

Long tail management

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The management of long tail customer is part of the overall CEM work and has close links to other work streams. **Segmentation** defines "Who" we sell to, **Service** levels provide "What" we sell and our **Go to Market** strategy defines "How" we serve customers. The goal is to **provide the appropriate channel** to market for each customer which is both **effective** and **efficient**, and **delivers profitable growth**. Managing long tail (small customers) through the best channel needs to be aligned to the GBU strategy and customer needs.

Define Long Tail strategy

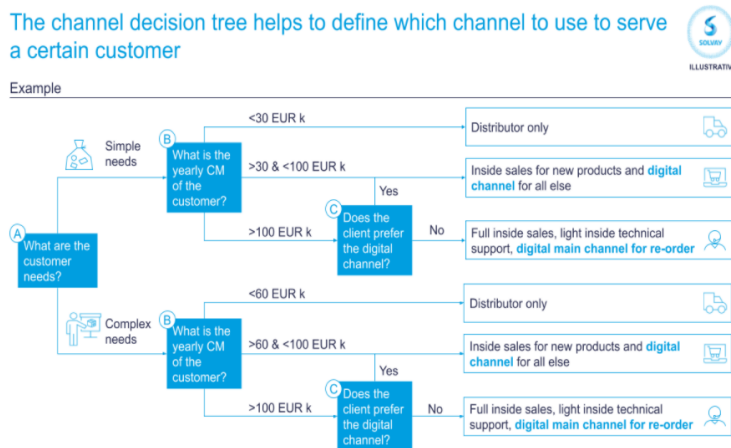
The GTM/Long Tail strategy should be in line with the overall GROW Solvay ONE approach.

A Growth GBU would redeploy resources released by long tail management to focus on lead generation and growing critical and key customers. Whereas an Optimize GBU would reduce cost to serve.

The Solvay One omni channel methodology is deployed to help guide each GBU find the best fit channels to market per region for each customer.

Overall Methodology

- Conduct a diagnostic for the GBU/region of the relative profitability of each customer. Generally this takes the form of a "whale curve" illustrating the long tail of customers adding limited profit/margin.
- Using benchmarking tools and KPI's determine the potential value of changing routes to market.
- Select the routes to market for each customer
 - Using a decision tree with defined thresholds for margin
 - Quantitative and qualitative criteria
 - Exception rules
 - Options can be field sales, inside sales, digital channel or pass to a selected distributor
 - Finalize the to be model and value to be delivered



- Should have 1 decision tree across the GBU (not per region)
- Threshold can be in revenues as a proxy of CM

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Implementation

- Develop a high level and detailed implementation plan per region
- Determine which leading and lagging KPI's will be used for tracking
- Set up governance and drum beat cadence
- Review the process and continuously improve

In order to enable the tracking of the implementation along the defined plans, KPIs need to be attributed to the identified levers



Potential levers	Leading KPI	Lagging KPIs
Move smallest accounts to distribution	% accounts moved to distribution	FTE reduction or redeployment <i># of orders/account & Cost-to-serve</i>
Expand inside sales	% of accounts moved to inside sales	FTE reduction or redeployment
Introduce hybrid sales model	% of accounts moved to hybrid model	FTE reduction or redeployment
Increase inside sales efficiency	# customers per inside sales FTE	FTE reduction or redeployment <i># of orders/account</i>
Leverage digital for CSR-related interactions	% of order support performed fully digitally	FTE reduction or redeployment
Provide web-only GTM for existing business of smallest remaining Standard customers	# accounts per sales rep FTE	FTE reduction or redeployment <i># of complaints logged?</i>
Reduce SC complexity	% of order lines from Standard accounts <i>(lagging before leading)</i> <i>Total booked Transportation capacity</i> <small>CONFIDENTIAL - RESTRICTED USE</small>	FTE reduction or redeployment <i>Total cost to Serve</i>

64

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Key Trainings:

Key contacts

- [Wolf Sanner](#)
- [Jeremy Bentham](#)

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- [Customer Segmentation](#)
- [Contracting Management](#)