



Get ready for the aftermath –
There will be a time after COVID-19



COVID-19 and Firefighting

We are all experiencing the heavy consequences of the
corona crisis on health, society and economy.

After our healthcare systems and their corona heroes have hopefully won most battles, we will most probably face severe economic consequences in many industries and businesses.

So, what can we expect in Marketing & Sales in the chemical industry and other manufacturing B2B sectors?

And how can we cope with it? How
can we prepare for it?

It will be a bit like firefighting, which is
about attempting to prevent and extinguish significant
unwanted fires...





Part 1



What we can expect in Marketing & Sales after the crisis?





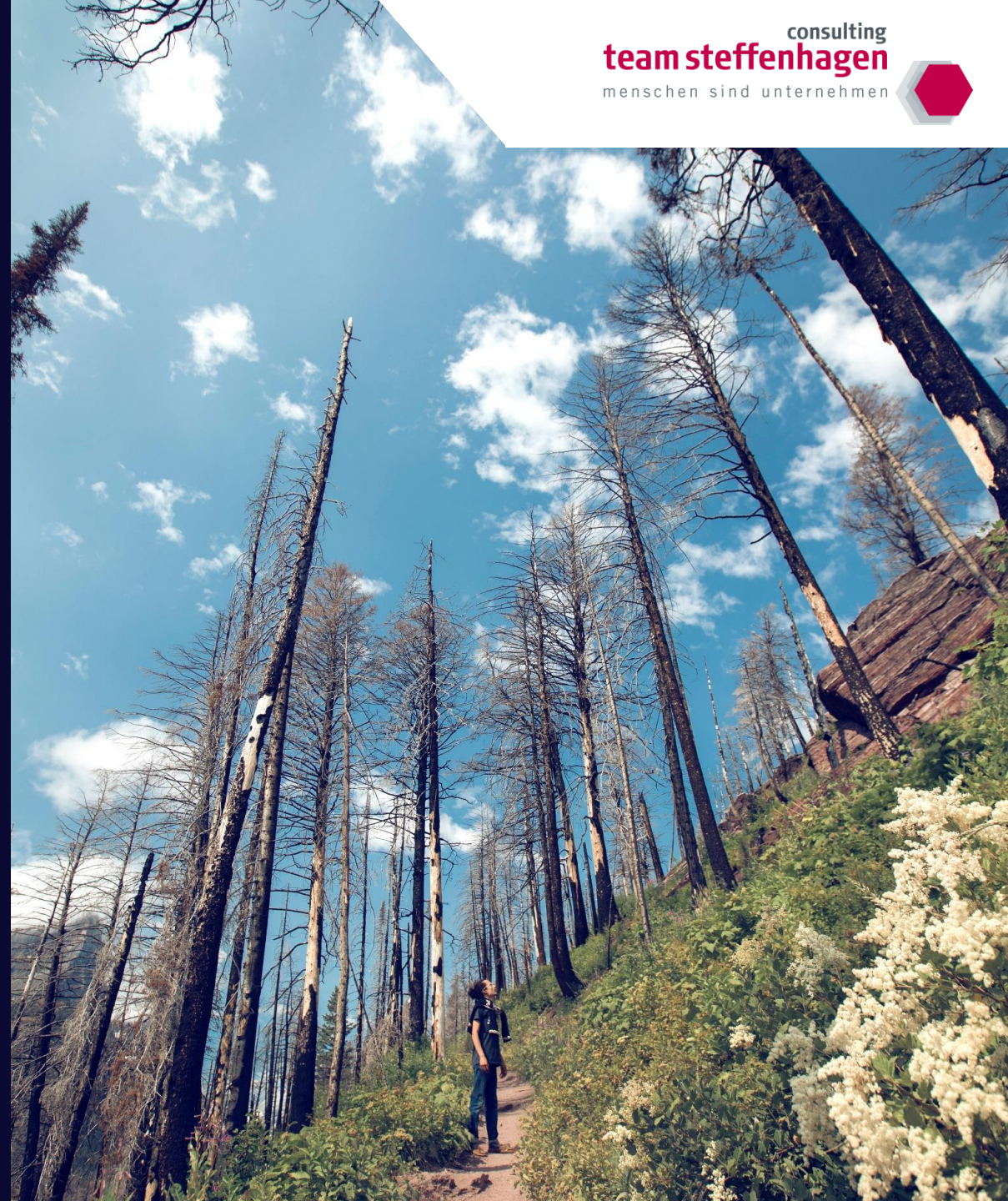
What we can expect in M&S?

When life and economy will slowly try to get back to normal, there will be many challenges ahead of us in Marketing and Sales

In many markets we can expect

overcapacities & oversupply

due to **demand gaps** and customers' **high stock levels**, created by corona and the standstill in many parts of the economy. This will lead to price and margin pressure.





What we can expect in M&S?

In this kind of situation, **competitors may be eager to utilize their capacities** as much as they can, even though this is often **based on wrong assumptions**.

This is e.g. the case when people in commodity businesses claim that above all they have to **fill their plants**, which – as they believe – must also be supported by their pricing strategies. No matter how stupid this is, it will put additional pressure on your prices and margins.

And if you face this challenge internally too, as managers in your marketing & sales organization also still apply this absurd rationale, be aware, that this will additionally threaten your bottom line.



What we can expect in M&S?

The price pressure created by overcapacities and competition is currently additionally fueled by **low oil prices** and customers expecting price reductions as a consequence of that.





What we can expect in M&S?

Of course, there will also be markets with **supply shortages**, so that instead of price pressure, suppliers may face price and margin potentials and product allocation issues. Product allocation decisions come with a completely different set of challenges, as first of all they have to be compliant with antitrust laws. And in some markets, ethical considerations have to be taken into account as well, as we can currently see for face masks, lung ventilators and disinfectants.



What we can expect in M&S?



Due to remaining bottlenecks in the supply chain and due to the recovery from shutdowns, **uncertainties in our raw material supply** will be likely in some industry value chains. The question will be, when your supply chains will get back to normal again in terms of capacities and tariffs. Wherever we face shortages, there will be increasing raw material and / or high supply chain costs as a consequence.





What we can expect in M&S?

Future demand for your products will be hard to predict and **uncertain**. It will ultimately depend very much on the industries and the corresponding end consumer markets.

For commoditized products, which are sold into many different applications and industries, this will make demand forecasts a complex, but still important task.

Not being able to anticipate supply and demand in supply & demand driven markets will definitely have its **drawbacks on your price and margin management**.



What we can expect in M&S?

New business development will also face uncertainties

as we have to see how and when customers will restart their innovation activities with what kind of focus and speed.





What we can expect in M&S?

And let's face it: In some businesses we will face

**insolvencies and increasing
credit default risks.**





Part 2



So how can we get prepared in Marketing & Sales?





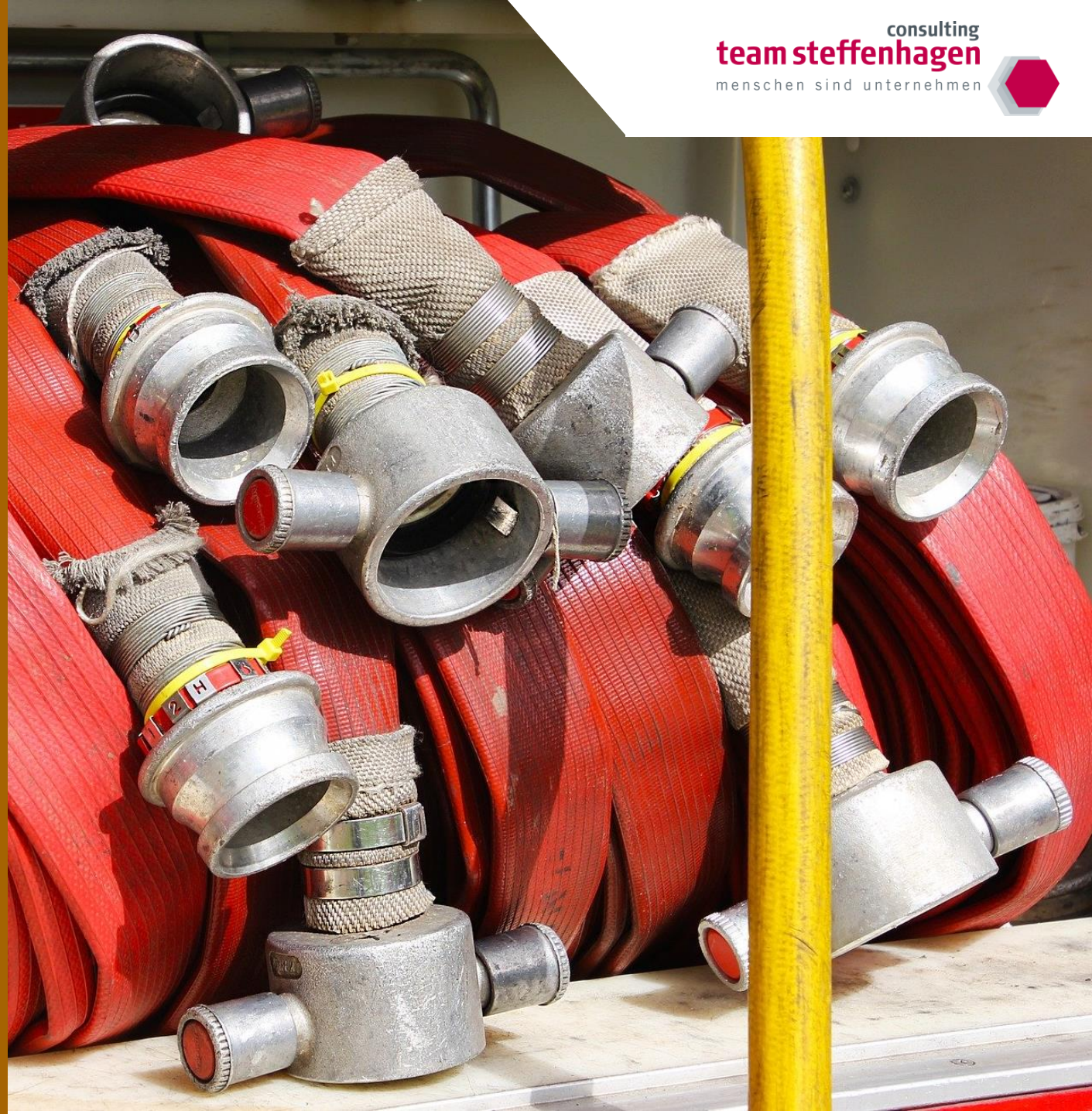
How can we get prepared?

This does not sound like bright prospects.

However, there's no need to bust your head in the sand!
These unfavorable conditions will not apply to all markets.
And where they apply, they **will not last forever.**

Secondly, **you can get prepared** to do
a better job than your competitors.

Here are some thoughts and ideas, which of course always
have to be adjusted to the specific conditions of your
markets and your company to pick the right topics and to
make them work.





Work on your customer relationship and customer experience already during the crisis

Don't misunderstand customer relationship management as a tool. There is more than your CRM system to think off. It is about supporting your customer, providing value, gaining insights and creating trust and great experiences.

Talking to your customers during the crises, calling them in their home offices and sharing insights, pain points and challenges will help you to create trust and to strengthen your relationship. Take your chance now. **Don't wait until the crisis is over.**





Reassess your customer portfolio

When talking to your customers, you will learn how they are affected by the crisis and how they are coping with it. **The crisis will impact your customers differently.** Business potentials, sales opportunities, customer attractiveness and profitability might not be the same as before the crises.

This means that based on your customer interactions and online research you should **reassess and redefine your customer portfolio** to separate the wheat from the chaff.





Make sure that you don't follow the myth of capacity utilization in your commodity businesses

Don't think that after the crisis you first of all have to fill your plants and that your pricing strategy should support that. For your P&L this is rubbish.

You don't make money by utilizing your capacities. **You make money by adjusting prices and volumes** so that you optimize your **contribution margins** in € or \$ or Yen. And the better your contribution margins, the more money you have to cover your fixed costs and to earn a premium on top. It's as simple as that.





Rethink your channels to market

The crisis may shake your channels to market. First of all, the changes in your customer portfolio may also result in changes in your channels to market strategy. Secondly, as your distributors and agents will also be impacted by corona, this might call for a reassessment of your distributor landscape: **Do we still have the right distributors?** Where should we and where do we have strategic partners, that are well prepared for the future? Where should we rather collaborate with transactional resellers? How to find the “perfect” distributor? How to be an attractive partner for our strategic distributor after the crisis? Who should provide what kind of services to the end customer? How to monitor and manage your distributors? How should we deal with online sales channels and digital marketplaces?

Maybe after corona you will answer these questions differently than before the crises. Our distributor portfolio and partner model and our distributor checklist support you in that.





Reactivate your supply chain

When reactivating your supply chain, **you have to manage the weakest links in that chain.**

And you have to manage your supply chain costs.

As long as we are talking about shortages of supply chain capacities, purchasers have to be prepared for **high prices** and tough negotiations.





Defend your prices

In many markets you will encounter **huge price and margin pressure** due to overcapacities, an unfavorable supply and demand balance, in some cases high raw material costs, customers' expectations (also due to low oil prices) and competition longing for capacity utilization. If you want to safeguard your margins, you have to be able to defend your prices even under these tough conditions.

Value Selling, pricing tools revealing the price and volume effects on your margins, negotiation competencies and a sound preparation for your customer interactions and price negotiations are things that help a lot to do a better job here.

Our **Double Loop Value Selling** method and tools, our quick and easy pricing tools as well as our negotiation trainings and our Value Touchdown method for preparing negotiations may support you in this.





Hunt for business

As published previously, after the crisis is the time when your sales reps have to leave their home office to hunt for additional business.

For a successful hunt, this is what you have to do:

- Good scouting for opportunities
- Good preparation of your Value Selling pitches
- Equipment and support from your hunting assistants in Marketing & Sales
- Active hunting to turn prospects into leads, chase sales opportunities and turn leads into business
- Efficiency to save ammunition
- Allocation of hunting grounds
- Learning hunting at the hunting school
- Celebrating your hunting success and share the prey

See our hunting brochure for more details.





Create momentum in your M&S organization

Changing from home office into a pro-active hunting mode may not be easy and will need strong leadership: Salespeople have to change back from sweatpants and online meetings to being on the road and in pressurized negotiations with customers where they have to fight for business and defend their prices.

Our **MBTI® based Building Momentum workshop** format creates the momentum you need. It helps your sales reps to get motivated and to overcome their individual challenges on their hunt and in their negotiations. And it strongly supports the team building, which may also have suffered a bit during the crisis.

And our sales leadership coaching supports your sales leaders working on the implementation with their sales force.





Train your sales force and make them weatherproof

Training your sales force is an investment into your future profits. Prepare them to weather the storm. And after having managed the crisis in our health care systems, is when the storm is coming to your sales force.

Get them ready to cope with price pressure and uncertainties. Support them in preparing and leading negotiations. Coach them how to lift their customer relationship to a more strategic level. Train them online and face to face to defend their prices. And get them the tools they need for that.

We have successfully helped many companies and sales forces in that. Ask us, if you need support.





Speed up your digitalization in Marketing & Sales

Many companies now have been forced into digital communication, remote collaboration and new ways of working. Build on that and utilize the potentials of digitalization and new ways of working internally and with your customers. **After weeks in home offices, the ground is prepared for that.** And it will save time and increase your efficiency.





Get in touch with us ...

We can support your firefighting and **help you and your Marketing & Sales organization to prevent and extinguish unwanted fires** to get prepared for the corona aftermath, especially when it gets to customer portfolio management, channels to market, pricing, hunting, creating momentum and training and enabling your sales force.

Interested? Give me a call:

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Get in touch with us ...



Want to prevent and extinguish significant unwanted fires, caused by COVID-19?

- Please do not hesitate to get in touch with us.
- Dr. Ralf Schmidt will be happy to answer your questions:
ralf@tsc-ac.com | +49 241 9787612
- If you require a reference, our customers will also be more than happy to share their experiences with you.



Selected references in process industries

BASF
We create chemistry

BAYER
Bayer Technology Services

BAYER Bayer CropScience

EVONIK
POWER TO CREATE

HUBER

kemira

Cargill

Lonza

BERLAC
BERLAC GROUP

prefere
resins

Chemtura

sunp.r
EPS and more ...

WÜRTH
Farbe. Beschichtung. Kompetenz.

Budenheim

VESTOLIT

nemak

KOLB
Member of the KLL Group

Perstorp

WACKER

heubach
COMPETENCE IN COLOR

BTC

Lohmann

Kaesler
Animal Nutrition

Succinity
BIOBASE YOUR SUCCESS

caramba





Thank you very much for your interest.

At team steffenhagen consulting we are specialized in designing and implementing sustainable organizational and cultural change of B2B manufacturing businesses, with a special focus on top management support and marketing & sales excellence.

By looking beyond the figures, we provide you with new perspectives which will match your business culture. We call that: business is people! Visit us on <https://www.tsc-ac.com/en/>