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CASE STUDY
Sales effectiveness

Customer segementation

CLIENT BACKGROUND:

An $800+ million dollar innovative leader in the retail and foodservice industries - a combination of wholesaling, branded products, custom foodservice cutting, cold storage and transportation of a variety of meat, poultry, seafood and deli food products.

THE BUSINESS CHALLENGE:

The company traditionally segmented its customers following a basic channel approach. However, as they continued to grow and develop, customer needs and wants were blurring across channels. They needed a new way to segment their 3,000+ customers to ensure exceptional products and services were delivered to customers with the highest value. They also needed to restructure their sales organization to better align with the new segmentation approach.

THE BAKER TILLY APPROACH:

Baker Tilly Consulting developed a new segmentation approach using the following methods:

- **Data discovery:** Identified and analyzed transactional sales data to determine customer segmentation clusters
- **Segmentation modeling:** Developed four key customer segments and trend to better align resources based on the specific segment needs
- **Organization and alignment:** Worked closely with key stakeholders to anticipate changes to sales department roles, responsibilities, compensation and business processes
- **Offers, incentives and experiences:** Guided the company in determining new products and developing specific offers, incentives and experiences for each segment
- **Deployment and implementation road mapping:** Developed a roadmap to implement the new sales organization structure, customer offers and experiences and other key initiatives

THE BUSINESS IMPACT:

The company realized an optimal level of customer focus and sales effectiveness as a result of the segmentation project. Additional impact on the business includes:

- **Resource utilization:** With new customer segments defined according to potential revenue, cost to serve and strategic alignment, the company can better align resources with their most valuable customers
- **Predictive analytics:** Using unsupervised machine learning algorithms to analyze product mix, customer buying behavior, and price sensitivity, the company can identify high growth potential customers, improve business forecasting effectiveness and increase forecasting accuracy of customer buying behavior
- **Customer-centric focus:** By defining four key customer segments, the company is able to ensure the delivery of optimal offers, incentives and promotions for their highest value customers
- **Enhanced customer experiences:** An automated process that continually measures and monitors customer behaviors and the effectiveness of the customer treatment strategies allows the company to modify customer experiences as needed to drive greater loyalty and satisfaction amongst their most valuable customer segments

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