis and prioritization of our touchpoints we have developed strategies that have direct impact on the growth and profit at each account.
- We have contact networks with our key accounts in place, resulting in multi-level relation management.
- We have strategic meetings with our customers, so that our mutual expertise is a key component of the long-term plans, both ours and theirs.

Element II ACCOUNT MANAGEMENT

1	<p>The sales organization sells products.</p> <p>Sales organization sells primarily on price and technology</p> <p>The sales organization is primarily compensated by the volume achieved.</p>
2	<p>Basic sales processes are identified, with a list of customers and major accounts.</p> <p>The sales organization has product knowledge and uses promotions.</p> <p>We provide 'specs.' and customers compare 'specs'.</p> <p>Targeting and performance are the summations of independent customer results, with performance compensation programs.</p>
3	<p>Basic sales processes are described and implemented.</p> <p>The customer base has been analyzed, and customers and major accounts are prioritized to their expected contribution.</p> <p>We have implemented customer (account) segmentation in order to allow us to manage future sales, profit and strategic fit.</p>
4	<p>Sales responsibility is still geographic, but account management moves forward in the organization.</p> <p>Initial account plans are based on past performance.</p> <p>An account selection process is in place.</p> <p>Negotiations are conducted at regional level.</p> <p>A customer satisfaction survey process is in place.</p> <p>By analyzing our touchpoints we better understand how to coordinate the implementation of agreed actions (at customer, branch or HQ level).</p>
5	<p>Account insight has increased to a level of in-depth knowledge of how our targets (strategic, financial as well as relationship) per account (at branch / store and site level) can be improved.</p> <p>Our dedicated sales approach is based on our SWOT.</p> <p>This has led to a long-term agreement on sales volume/turnover targets.</p> <p>We start to assess customer loyalty and customer retention.</p> <p>The terms and conditions (including end-user) incorporate rewards reflecting these targets.</p> <p>The account plans are well structured and are used for mutual learning (we give information and receive information in return).</p> <p>Our account plans include a communication plan that reinforces our Brand Positioning.</p> <p>Rolling customer marketing/business plans are put together annually by the sales force and are shared within the team.</p>

6	<p>Account management is the primary basis for structuring the sales organization.</p> <p>Financial responsibility is deployed accordingly.</p> <p>(International) key account managers have at least operational/functional responsibility for the sales staff working with their accounts.</p> <p>They are also responsible for the account-specific activities and the coordination of other customer interfaces.</p> <p>Account strategies are discussed with the account.</p> <p>The key account team works across business functions.</p> <p>We have multi-level contact networks for our key accounts in place.</p> <p>Good customer satisfaction ratings are achieved.</p>
7	<p>Knowledge of the total account profitability (margin and cost-to-serve) dominates the account plans.</p> <p>Cost-to-service knowledge has been translated into the use of service-related pricing.</p> <p>A full understanding of how our businesses mutually influence each others' performance has led to a clear definition of common business targets for all key business parameters.</p> <p>Compensation/recommendations are aligned with partnership criteria vs. traditional bottom-line measures.</p> <p>Improvement plans are developed with customers and regularly reviewed by our Management Team with the Management Team of our customer.</p> <p>Information support systems like team rooms are being used.</p>
8	<p>We are awarded 'Partner of Year' for being an excellent supplier.</p> <p>Through superior account management, the sales organization has built up account partnership relationships with target customers.</p> <p>Our company is recognized as the leading value adding supplier/business partner by these target customers.</p> <p>These partnerships enable us to get a long-term hold on the market and to be a preferred supplier for many consumers or end-users.</p> <p>Where appropriate we have developed company-wide account plans.</p>
9	<p>We have achieved excellence in international key account management as measured by strong, profitable growth in revenues and supported by customer research results.</p> <p>Leadership classification is used in all relevant product categories.</p> <p>Our selling processes, product positioning, superior supply chain process, (cost of doing business) and market position are benchmarked outside the channel and category.</p> <p>For most international/interregional Key Accounts we have implemented account management with adequate management structures.</p>

10

We have developed sustainable, mutually profitable relationships with high value customers and have minimized the cost to serve other customers.

As a result, our methods are copied by competitors and those outside our industry.

Agreements are made with our partners to manage the total category on the basis of clearly defined category objectives.

Agreements are for our company with our B2B partners to be the exclusive long-term supplier in a given product category.

Account strategies and account plans go cross geographic boundaries and across our entire company.

We do have exit strategies for those accounts not fitting with the strategic direction we choose or with the classification of the customer.

There is a clear track record showing improved category results for our partners.

We do have integration of our business systems with those of our customer.



Element 12 SALES EXECUTION

Sales resources can translate the marketing strategy into value for the immediate customer, leading to accomplishment of business objectives.

Description

• Efficiently and effectively selling our Brand, with its value-added products and services under the guidance of our Brand Positioning, as manifested by the pillars to the targeted customers in the market place by executing the marketing plan.

World-class

- We have an integrated sales organization that fully understands/communicates customer needs and utilizes market research data into value-added sales tools and programs that achieve superior support from every targeted customer.
- We own the mindset/mental space with all of our (strategic) customers, because we predict and project required changes before the customer can anticipate them.
- We have robust, long-term relationships that create exit barriers with the key influencers at the defined and selected strategic customers.
- Our sales force, through their words and their actions, are great ambassadors for the company's Brand Positioning.
- We are viewed as the 'preferred sales organization' by other companies, so that they want to hire our managers since they are actualizing world-class systems and processes at accounts of all levels.
- We are perceived in the entire market as the employer of choice.

Introduction

- Our sales organization most effectively sells the benefits and interprets the value of all our marketing programs. This includes:
 - Executing basic commercial processes (e.g. sales process, tender process, order process).
 - Utilizing superior market intelligence and insights (including competitive behaviour and positioning).
 - Understanding the value chain and the difference between the push/pull mechanisms.
 - Understanding customer needs and essential requirements from a customer standpoint.
 - Exercising the required skill sets to effectively sell and manage customers of different sizes, types and markets by adding value in all customer interface processes.
 - Selecting and prioritizing the customer base to further tighten the marketing plan.
 - Achieving valued partnerships/relationships with key influencers in the customer base and the market for long-term profitability and growth.
- We are the best in using the skills of individuals so that they complement each other, making up well-balanced, integrated business management leadership teams.
- For each type of customer we use the most appropriate sales channel (e.g.: direct sales force, internet, call centre)
- We have incentives based on the account and the KPIs based on the account's potential.
- We have classified all accounts based on their potential, and we have the perfect sales skill sets assigned to those accounts, at the right time.

Element 12 SALES EXECUTION

1	<p>The sales organization sells products.</p> <p>The sales organization is primarily compensated by the volume achieved.</p>
2	<p>Basic sales processes are identified, with a list of customers and major accounts.</p> <p>The sales organization has product knowledge and uses promotions.</p> <p>We provide 'specs.' and customers compare 'specs'.</p> <p>Targeting and performance are the summations of independent customer results, with performance compensation programs.</p>
3	<p>The sales organization sells through a process of listening and learning about the needs of its customers.</p> <p>The process of listening leads to improved analytical work by the sales organization and each account manager.</p> <p>The basic sales processes are supported by communication tools are measured, and actions for improvement are taken.</p> <p>A Plan-Do-Check-Act cycle is in place for the sales process and understood by all.</p> <p>Sales responsibility is geographic and sales authority lies geographically with an individual.</p> <p>Account management moves forward in the organization.</p> <p>The sales force understands and can communicate the Brand Positioning and reflects it in their interactions with customers.</p>
4	<p>The sales force understands the marketing strategy and can communicate it accurately and consistently to its customers.</p> <p>We have sales skill sets identified and assigned by each customer profile vs. geography.</p> <p>The sales organization understand the customer needs by sitting down face to face with key customers and listening to them.</p> <p>They discuss with them what issues they are trying to solve.</p> <p>This is augmented, as appropriate, by customer surveys and market intelligence.</p> <p>There is an understanding of the value chain, and the push/pull mechanism in the market is analyzed.</p> <p>The sales organization has developed sufficient (web-based) applications to the benefit of its customers.</p>
5	<p>We understand how to sell effectively and understand the push / pull mechanism in the market.</p> <p>There is a complete understanding of what the product will do for the customer.</p> <p>Sales is capable of using marketing tools (knowledge of the end-user) and demonstrating their effect to the customer to improve his business.</p> <p>The sales organization is capable of selling through an understanding of the customer's needs, where appropriate through a well considered design-in process.</p>

6	<p>Sales is capable of creating and developing selling tools that generate category superiority based on the marketing data and tools received.</p> <p>Sales staff is compensated based on sales margin or other financial targets.</p> <p>Our highly talented sales leaders can now accurately predict customer shifts, and are striving to align our skill sets with the future customer needs.</p>
7	<p>Innovative actions have been taken by marketing, customer support and sales management to improve the selling process, keeping its efficiency and effectiveness at a high level.</p> <p>A full understanding of how our businesses mutually influence each others' performance has led to a clear definition of common business targets for all key business parameters.</p>
8	<p>We are recognized as the leading value-adding supplier.</p> <p>All functions: marketing, sales, account management, logistics, IT etc. have developed noticeable commercial skills.</p> <p>These enable us to secure a long-term hold on the market and to be a preferred supplier for many consumers or end-users.</p> <p>Customers clearly acknowledge our company to be their strategic supplier (leading share of customer).</p> <p>Co-project teams are established to address major areas of business improvement</p>
9	<p>Sales organization has knowledge and skills which are superior to those of major competitors, as demonstrated consistently by business results and customer research.</p> <p>Observable results show the contribution that we have made to improve our mutual business and this contribution is recognized by our partners.</p> <p>Our partners now make consistently more profit gain with us than with others.</p> <p>Strong branding (based on perceived superior performance) has led to the dominance of our company in the mind space of customers/consumers.</p> <p>This is demonstrated by high awareness of our Brand Positioning, willingness to pay a premium price, success of innovations etc.</p>
10	<p>Our company is referred to by our partners as being category and market leader, and is seen as the industry trend-setting supplier.</p> <p>They claim that it is easy to do business with us, that we are best-in-class, most innovative etc.</p> <p>Our business grows through targeting customers consistently, and exceeds objectives.</p> <p>We are consistently superior to competitors.</p> <p>We achieve leading loyalty among the customers we choose to serve, based on the full satisfaction of their customers (end-users).</p> <p>Agreements are made with our partners for us to manage the total category on the basis of clearly defined category objectives.</p> <p>It is hard to do business without us!</p>

GLOSSARY OF TERMS

term	description
4Ps+S	A traditional view of marketing that divides the function into four plus one, interconnected parts: Product, Price, Promotion, Place (distribution) plus Service. See also Marketing Mix
Account	A major customer or a group of major customers who buy from us now or could buy from us in the future.
Account plans	Business-to-business marketing plans created by manufacturers. These plans schedule product promotions, deals and allowances for retail and wholesale customers.
Advertising, above the line	Advertising which employs one of five main traditionally commissionable media - the press, television, radio, cinema and posters. The 'line' separating different types of media is gradually disappearing as media elements converge, but the term is still used in accounting nomenclature. See also advertising below-the-line.
Advertising, below the line	All advertising by means other than 'traditional' commissionable media; below-the-line advertising employs a variety of methods - direct mail, internet, sponsorship, merchandising, trade shows, exhibitions, sales literature and catalogues etc. See also advertising above-the-line.
Applications	The practical use for a product. Some products may be suitable for many applications, while others are targeted at only one application
Benchmarking	Learning from other companies how they accomplish the same task. This is a major tool in making process improvements.
Benefits	Describes the way(s) in which the proposition offers an improvement in some aspect of life or solves a problem of the consumer/end-user. The benefits can be functional, sensory or emotional. Next to this each benefit can be either generic for a category or differentiating from competition
Brand	A name or sign presented with a number of communicable attributes that identify and differentiate products or services in the market. Represents a benefit promise to the end-user that is consistent, expected and recognized via the use of a 'brand' symbol. It is the phrase that immediately comes to mind when a customer thinks of a certain company.
Brand Architecture (Decision Tree)	Our Brand Architecture is a structure to organize brands. It is a hierarchy of branding levels and a decision tree that governs the visual and verbal identity of current and future products/brands.
Brand Awareness	Reflects that knowledge and salience of a Brand in a consumers mind. Can be measured across a variety of levels: Recognition, Recall, Top of Mind, Brand Dominance, Brand Familiarity, etc. It is the percent of customers who are aware of a given brand.
Brand Management	The effort and investment needed to create and enhance brand assets.
Brand Positioning	The "act of designing the company's offerings and image so that it occupies a distinct and valued place in the target customer's minds". It is the sum of the associations and impressions that customers have from all contacts with a company and its products and services. The role of Brand Positioning is to manage all these impressions. Put simply, it is what the company wants its customers to think when they hear its name.
Business Balanced Scorecard	A technique allowing a company to monitor and manage performance against defined objectives. Measurements might typically cover financial performance, customer value, internal business process, innovation performance and employee performance.
Business creation	The process of creating turn-over and profit by various actions like e.g. developing markets or developing products
Business objectives	The desired or needed result to be achieved by a specific time. An objective is broader than a goal, and one objective can be broken down into a number of specific goals. Like goals, objectives serve to provide guidance, motivation, evaluation, and control.
Business value chain	The succession of points in the life of a product or service at which value is created.
Business-to-business (B2B)	Relating to the sale of a product for any use other than personal consumption. The buyer may be a manufacturer, a reseller, a government body, a non-profit-making institution, or any organization other than an ultimate consumer.

Business-to-consumer (B2C)	Relating to the sale of product for personal consumption. The buyer may be an individual, family or other group, buying to use the product themselves, or for end use by another individual.
Category management	Products are grouped and managed by strategic business unit categories. These are defined by how consumers view goods rather than by how they look to the seller, e.g. confectionery could be part of either a 'food' or 'gifts' category, and marketed depending on the category into which it's grouped.
Channel	Channels define how a product is distributed to the customer. Typical distribution channels include direct sales, manufacturer's reps, dealers, and distributors. Some channels are paid a commission on what they sell, while others buy the product, taking title to the product, and have the legal right to sell it however they would like.
Communication strategy	The strategy used by an organization to achieve business objectives through the use of its communication mix.
Competitive advantage	A company has a competitive advantage when it can make an offer that the competition cannot match. This might be a lower sales price, a new technology, or a relationship that is valued by the customer.
Competitive environment	The market and its alternative choices as seen by the consumer/end-user and the relative value of the brands/product offers in that market.
Competitors	Competitors are anyone or anything that is competing for the same revenue dollars that we are. This might be a company that is selling the same products, companies that are selling solutions that solve the same problems we are, or even customers who are backwards integrating in areas that we cover.
Consumer	The people who actually use products and services. They may or may not be the purchaser of the product. See also end-user and customer.
Consumer care	The identifiable, but essentially intangible, activities that are offered by a seller in conjunction with a product, such as delivery and repair. These activities may be priced separately, but usually are not, and are provided only with a product that is being sold.
Consumer insight	An insight is a discovery about the end-user/ customer that enables us to establish a connection between our company and their lives, and elicits the emotional reaction of "you obviously understand me". This discovery could either be latent or manifest need, problem or opportunity
Cost of ownership	The cumulative price paid for the use of a product during its entire lifecycle (e.g. the cost of ownership of a light bulb includes the price paid, as well as the energy used, fittings changed, the cost of disposal etc.)
CRM	A discipline in marketing combining database and computer technology with customer service and marketing communications. Customer relationship management (or CRM) seeks to create more meaningful one-on-one communications with the customer by applying customer data (demographic, industry, buying history, etc.) to every communications vehicle. At the simplest level, this would include personalizing e-mail or other communications with customer names. At a more complex level, CRM enables a company to produce a consistent, personalized marketing communication whether the customer sees an ad, visits a Web site, or calls customer service.
Customer	A customer is a person who buys or uses our products, or might buy or use our product some day. A customer in a B2C setting is often called a consumer, while in a B2B setting you may have an account with many customers. You can also think in terms of 'future customers', 'potential customers', and 'competitive customers'. A term that should not be used is 'non-customer', as you tend to not communicate or sell to people that you think of as a 'non-customer'.

Customer loyalty	Customer loyalty goes far beyond good relationships with your customer base, and goes into the realm of our customers being advocates for our company with their friends and colleagues. They fully intend to buy from us in the future, whenever there is an opportunity to do so, and they will withstand many negative experiences with us before they buy from someone else. This is much stronger than 'retention', where a customer makes a repeat purchase.
Customer satisfaction	Customer satisfaction is the degree to which a customer will say that they are satisfied with the products and services that they have received. This is best measured as the percent of customers who are 'very satisfied' or higher on a five-point, fully-anchored, balanced scale.
Discriminator	The one key compelling and competitive reason for the target group to choose the brand/product. It expresses in one brief sentence what gives the product its competitive edge. The discriminator is always coming from the Benefits or the Reasons to Believe. It can come from the Business Code when there is a discriminator for the whole business. The Discriminator must have an immediate relation with the Consumer Insight
Distribution channel	An organized network (system) of agencies and institutions which, in combination, perform all the functions required to link producers with end customers to accomplish the marketing task.
End-user	An individual or organization that uses a company's products for its intended application rather than buying them to sell them to other individuals or organizations.
GKAM	Global Key Account Management
IKAM	International Key Account Management
Influencer	A person not being directly involved in the purchase of products, but who can help in the purchasing process because of his influence on the purchaser
Installed base	The number of units of a durable product in use at the customers' premises.
Key account	A very important and large account.
Life-cycle business	Business generated during the life-cycle of a product. This can be service / maintenance income, sale of new functions or features for this product or the business of consumables during the life of the product.
Market intelligence	Market intelligence is gathering useful information about a given market. This might include market size, market trends, market share by competitor, and may or may not include the needs of the customer.
Market introduction	The process for defining, planning and implementing the successful introduction of a new product or service based on an agreed marketing plan
Market segmentation	This is the division of the marketplace into distinct subgroups or segments that are useful. Each market segment is characterized by distinct differences, and may have different needs.
Marketing	Marketing is the interface between the company and the marketplace. This can be compared to the sales force, which is the interface between the company and specific customers.
Marketing mix	The mix of controllable marketing variables that the firm uses to pursue the desired level of sales in the target market. The most common classification of these factors is the four-factor classification called the "Four Ps"-price, product, promotion, and place (or distribution). Optimization of the marketing mix is achieved by assigning the amount of the marketing budget to be spent on each element of the marketing mix so as to maximize the total contribution to the firm. Contribution may be measured in terms of sales or profits or in terms of any other organizational goals.
Marketing plan	A marketing plan is a written document that says what you are going to do. It can be compared to a marketing strategy, which looks at the overall market and defines the key decisions that need to be made. In many ways the marketing plan is the implementation of the marketing strategy, along all of the aspects of marketing.
Marketing vision	The vision statement is a single sentence representing your main dream and benefit for a particular market. The vision statement is short, focuses on a single thought and is farsighted.

New product concept testing	The process of testing the concept for new products with a small, selected group of customers in order to evaluate the products potential for success and in order to identify early potential product deficiencies or areas for improvement
OEM	Original Equipment Manufacturer; This organization purchases industrial goods in order to incorporate them into other products that are sold in the industrial market (business market) or ultimate consumer market. For example, IBM, acting as an OEM, buys microprocessors for its personal computers from Intel.
Pillars	The Brand Positioning is designed around several pillars. They should always be used together and their contribution brings full meaning to the positioning. The purpose of these brand pillars is to help us fulfill the positioning in everything we do: our products, services and way of doing business.
Price points	Price points are prices for which demand is relatively high.
Price waterfall	The programmed process of starting with list price and moving down with the use of promotions, allowances, discounts to the final net price.
Process Survey Tool (PST)	The Marketing & Sales Process Survey Tool is a 12-point method of self-assessment to help us identify our strengths and areas for growth. The CMO Board has identified three key focus areas for the immediate future: Marketing Strategy & Planning, Communications, and Key Account Management.
Product	A product is what you sell to a customer. Products are typically goods which physically exist (TVs, semiconductors, LCD displays, software) but products can also be service products (such as consulting, training, service maintenance programs, and upgrade paths).
Product introductions	The first stage of the product life cycle, during which the new item is announced to the market and offered for sale. Most methods of market testing are considered pre introduction, but many marketers call the market rollout an introduction because of the commitment implied in the method. If successful during the introduction, the new product enters the second (growth) stage.
Product management	Product managers or brand managers are responsible for developing marketing plans, coordinating implementation of the plans by the functional departments, and monitoring performance of their assigned products. Product managers report to the marketing manager unless there are large numbers of them, in which case they report to an intervening level of supervision such as the group product manager or category manager. The terms product management and product manager are interchangeable with brand management and brand manager. Comment: The advantage of this form of organization is that each product receives the full attention of one person responsible for its success. The disadvantage is that the product manager has no authority over the functional departments that design, produce, finance, distribute, sell, and service the product. Yet the system works well enough that it is widely used by multi-product companies.
Product portfolio management	More diversified companies are more usefully considered as being composed of a portfolio of strategic business units (SBUs). Portfolio management is used to assess needs and to allocate resources in recognition of differences in the contributions of different SBUs to the achievement of corporate objectives for growth and profitability. Portfolio analyses are often performed using models that classify SBUs and product-markets within a two dimensional matrix in which one dimension represents the attractiveness of the market and the other dimension the strength of competitive position. The position of the SBU within the matrix has direct implications for the generic investment strategy of the business—that is, whether it is appropriate to have an investment strategy/build strategy, hold strategy, harvesting strategy, or divest strategy. Some of the best known models for portfolio analysis include the Boston Consulting Group's growth-share matrix and General Electric's market attractiveness-competitive position matrix.
Pull	The communications and promotional activities by the marketer to persuade consumers to request specific products or brands from retail channel members
Push	The communications and promotional activities by the marketer to persuade wholesale and retail channel members to stock and promote specific products.

Reasons to Believe	The evidence why the proposition is better than its alternatives. The proof we offer to substantiate the benefit. Often this is what buyers refer to when they talk about their purchase/choice towards others (rationalization).
Retail management	Managing the process of direct sales to customers
Sales management	The planning, direction, and control of the personal selling activities of a business unit, including recruiting, selecting, training, equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the sales force. Sales management involves three interrelated processes: (1) formulation of a strategic sales program; (2) implementation of the sales program; and (3) evaluation and control of sales force performance.
Service	Installation, maintenance, or repairs provided or guaranteed by a dealer or manufacturer
Services	An intangible product; any product offering that is essentially intangible. The resource being marketed is human time and expertise rather than physical goods, e.g. consultancy, maintenance, product development, testing, technical support.
Simplicity	Absence of affectation or pretense. Clarity of expression.
SWOT	Strengths, Weaknesses, Opportunities and Threats. The systematic collection and study of past and present data to identify trends, forces, and conditions with the potential to influence the performance of the business and the choice of appropriate strategies. The SWOT analysis is one of many tools that can be used in strategic marketing.
Target Group	The person (buyer/user) for whom the product should be first choice, defined in terms of their attitudes, behavior, values, socio-economics and/or the situation.
Target sales	The process of identifying the specific needs of segments, selecting one or more of these segments as a target, and developing sales programs directed to each
Total cost of ownership	The total amount of money the owner has to spend during the life of the product. Examples of these costs are: energy consumption, tax, interest on loaned money, service/maintenance cost, cost for consumables
Touchpoints	Any interaction that the company has with its customers that could build or denigrate the company's brand
Value	The perceived worth of a product/brand in terms of price and functional and emotional benefits from the customers viewpoint
Value added	1. (environments definition) An economic concept referring to the value that a firm adds to the cost of its inputs as a result of its activities, thereby arriving at the price of its outputs. 2. (product development definition) A measure of the contribution to a product's worth by any organization that handles it on its way to the ultimate user. Value added is measured by subtracting the cost of a product (or the cost of ingredients from which it was made) from the price that the organization got for it. For resellers, this means the firm's gross margin; for manufacturing firms, it means the contribution over cost of ingredients. Presumably whatever work that firm did is reflected in the higher price someone is willing to pay for the product, hence that firm's value added.
Value chain	The many stages involved in taking the raw material in at one end and adding value as it moves through the organization and is eventually bought by the customer. The process can be described thus: inbound logistics, operations, outbound logistics, distribution, marketing, customer service supported by; finance, admin, human resource, technology. Competitive advantage will only be sustained if every stage is more efficient and effective than the competition
Value Proposition Model	A marketing tool to help develop winning propositions that are based on the pillars of our company's Brand Positioning.
Vendor of the year	That company selling products that has been rated best in class that year.
Vision	The long-term aims and aspirations of the company for itself.

For more information on how to order this and ALL other Process Survey Tools, please visit

www.efqm.org/publications





Available titles are:

- Process Survey Tool for Manufacturing Process Management
- Process Survey Tool for Human Resources Management
- Process Survey Tool for Supply Chain Management
- Process Survey Tool for Finance
- **Process Survey Tool for Marketing & Sales**

** All titles are available as printed publication, interactive CDROMs (containing supporting e-tool, pdfs of the PSTs & the PST Guide), & as free download for members*

ISBN 905236-6004



Brussels Representative Office
Avenue des Pléiades, 15
1200 Brussels, Belgium
Tel.: +32 2 775 35 11
Fax: +32 2 775 35 35
<http://www.efqm.org>
e-mail: info@efqm.org

PHILIPS

Sponsored by Philips