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Leadership Case Studies

**New Strategy Leads to Growth & Profit @ Franke**

**Situation**:

After three years as the CMO of a combined North American business serving multiple channels of distribution (DIY, Wholesale and Showroom) the organization was not focused and all department efforts were fragmented. Leadership at all levels became internally (cost) focused and sales and margins began a three year decline. As CMO I was becoming increasingly frustrated with short sighted internal focus of the company.

**Actions**:

Based on my instincts and discussion with numerous customers I recruited the help of a fellow CMO Council member, Market Cultures to assess and confirm my fears. Using the Market Cultures employee audit and results I crafted a strategic proposal to reverse the trend to the new CEO. The proposal had four critical points:

1. A focus on selective distribution model for the Showroom segment
2. A need to refocus the organization on Customer/market orientation
3. Cultural & Operational change to match the customers needs
4. Brand revitalization through new product innovation and integrated marketing

**Results**:

* 8% Sales growth in first year (18 months after leadership change) in a market that was down 20%+
* Ebit growth exceeding 400%
* GM growth of 5% from aggressive new product development and strategic pricing
* A doubling of ROA
* 20% Inventory reduction while improving service levels