

## Why Market Share is Shrinking for a Leading Industrial Equipment Company

### BACKGROUND

An industrial products company with lead position in a number of geographic and vertical markets has found itself beset by competition that have successfully attacked it with different distribution and technology models, resulting in plateauing sales while its rivals had achieved significant growth. The now shrinking industrial elephant – so used to its large share position across its portfolio – now has to rethink what it sells and how it sells its products worldwide.

For over a century the firm has been an acknowledged quality leader in all aspects of its portfolio. A US-based company, it knows its home turf and has extensive and effective distribution partners.

### CHALLENGE

Europe, South America and Asia are another matter. Here its global competitors often have a stronger presence. Customers trust the products, yet in many cases have begun switching to new entrants or rivals that are part of large multi-nationals that can leverage other assets and play the price game if necessary. In addition, new technology and service solutions have also acted as substitutes – at times commanding a premium price point.



### APPROACH

The client needed help understanding how to regain its momentum as well as to improve its response to rapidly changing market conditions. It needed to know which strategic steps made the most sense and how much of a change and likely investment this effort required.

Researching each product group, we organized a series of a half-dozen war games to stress-test the strategy for each product group. By testing the strategic assumptions of the client and the rival companies across the entire portfolio, we helped surface global strategies among the rivals that were at times lost when looking at a single group alone.

Over a six-month period, we analyzed the output of each war game and rolled up the entire set of recommendations into a rationalized set of recommendations, which included everything from acquisition to introduction of new technology and service initiatives.

### RESULT + BENEFITS

The war games uncovered a series of strategic gaps with the most glaring of them related to a variety of customer services. Fundamentally an engineering-driven firm, it had thought of service in the past as machinery repair. The strategy sessions uncovered an entirely different type of service gap, that of servicing the customer, which included training and better informatics demanded of the machines themselves.