



Global business services

Benefits of consolidating sales and marketing functions



pwc

www.pwc.com/me



01

The benefits of GBS for marketing and sales functions

p. 2

02

Sales case study

p. 4

03

Marketing case study

p. 5

04

Key benefits

p. 6

05

Adopting change

p. 7

06

Regional challenges

p. 9

07

Critical factors to consider when it comes to sales and marketing

p. 11

08

Conclusion

p. 12

09

What next?

p. 12





The benefits of global business services for marketing and sales functions

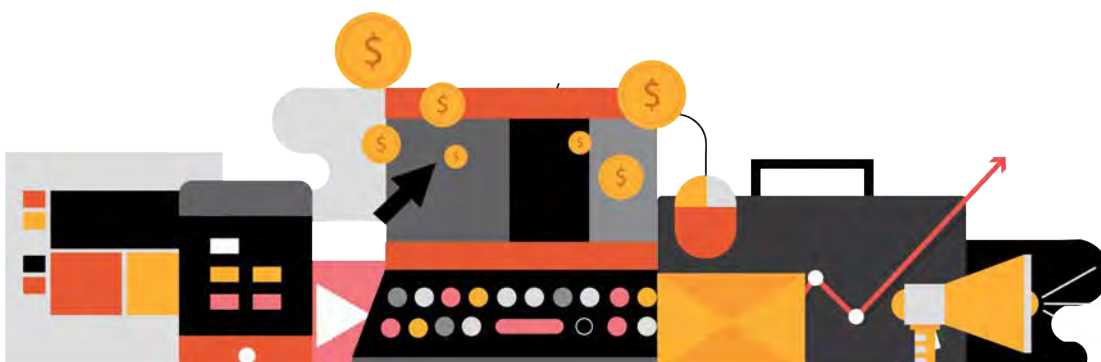
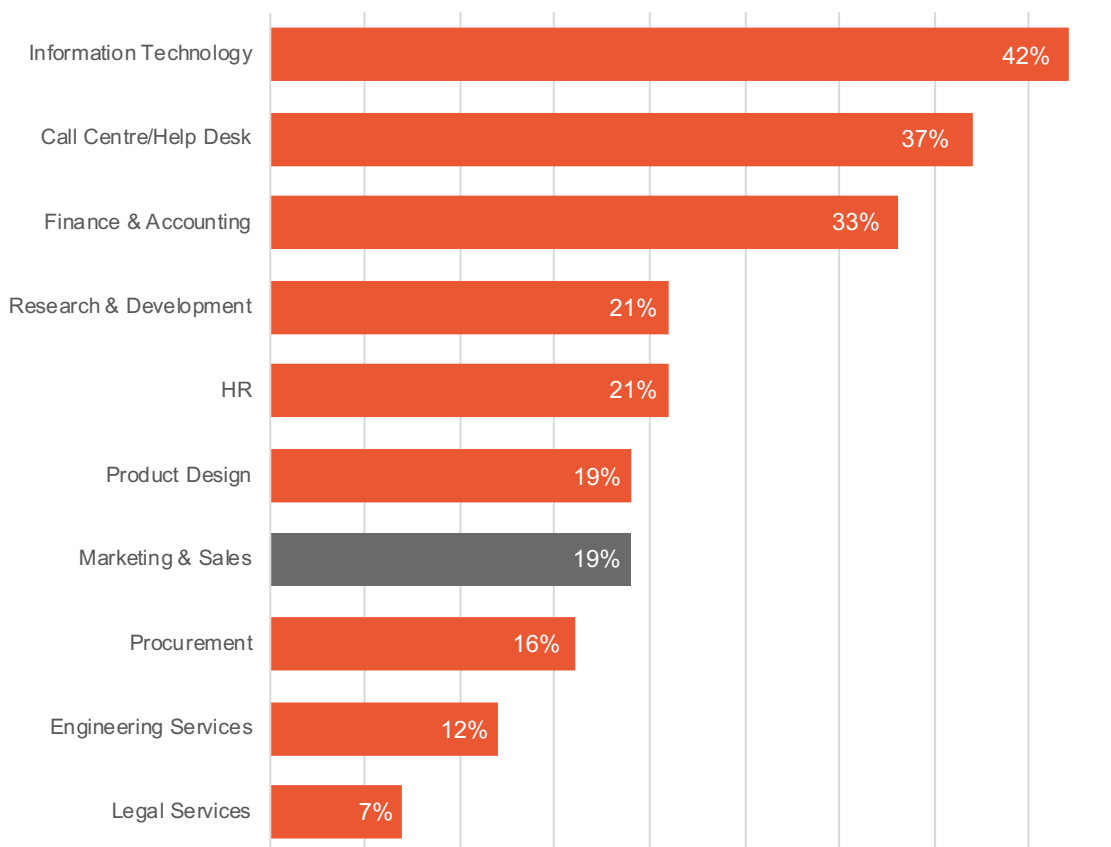
Many companies have successfully consolidated support functions such as IT, HR and procurement into a shared service, often in a low-cost location, to reduce costs and increase efficiency. However global business services (GBS), as this model is called, needn't be confined to back-office functions. Front-office functions such as sales and marketing also involve certain routine tasks that can be pooled across divisions and geographies.

In the sales function, for example, key account

managers spend on average **30% to 40%** of their time on tasks that are not customer facing. Data analytics is also an increasingly important part of targeted sales and marketing, and digital tools make it possible to collect and assess data from across the company from a central hub.

In the following pages we present case studies of our work with sales and marketing teams on GBS, which show how consolidated services can improve efficiency and effectiveness.

Percentage of companies using shared services and outsourcing initiatives by function:





| Case studies

Sales case study

Creating a shared service sales centre for a global FMCG company

A global, \$60bn fast-moving consumer goods (FMCG) company was looking to centralise some of its sales activities in a shared service centre for Asia, the Middle East and North Africa (AMENA), creating new ways of working for 6,000 sales employees across the three regions.

Which processes were suitable for GBS?

- 1 Trade promotion:** budget tracking, reporting and analytics
- 2 Target setting:** maintaining updated targets and keeping the team informed
- 3 Delivery route planning:** sales outlet segmentation and mapping, territory mapping
- 4 Customer data management:** overseeing the storage of master data
- 5 Sales analytics and reporting:** preparing customer and category analytics, sales performance review decks, analytical modelling
- 6 Space and assortment management:** assortment analysis, planogram design and deployment, planogram compliance reporting

Key results:

40%

reduction in sales costs for the region

25%

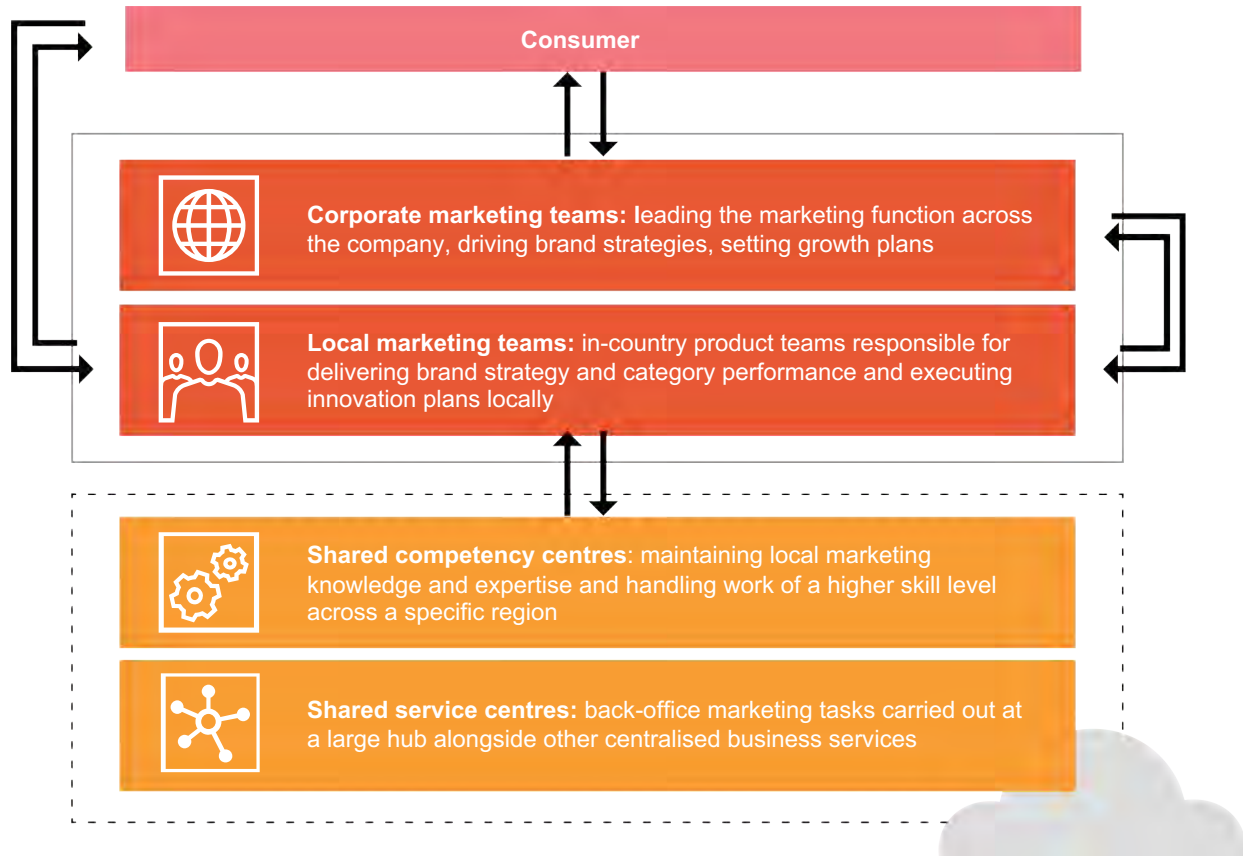
reduction in full-time equivalent (FTE) sales staff since launch



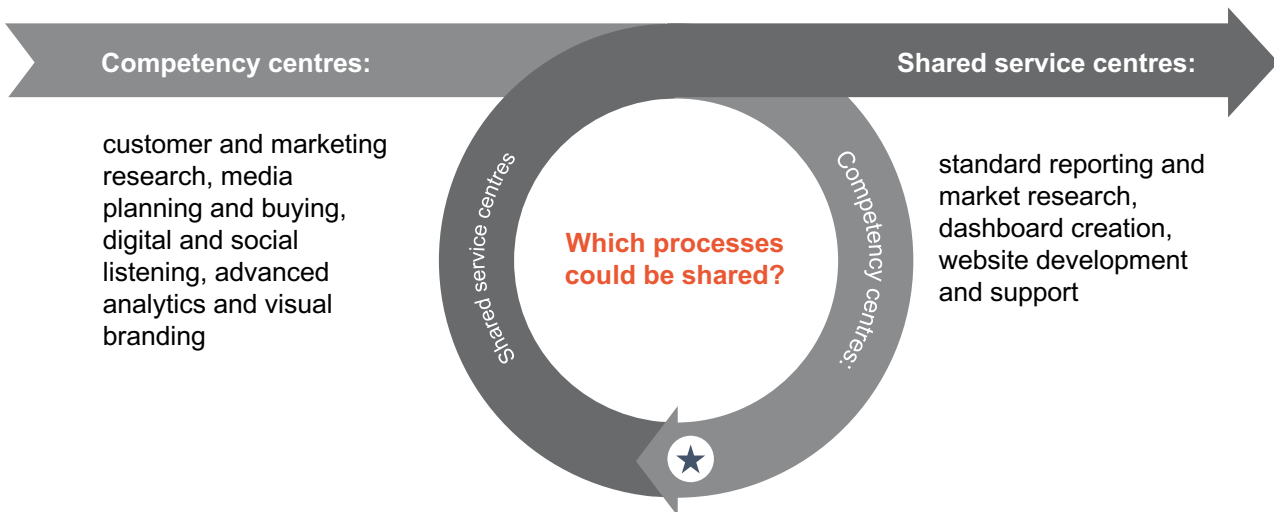
Marketing case study

Scaling marketing operations with shared service centres and expert hubs

A large consumer packaged goods (CPG) company developed a new operating model for its marketing function based on four pillars:



Which processes could be shared?



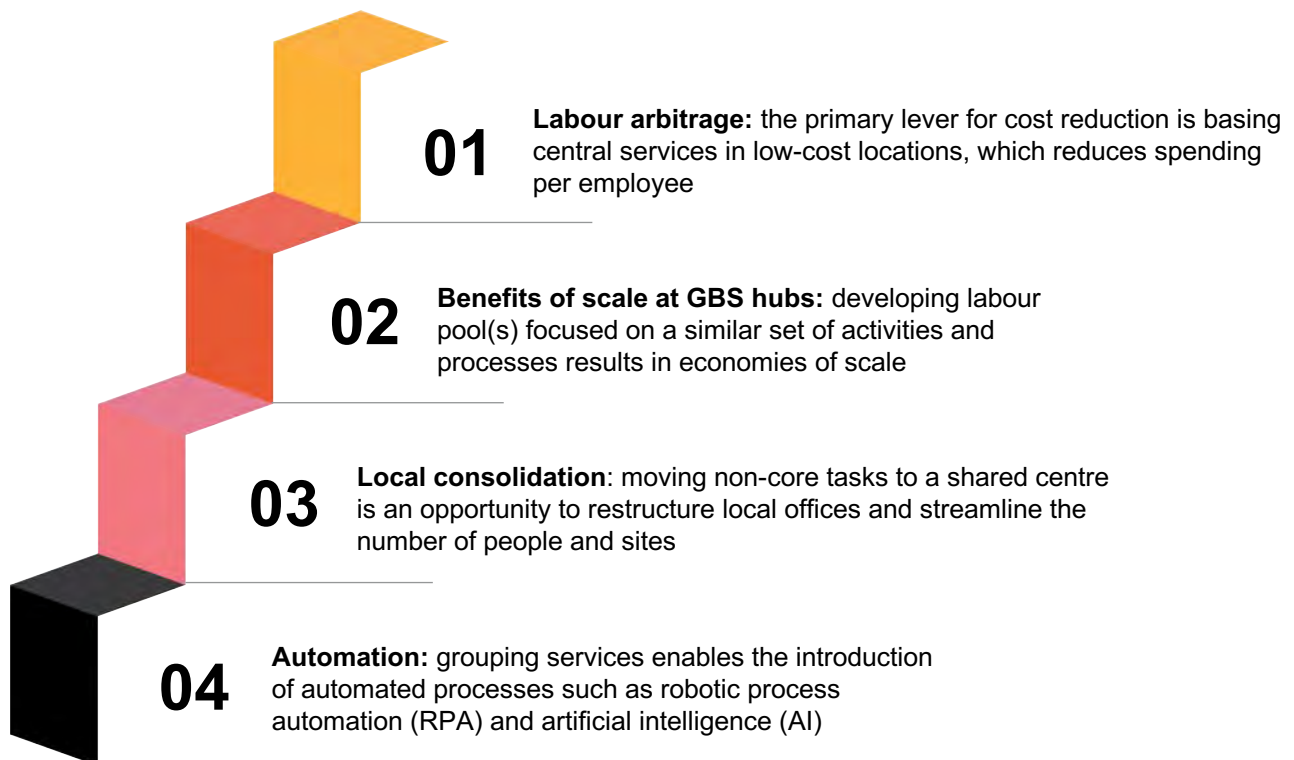
Key results:

The company was able to reap the economic benefits of shared services on both complex and routine work because of the two different shared centres.

Key benefits

As our two case studies show, implementing a GBS model provides both strategic and economic benefits for marketing and sales. Companies can improve efficiency and optimise costs by pooling resources centrally, embedding new digitised ways of working and establishing a robust governance mechanism to deliver work across countries and lines of business.

The key levers that contribute to **reducing cost and increasing productivity** are:



There are also **strategic benefits** that help increase effectiveness, such as:

- Standardising and streamlining processes supports compliance and control, and drives improvement initiatives across GBS
- Hiring the right talent and establishing centres of excellence helps local market teams make better and more informed decisions
- Eliminating non-core transactional work and providing business insights through centres of excellence means local teams are able to focus on value-adding tasks



Adopting change

It has always been challenging to consolidate work and move it to a central location – and it is no different for sales and marketing leaders. Good communication and well-planned change management play critical roles in the success of transformational initiatives. Based on our recent experience with clients, these are the issues companies must be ready to address:

3

Stage 3: Execution

- **Bringing the entire organisation on board:** moving work and changing ownership of tasks often creates a void in the remaining organisation. A big part of the implementation process is to have a design for how the remainder will carry on, to control the surge of unsettling emotions.
- **Smooth handover:** once the shared service centre is up and running, a key task is to ensure the remaining organisation actually hands over the processes and does not hold on to the work, creating duplication of effort and inefficiencies.

1

Stage 1: Foundation

- **Culture:** implementing GBS is not simply a cost-reduction activity. It is also a cultural change that enables better ways of working and organisations need to be ready to embrace the changes.
- **Strong leadership:** leaders need to effectively communicate the economic and strategic benefits and be ready to manage the overall change.



2

Stage 2: Design

- **What can be moved to GBS?** Begin by identifying activities that are not tied down by external regulations or linguistic considerations. In some countries regulatory barriers mean certain tasks cannot be done outside a specific geographical boundary, for example, and language can also be a considerable barrier to centralising work across a broader geographical area.

- **When to fix and when to shift:** companies can become overwhelmed by competing goals during GBS design. As we assess the work being done in the organisation and identify inefficiencies and areas for improvement, organisations can be distracted by how to make those processes better, rather than focusing on the key question of what to centralise.

Addressing the problems first, known as a “fix and shift” approach, can be productive but it will also be expensive and time-consuming. Instead, a “lift and shift” approach, in which processes are centralised as they are, allows the benefits of consolidation to start immediately, with the potential to unlock further value through improvements later.

Regional challenges

The Middle East and North Africa (MENA) region brings a set of unique challenges. It is a region with diverse management styles, cultures and ways of working, particularly when it comes to country-specific functions such as sales and marketing.

1

Customised way of working across the region: work tends to vary by country and even – in some cases – within those countries. The more customised tasks are, so the volume needed to reap the benefits of centralisation is lost. A key example in the sales function is the different ways that teams work with traditional small shops and large supermarket chains.

2

High level of organisational fragmentation: in countries where business processes are less developed and streamlined, it is more difficult to identify the work that can be centralised and resources with the potential to be moved to GBS.

3

Varying levels of technological maturity: as we centralise work for our clients, we aim to achieve efficiency by streamlining processes and introducing new technologies and automation. Harmonising processes to make them suitable for automation is a key challenge when countries in the region are at different stages of technological advancement and maturity.

4

Work already happens in low-cost locations:

volume and scale are key value drivers for GBS. Without them, proper cost reduction and efficiency cannot be achieved. The stakes are even higher in countries where wage costs are already quite low, putting additional pressure on potential benefits.

5

Parallel projects working towards efficiency:

given that MENA is a developing region, many organisations have ongoing optimisation and improvement projects. They need to ensure that GBS synergy opportunities are considered alongside other initiatives.



Critical factors to consider when it comes to sales and marketing



Cross-functional needs: sales and marketing teams work with a variety of functions and stakeholders within the organisation and these interactions need to be taken into account when planning consolidation. For processes that would require a remote person to continually be in touch with different parts of the company, a shared service is not efficient.



Skill level: typically, activities within these functions do require a higher set of skills. However, it is important to differentiate between niche and generic skills. Is the work niche or does it simply require a higher level of expertise/experience? In the case of the latter, such as planning or forecasting, it can be centralised with the right talent.



Local market knowledge: often sales and marketing functions rely on agile responses and decision-making, especially in the face of dynamic competition. Some elements of work require local market knowledge and an immediate response to customer requirements.



Relationships and customer knowledge: activities may also require a high level of collaboration with external stakeholders. Close working relationships with customers are pivotal for sales and marketing teams.



Scale benefits: often an activity in itself may be shareable, however the volume of tasks must be high enough to reap the benefits of centralisation.



Maturity: when considering which services or processes can be shared, the focus should be on work that has reached a level of maturity that would allow it to be done centrally, rather than tasks that are still in the incubation process.

Conclusion

Many of the findings and insights in this paper are based on our work with a CPG industry client, from which we were able to unlock significant value by consolidating and centralising non-customer-facing tasks across its sales and marketing functions.

In order for companies to realise these benefits, they need to be ready to challenge the status quo and look for new opportunities to consolidate at a central location. They must also ensure that the whole organisation is ready to embrace the change and that appropriate tools and plans are in place to ensure success. Management must be ready to lead and address the challenges we have outlined.

The journey is not easy, but the results are worth it: reduced overhead costs, increased efficiency, and new and better ways of working.

What next?

To find out more about how shared services and outsourcing could transform your business, visit www.pwc.com/me or get in touch.



Imad Shahroui

Partner

imad.shahroui@pwc.com



Sabimir Sabev

Partner

sabimir.sabev@pwc.com



Deepak Meena

Director

deepak.meena@pwc.com



Ola Elsaid

Senior Associate

ola.elsaid@pwc.com

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with over 276,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Established in the Middle East for 40 years, PwC has 22 offices across 12 countries in the region with around 5,600 people. (www.pwc.com/me).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2020 PwC. All rights reserved