



## CASE STUDY :

# VALUE CHAIN ANALYSIS

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*“Steve and his team have a way of ‘connecting the dots’ so that they relate directly to our business and we can move quickly.”*

– Vice President Marketing, Manufacturing

### **Situation:**

A national, mid-sized manufacturer in the environmental services industry had built its 40-year reputation by providing top quality products and services to consumers through its independent distributor network. A key to success had been its technical support and education that was provided at no charge to its distributor customers. More recently, marketing support for customers had been added. When the VP of Marketing contacted Line of Sight Group, however, the company was experiencing declining customer loyalty and revenue goals were slipping. The VP of Marketing was asking questions like:

- Why are customers leaving us?
- Do they really understand all of the value we provide to them?
- Where do they place the most value on what we do for them? How does that stack up/compare to the competition?
- Where are we strong and where are competitors vulnerable?
- Where should we focus our sales and communication efforts?
- How should we change our value added services for customers?

### **Solution:**

Line of Sight Group executed an analysis to help the VP of Marketing answer the questions above that integrated customer feedback with an identification of the value provided by key competition. The client quickly learned that its technical education and marketing support were not as highly valued as in the past. Drivers included an increasing technical sophistication on the part of customers, easier access to alternative technical support and marketing support that lacked clear outcomes. Meanwhile, customers had begun ‘cherry-picking’ products from a variety of competitive suppliers to gain lower prices but the availability of high quality customer service was becoming more important.



## **Benefit:**

Knowing that the company clearly needed to re-focus its value-producing activities, the VP of Marketing initiated a deeper assessment of its value added services around the prospect of significantly changing its VAS approach. He also took steps to more closely tie its technical education with its customer service in a way that more closely related to how customers were using the company's products.

