

CLIENT SUCCESS STUDY

DISTRIBUTION PERFORMANCE TURNAROUND

SURVIVING WITH THE BIG FISH

The Situation

The client is a mid-market wholesale importer and distributor of tropical fish and reptiles. The company imports and domestically purchases tropical fish and reptiles, and then distributes them to independent retail stores throughout the country.

With the market being significantly impacted by the large retail pet store chains through their consolidation of "superstores, many independent pet store owners are being driven out of business, further reducing the client's market share, and resulting in reduced profitability. The client felt that in order to survive current conditions, they needed to put themselves in a position to take up market share from the independents.

The Challenge

The client requested help in improving their sales and marketing efforts. Their current sales methodology had salespeople calling customers for orders late in the week, making them the "fill-in" supplier to many customers.

There were no defined marketing or pricing programs. Sales calls and subsequent follow-up were haphazard. In fact, the salespeople did not like calling on new customers, they sought the easy route and focused on "low-hanging fruit". Customer service was poor, if existent at all.

The analysis identified:

- A lack of any planning systems for purchasing, inventory control, and customer sales.
- A lack of the basic sales and marketing information (i.e. top selling products, sales by customer, etc.)
- An overall lack of a sales management system controls.
- No informal or formal sales training for salespeople.

The Approach

The project goal was to increase sales and market share, while at the same time improving operational efficiency and profitability to be a "survivor" in the industry consolidation.

The consultants at Gordian Transformation Partners implemented a seventeen (17) week project. During the project, the team implemented a sales management system to control the sales and marketing processes, while also restructuring the sales department and its processes.

The system included a sales forecasting model; a product pricing model; a sales call schedule and timetable; a customer contact system; and management controls and reports.

Salespeople were formally trained and given additional tools to address issues of inventory control, new business development, prospecting, and price enhancement.

The Results

The project results were substantial, with net operating income increasing 106% over the previous year.

Sales increased 1.2% through price increases, which were offset by unit volume losses as several independent retail customers went out of business. Cost of sales were reduced by 35%, even with the increase in sales.

The order pattern of customers changed dramatically, with 40% of all orders now being received on Mondays.

The client achieved a 4.3:1 ROI



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Salespeople proactively followed up with customers, resulting in 40% of orders are now received on Monday.

**SOLVING YOUR COMPLEX
BUSINESS PROBLEMS**

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**S T R A T E G Y , T R A N S F O R M A T I O N S &
P E R F O R M A N C E T U R N A R O U N D S**

ABOUT GORDIAN TRANSFORMATION PARTNERS

Gordian Transformation Partners is a boutique management consulting firm that integrates traditional management consulting disciplines with high-impact leadership practices and breakthrough thinking tools for mid-market clients. The result is a powerful consulting process that enables CXO's to solve their toughest business challenges with speed, efficiency, and economy.

Gordian Transformation Partners is headquartered in Atlanta, GA. We draw on the knowledge and experience of our consultants, whose skills span the initial generation of ideas and insights all the way through to detailed implementation. Gordian's consultants have lead transformation and turnaround initiatives for over 500 Global 1000 and mid-market companies in Australia, Belgium, Canada, Cyprus, Denmark, Finland, Hong Kong, Indonesia, Italy, Jamaica, Malaysia, Mexico, the Netherlands, New

Guinea, New Zealand, Norway, Portugal, Singapore, Spain, South Africa, Sweden, Trinidad, the United Kingdom, and the USA.

Gordian's consulting expertise addresses every area of your enterprise, from developing a transformation strategy to make your organization more customer-focused, to optimizing your supply chain investment, with the tools and expertise to help you reach your objectives.

Gordian draws on the knowledge and expertise of our consultants, whose skills span a wider range of capability than many other major consulting firms. The disciplines of Gordian's consulting specialists are underpinned by deep change management experience - managing risk, mobilizing staff and integrating initiatives to deliver sustainable change quickly.

Gordian Transformation Partners assists clients on a wide array of issues and problems, regardless of industry vertical. Gordian's

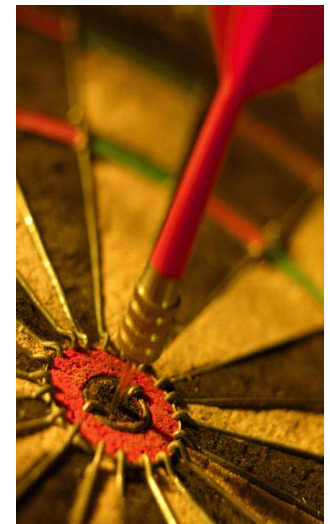
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

Gordian Transformation Partners is focused on what is most important to senior executives and their organization:

- Enterprise Transformation
- Customer Driven Transformation
- Strategy
- Change Management
- Business Process Management
- Performance Turnaround
- Behavioral Development

Gordian Transformation Partners:

- *Help organizations produce extraordinary business results, while connecting and enriching the lives Gordian Transformation Partners touch.*
- *Works in a dynamic team environment, where you and your management team share substantially in the economic value that you help create.*
- *Trains and develops you and your management team, to realize your fullest potential.*
- *Transforms your organization to a collaborative, high-energy, and fulfilling work environment.*



Is your business on target with your vision and customer expectations?

**Contact Gordian at:
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