

# Sustainability in managing fast-paced growth

SRI helps a distributor develop a new go-to-market strategy, leading to a sustainable process to better manage rapid growth

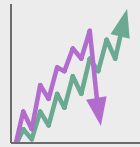
## Background

SRI was introduced to a family-owned building materials distributor in the Northeast. Sales had grown dramatically, but without a strong foundation for managing the new scale of the business over time

### Know-How

SRI realized the need for a **segmentation model**, which provided a new view of financials and differentiated customers by more than just size

New segments were created for **varying types of business** based on differences in customers, product groups, and vendors



**REAL PROFIT<sup>SM</sup> Analytics** mapped segments with **customer profitability** for the first time ever

Analysis of **commercial effectiveness** identified a full range of opportunities to improve sales and marketing efforts

### Analytics

### The BIG IDEA

**Proliferation of new customers and products was not reflected in the current reporting methodology**

## The Challenge

**Ownership sought to create a more sustainable process to manage go-to-market strategy and vendor relationships**

### REAL PROFIT<sup>SM</sup> Actions

- 1. Enhance sales and marketing plans** → Refocused vendor relationships for profit maximization, with robust goals and measurement
- 2. Improve salesforce effectiveness** → Developed share-of-wallet growth goals and revised account targeting / coverage
- 3. Better manage customer and product mix** → Created differentiated account plans to drive profitable growth
- 4. Identify and manage against key performance indicators (KPIs)** → Determined the right KPIs to manage performance and established reporting processes

### Value and Benefits



**The company achieved significant SALES GROWTH AND PROFIT IMPROVEMENT**

With SRI's help, the company has increased market share profitably through acquisition of new customers, while also growing share-of-wallet with existing customers and key accounts. More importantly, the business now has cross-functional buy-in on budgets and business plans, and an improved ability to prioritize opportunities

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# Bringing REAL PROFIT STRATEGY<sup>SM</sup> to life

SRI combines KNOW-HOW with ANALYTICS to drive REAL results

## REAL PROFIT<sup>SM</sup> Actions

Significant Profitability Variance  
Across Segments

Actual

Vs.

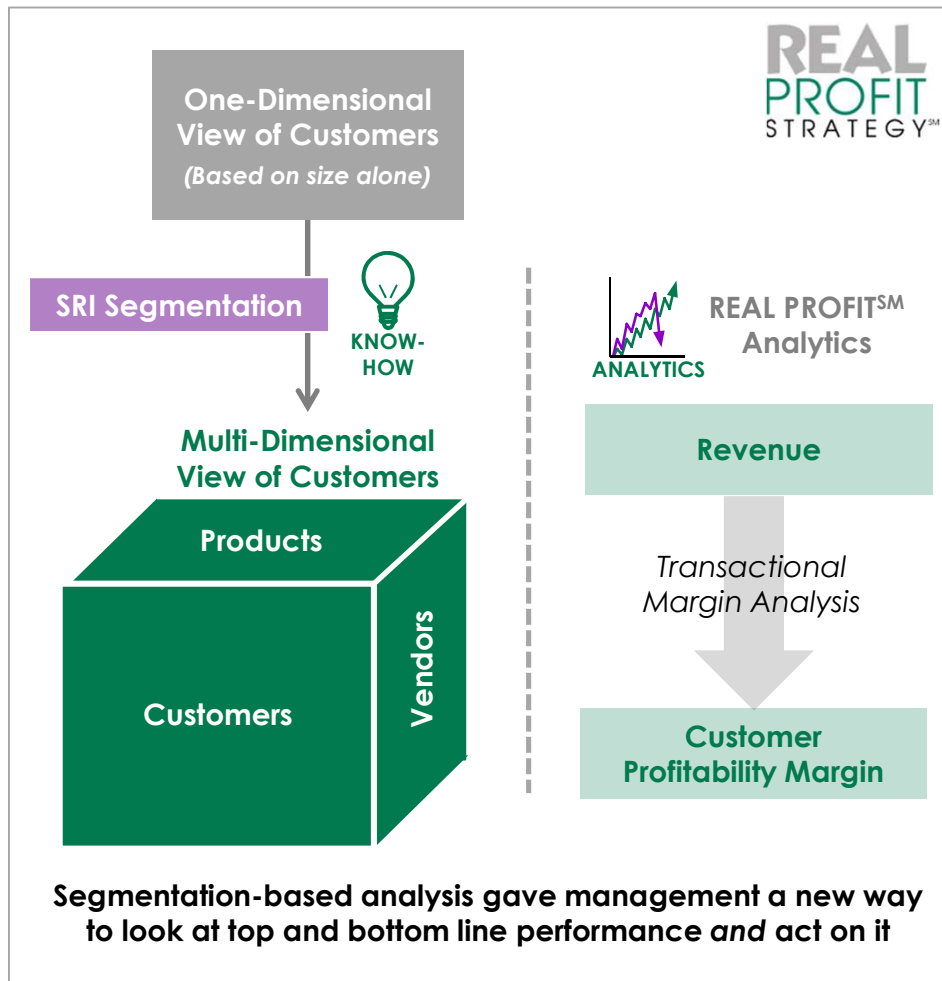
Budget

- Created new **strategy** to become proactive in managing the business
- Defined **reporting structure** to focus on tracking sales and profit improvement in multiple segments
- Developed a new and more effective **business planning process** to support financial budgets
- Established a process to evaluate **actual vs. budgeted** performance

↑  
PROFIT

Profitability increased from better  
management of customers

*Illustrative opportunity (one of many)  
that SRI identified with this business*



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