



BACKGROUND

A long-standing industry leader was feeling significant competitive pressures for the first time.

High merger and acquisition activity in the broader market made little sense to them.

They didn't know which to see as threats and which to ignore.

THE BIG SQUEEZE

A Case Study in
Competitive Pressures

THE STRATEGIC DILEMMA

Large service providers were acquiring their third-tier competitors. Their enterprise sales reps reported that traditionally complimentary service providers had acquired companies to expand their offerings. They also saw rapidly growing apps use their market dominance by engaging a younger demographic with a free or low-cost, stripped-down version of their product. While their business model was fundamentally a wholesaler model, these apps and bundled service programs significantly distracted their customers, and the pace of these changes caught them off guard without a response.

A Case Study in Competitive Pressures

THE ENGAGEMENT AND OUR APPROACH

The Focused Momentum LLC (FM) team worked closely with the VP of Strategic Management to bring our signature Strategy Summit® approach to their planning process.

Before the first group strategy session, the FM team completed an assessment of their market and prepared a strategic hypothesis for their strategic thinking. During the initial strategy development session, presentations of the strategic assessment and the strategic hypothesis provided context for new insights into these recent market changes. This delivered much-needed clarity on what required their attention and, most importantly, what did not.

For example, during the strategy development discussions, the group discovered that a key performance measurement for improving year-over-year net operating income did not make sense, given current market realities. They were now in a very different market with real competitive pressures. They needed to revise all their assumptions and develop a robust strategy to aggressively fight competitors and strengthen their position as the market leader. It was time to invest to fuel growth. This was an entirely new view of how to manage their business.

THE RESULT

Our engagement led to a significant shift in the strategic mindset of this company. They shifted from a focus on operational excellence to a brand management mindset in which innovation and customer satisfaction were core brand values. Their brand had the largest market share, and they had been riding it to higher and higher levels of profitability. They now saw the value in strengthening their brand management capabilities to push back on market pressures and regain growth across all channels.

They took the step from a “wholesaler” business model to a brand manager by embracing a direct relationship with the end-user or consumer to compete head-on against niche players trying to use the strength of their premium brand to grab market share.

They solidified their traditional wholesaler role with a renewed focus on product development and customer loyalty programs to secure their leadership position.

This new direction defined a way for them to use their strengths and push back against the competitive pressures from large and niche players.