

Dr. Benno Ganser

Hochstraße 88a · D55128 Mainz · Tel. 0049 (0) 6131 46 88 151 Mobil 0049 (0) 176 2043 2181 ·
E-Mail mail@benno-ganser.de

Successful Projects

Restructuring of a US-Affiliate to improve Profitability

Task – Initial Situation:

My employer, a global mid-sized company group and supplier to the chemical, petrochemical and refinery industries, has a US affiliate who was managed by just one of the European affiliates. Customers in the USA did not fully accept and understand this US affiliate as a representative of the group. New products and services were not offered to the markets, due to a lack of understanding and communication within the group itself. Purchase Orders were directly managed by the US affiliate. i.e. the affiliate purchased the goods at the shareholding company, and resold them to the US customer. This operating system resulted in an insufficient profitability and a substantial workload of the US personnel, because all the flow of communication, technical and commercial, was done through the affiliate. I was asked to act as Interim General Manager to facilitate the internal operating procedures, to improve the market presence in the US and finally to improve the profitability of the US affiliate.

My Solution and Actions:

In close cooperation with the Executive Management of the Group I made a fundamental change of the internal operating procedures, by connecting the US affiliate directly with the central project management of the group, and thus no more just through one of the affiliates. I also changed the business model of the affiliate, changing it to a pure Sales company. This means that the US affiliate just was responsible for marketing & sales, incl. customer communication, however, purchase orders were placed by US customers directly with the production plants of the group. This resulted in a substantial reduction of workload for the US affiliate and a more precise direct communication of the customers with the manufacturing units. During an extensive marketing campaign and road show I communicated this change of the business model, in connection with an extensive introduction of new products. The most important key accounts in the US could be easily convinced by the advantages of both, the new business model as well as new products. I could start several pilot projects for them within one year.

Result:

After one year, all US customers appreciated the facilitated business model, the improved communication and the direct access to new products and technologies. I could realize substantially facilitated internal procedures, reduced work load and increased profitability. Within 2 years, sales and profit grew by more than 100%, and the successful US pilot projects with new products significantly contributed to their acceptance at the world markets.