Global CPG firm adapts to shifting market conditions using revenue growth management

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Challenge

In 2004, a major global consumer products company struggled with disappointing performance. Their strategic formula for winning was marketing for a long time, but it needed help. They had an excellent brand image but were still using the old playbook of throwing marketing money against any competition. It wasn't working because other major players were not causing the issue. Instead, it was because of the innovation happening in the market, with smaller brands, new drink types, and new channel strategies.

To address this challenge, the new CEO devised a plan to win that included growth targets, distinctive capabilities with strategic growth paths, and new missions, visions, and values. This plan was the first instance of using Revenue Growth Management (RGM) at this company. RGM is a data-driven approach to managing revenue that involves analyzing consumer behavior, market trends, and product performance to optimize pricing, promotions, and product portfolios. At that time, RGM had only beenapplied to the airline industry, and the big question was how to make this a reality worldwide for this brand company.

BTS Believes

Lack of strategy alignment and business acumen causes many strategies to fail. Leveraging the right financial literacy, functional business savvy, GM thinking, and enterprise value mindset helps leaders' decision-making and increases leader readiness for executing a successful strategy.

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Solution Experience

To help execute this plan and build the strength of their people, The firm hired BTS, a consulting firm specializing in experiential learning. BTS was tasked with assisting the top 300 executives, at the CEO's insistence, to internalize the mindset and skill set shifts required to execute their "Manifesto for Growth." This was a massive shift, especially for middle-aged, wealthy leaders.

BTS used classic impact mapping to identify the goals that needed to be achieved, the leadership changes required, and the new skills necessary to execute. This involved a combination of experiential learning, coaching, and training to help the executives internalize the shifts required to succeed in the new business environment.

During their RGM analysis, a few areas stood out as pockets of success: Mexico and Argentina. Mexico was surprising because they had a distributed network of over a million hard-to-reach shops and stiff competition with another major player in the cities. Argentina, at the time, was suffering from hyperinflation.

The executives searched for why they were doing so much better than other countries and discovered the country teams were looking at a customer "needs state" centered innovation. These teams were reverse engineering a customer's needs, "I need to hydrate," or "I need to hydrate and awaken," and placing the right product in the right place for that occasion to arise over a day. The executives realized that exploring customer needs this way required

a complete mind and skillset shift from volume as the primary success metric to profitable revenue and brand growth.

From that multi-day experience for the top 300 executives, BTS cascaded the program to over 30,000 people worldwide over several years through various experiences for different audiences, from board members to truck drivers. From there, BTS worked with other leading companies to use the same methodology to question the underlying assumptions of success with clients worldwide.

Outcome

The training was ultimately successful, and the client significantly shifted their business approach, leading to increased revenue growth. Six months after participating in the program, an impact survey revealed that more than three-fourths of the top executive participants agreed they had achieved job results only possible with BTS training. In addition, many participants cited specific cost-savings or realized profits of millions of dollars.

Overall, the company's experience with BTS and revenue growth management is an excellent example of how a data-driven approach can help businesses adapt to changing market conditions and achieve sustainable revenue growth. By internalizing the new mind and skill set shifts required to implement revenue growth management successfully, the client overcame its challenges and achieved significant success.