

Go-to-Market Structure and Process

Situation

DHC worked with a client that is the leading competitor in a category that has a significant presence at retail checkout as well as in the center of the store. The category consists of products with limited shelf life and requires a great deal of planning, coordination and retail management to optimize category performance. The company goes to market through a DSD distribution system operated by a nationwide network of third-party specialty wholesalers. In addition to managing the flow of product to and through the wholesalers, the company also executes a traditional CPG-style selling effort directed at retailers at both the headquarters and retail store levels. As an overlay to the DSD coverage provided by the wholesalers, the company employs brokers to provide additional merchandising services in high volume retail outlets.

The existing go-to-market approach was broken. Evidence of this included lack of alignment and coordination among the client and the wholesalers resulting in missed business opportunities and unstable profit margins for the wholesalers that could potentially destroy the category value chain as it existed, thereby severely limiting the client's go-to-market options.

The client decided to re-invent its go-to-market model, the objectives of which included:

- Reduce costs and increase category volume through better alignment between the client, wholesale and retail levels of the category value chain
- Install improved processes (VMI and POS-based store replenishment) for managing store level inventory to drive sales while reducing the expense of out-of-date product at retail
- Increase in-store merchandising activity on peak sale days
- Roll out the new model with minimal business interruption

Work Performed

The project was designed to be done by a combined group of client and DHC personnel organized into three teams:

- **Executive Team:** Responsible for providing overall project direction, senior management input / perspective and issue resolution
- **Retail Team:** Responsible for dealing with all go-to-market issues pertaining to retailers at headquarter and store level
- **Wholesaler Team:** Responsible for dealing with all go-to-market issues pertaining to wholesaler functionality and management requirements

Client team members were considered to be thought leaders and subject matter experts in one or more areas significant to the project. DHC team members' roles were to lead / facilitate the teams' work by keeping the teams focused on the project objectives, to model various structural alternatives and document the teams' work and to coordinate and integrate the work of the three teams.

The teams worked separately at first and then together to develop a new go-to-market approach designed to achieve the established objectives. The new approach required changes in nearly two dozen separate processes, including those for:

- New product introductions
- Promotion development and execution
- Customer HQ coverage management
- Retail coverage management
- Wholesaler management
- Internal and external communication
- Business performance reporting

In addition, DHC performed all analytical work that supported the teams' efforts. This included all financial implication and "what if" modeling and all analysis required to support the process change, staffing and deployment recommendations. DHC was also responsible for developing and producing all project output for presentation to senior corporate management and other stakeholders. In addition to its leadership / facilitation role within the project teams, DHC also provided full project support and project management from start to finish – an elapsed time period of over eight months.

Project Outcomes

As a result of the project work, the following key outcomes were achieved:

- Developed a new go-to-market approach to address identified business objectives
- Segmented wholesaler and retailer customer bases to target the new approach
- Designed new organization structure to support the new go-to-market approach including reporting relationships, roles / responsibilities, staffing requirements, deployment and costs
- Reviewed and re-designed, as required, 23 distinct go-to-market processes
- Developed an implementation plan for new VMI tool / process
- Identified substantial cost reductions available through implementation of the new approach