



Differentiating a product in a particularly challenging market.

Company: Specialty products division of a large European-based, global chemical company.

Situation: One of the division's most profitable products was facing the upcoming loss (less than two years) of a patent protection. The challenge here was to preserve the product's contribution to the organization by extending the life of the product after the patent loss.

Our Philosophy: We believe in helping clients find differentiating strategies. In fact, clients often engage us to work with their customers, internal teams, and research agencies to help find such strategies.

Our Role: We worked with the client's marketing team to design a framework that would not only guide the project but also lead to a solution that would maximize the product's long-term value.

Phase One: Assessment & Analysis

Interviews were conducted with the client's current customers and prospects to help identify perceptions about the product and the company. The feedback, which provided insight into how customers perceived the client's current offer, also helped shed light onto the specific needs of customers.

Phase Two: Creating Strategic Initiatives

We challenged the client to decide whether they wanted to "own" customers or focus on product transactions. They chose "owning." With that in mind, we facilitated a series of meetings with a cross-functional task force to identify, explore, and select strategic initiatives that would support this new approach. Although a few of the initiatives were product-focused, most were not. For example, one of the client's biggest concerns was how to market and grow their business. Implementing one of our suggestions, the client started providing their employees with technical assistance training. In the end, this program—along with several others—became part of a suite of services that benefited their customers based on purchase behavior.

Phase Three: Implementation

A detailed approach for implementation and ongoing measurement was developed and put into place.

Result: In the first few months following rollout of the new strategy, the client secured a number of long-term supply agreements without having to make price concessions. These agreements were made with major customers who knew full well that an alternative product would be available in under a year's time and would be offered at a lower price.

These agreements will effectively prolong the lifecycle of this critical product and will likely serve to support and protect other portfolio products as well. Perhaps more importantly, the strategy signals to customers that the company has the desire, flexibility, and commitment to be their business partner—not just their product supplier.