



## Electro-Mechanical Drive Systems Manufacturer

- **Opportunity**

This \$25 million division of a global manufacturer of electro-mechanical drives and motion control systems, serving the paper/packaging, metals, automotive, petroleum, marine and machine tool industries, was concerned that the struggling heavy industry markets they served were growing too slowly to support the achievement of their growth goals. With growth lagging other divisions, securing capital from corporate to fuel growth was becoming more challenging. A combined direct and distributor sales force was responsible for selling their products, with a Services/Parts Department supporting installed systems.
- **Solution**
  - Implementation of a customer-partnering sales strategy for the direct sales force led to discovery of an unmet need. It was revealed that many customers needed to increase production and reduce costs, but could not afford to acquire new systems or replace installed ones.
  - A focused group from Engineering, Operations and Service was formed to custom design and install upgrades for these installed systems.
  - “Upgraded” systems were proposed that specified how the customers’ productivity and/or cost reduction goals would be achieved through the upgraded systems, ensuring a prompt, economical ROI on the customers’ investments.
- **Results**
  - Sales for the Upgrade Group exceeded \$10 million in two years, generating complimentary sales increases in motor, control and services products.
  - The affordable upgraded systems broadened the target market, increasing the number of served customers.
  - Because the ROI and payback on the upgraded systems was often better than could be earned with purchase of new systems, the upgraded systems were sold with a higher profit margin, increasing profitability and average customer unit price.