

# Building *a New Electric World*

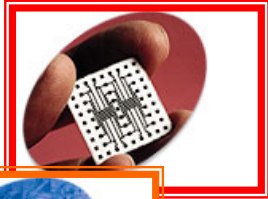
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Square D

Telemecanique



## Description:



Discusses Schneider Electric's shift from local to global account management. Focuses on the experience of Fritz Keller, international account manager in Switzerland. Covers the main challenges a global account manager faces, including internal issues and client examples. Looks at organizational issues, local vs. global issues, defining and setting up a global account structure, information management issues, as well as internal buy-in issues. Ends with the current challenges the global account manager faces when attempting to reconcile local and international priorities.

## Background

- History
- By 2000
- Four big market
- Three brandname



1782年成立，起初是一家工业设备公司；

1836年生产出法国第一个机车设备

1914年成为法国最重要的工业公司之一；

1929年进入电气契约业务；

第二次世界大战期间工厂受到严重破坏，在法国政府地扶持下重建为股份公司，业务包含电气工程、工业制造和建筑工程；

- **1969**年与**Empain**公司合并进行了多元化发展，涉及滑雪设备、服装、出版业和旅游；能够
- **1993**年进行再一次并购并增发股票，公司品牌开始国际化；
- **1996**年在中国建立了第一个法国全资的公司；  
**1999**年更名为施耐德电气；

## Background

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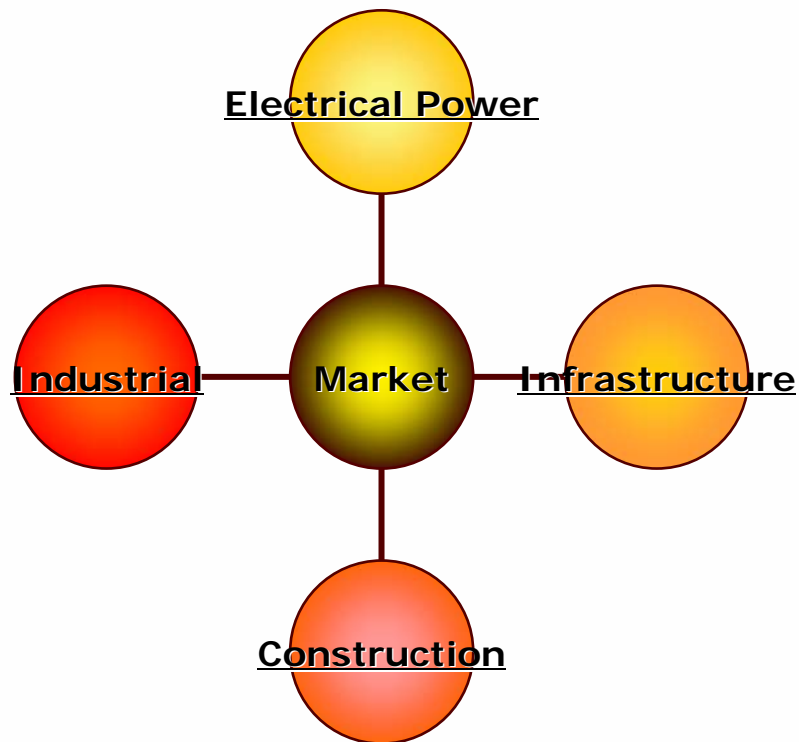
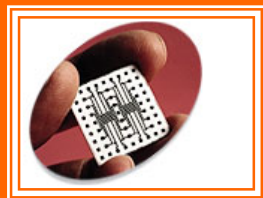


By 2000 Schneider Electric was of the largest electrical manufacturers in the world, operating 150 manufacturing and marketing facilities in 130 countries.

It served the electrical power, industry, infrastructure and construction market.

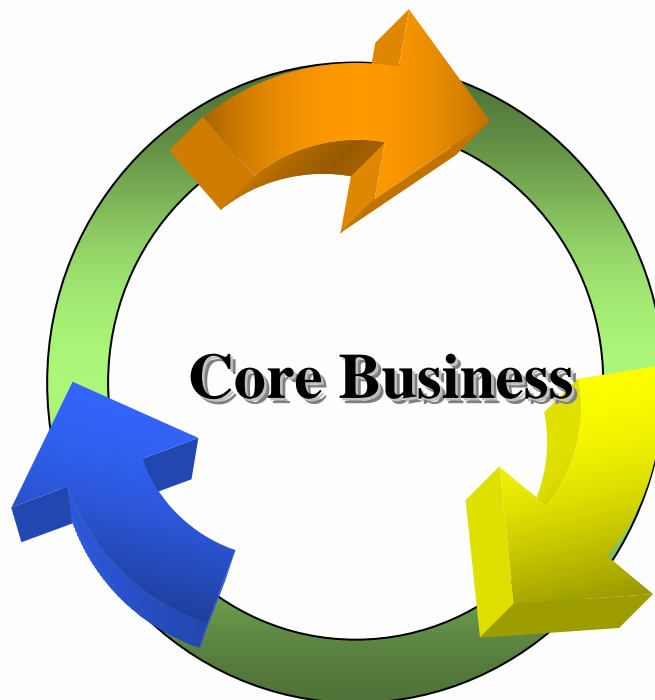
## Background

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## Background

- History
- By 2000
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梅兰日兰创建于1920年  
主营业务电器元件



美商实快创建于1903年  
配电盘及自己的断路器系列



TE电器创建于1924年  
接触器，计时器，配电箱  
，按钮及继电器





## **SGBD**

- **Shift from Local to Global**
- **GSA**
- **Performance Measure Reward System**
- **Situation from 2000**



## SGBD

### **Schneider Global Business Development**

Created in 1992, as a world wide sales organization, parallel to the country-based sales force.

### Strategy Core

Communication, reliability, speed and service to local customers are what make us successful as a team. We do not win customers with the technology—it is common all the companies in the field. We win with the relationship-building and by delivering on the relationship

### Strategy Objective

significantly expand business with the company's global, strategical account

## SGBD

- Shift from Local to Global
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## First Venture into GAM

### Schneider VS Copiato

The two companies identified mutually beneficial initiatives in product development.

Reduction of project cycle time  
Improvement of productivity  
Minimization of down-times  
Savings in maintenance costs  
Reduction inventory.....

### WIN-WIN

Awarded Arthur Anderson Best of the Best Award  
For Channel Management

## SGBD

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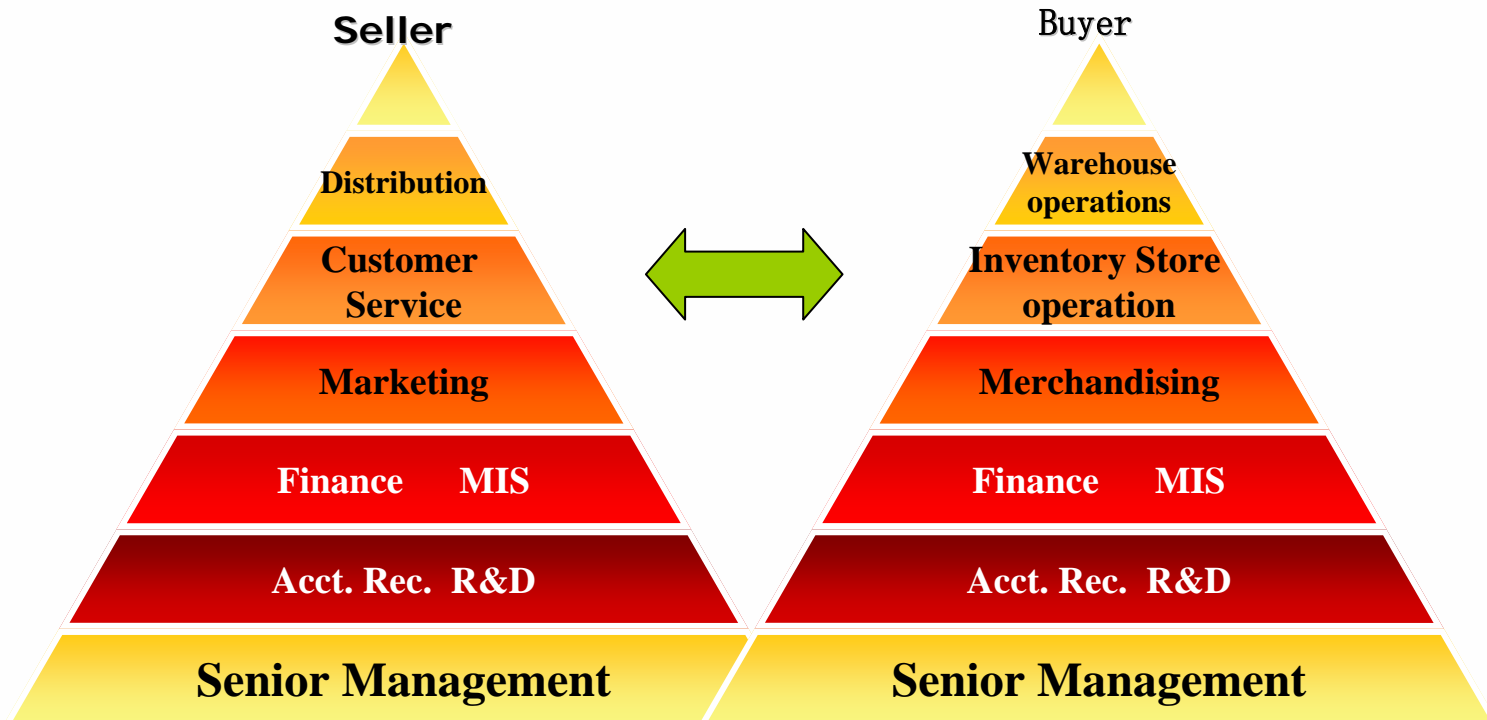
## First Venture into GAM

### Challenges

High cost || complicated process ||  
Challenges from parochialism ||  
Customization ||

High involvement and interaction from  
Senior management in both originations ||

## Realignment Relationship



**Selling /Buyer Organization**

## SGBD

- Shift from Local to Global
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### Global Strategic Account **GSA** **Standard**

Potential sourcing at least 50% from Schneider, which can recover the cost to launch IAM

Help Schneider understanding its challenges, needs and services

Share early project information and purchasing commitment

Compatibility of goals, values, style and time horizon.

## SGBD

- Shift from Local to Global
- GSA
- Performance Measure Reward System
- SGBD from 2000



## Global Strategic Account **GSA** structure

**SGBD** Schneider Global Business Development

**IAM** International Account Manager

**IAC** International Account Correspondent

**GSA** Global Strategic Account

International SGBD Network



## SGBD

- Shift from Local to Global
- GSA
- Performance Measure Reward System
- SGBD from 2000



## Performance Measure & Reward System

Annual planning and review meeting for IAMs

MBO (management by objective)  
Covering three area  
Key objectives sales forecasts  
critical issues

Challenges



## SGBD

- **Training**
- Competitors  
relative strength in  
GAM
- SGBD from 2000



## Training for IAM

**Schneider's global account managers were expected to exhibit the following behaviors and skills:**

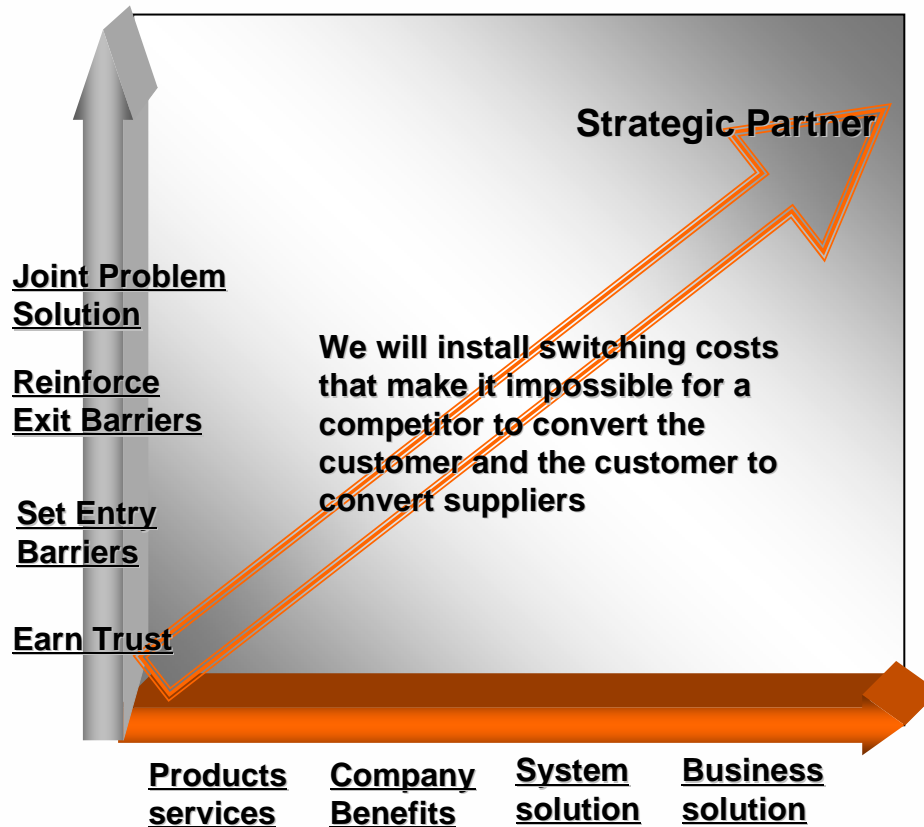
- ◆ Clear vision and mission statement
- ◆ Empowerment
- ◆ Effective communication network
- ◆ Solution-selling competence
- ◆ Culture adaptability

## SGBD

- Training
- Competitors relative strength in GAM
- SGBD from 2000

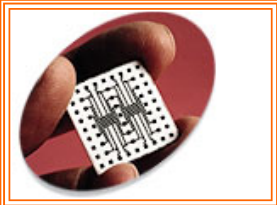


## Relative strengths in GAM



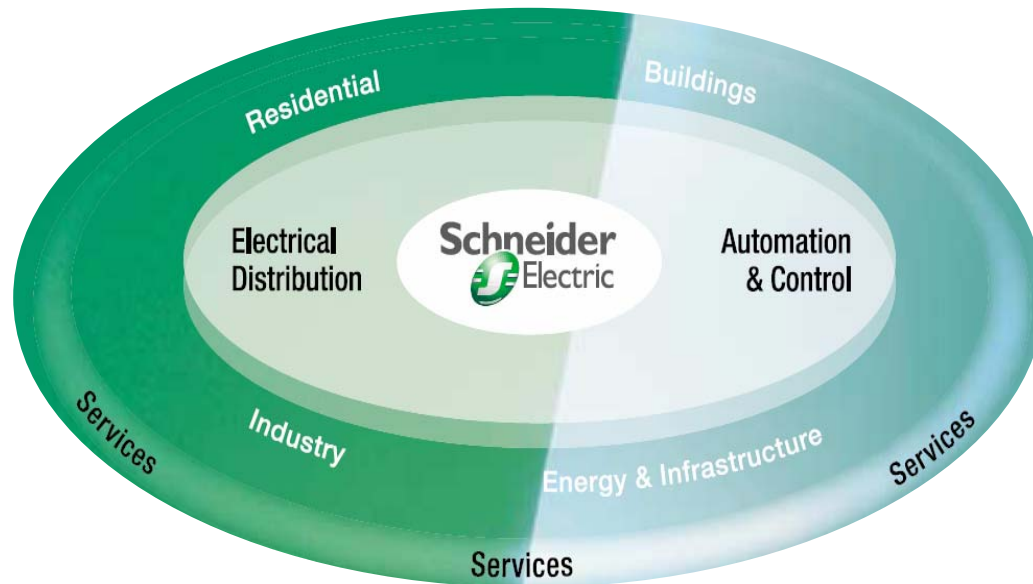
## SGBD

- Training
- Competitors relative strength in GAM
- SGBD from 2000



## From 2000 SGBD Network **Global Business Development**

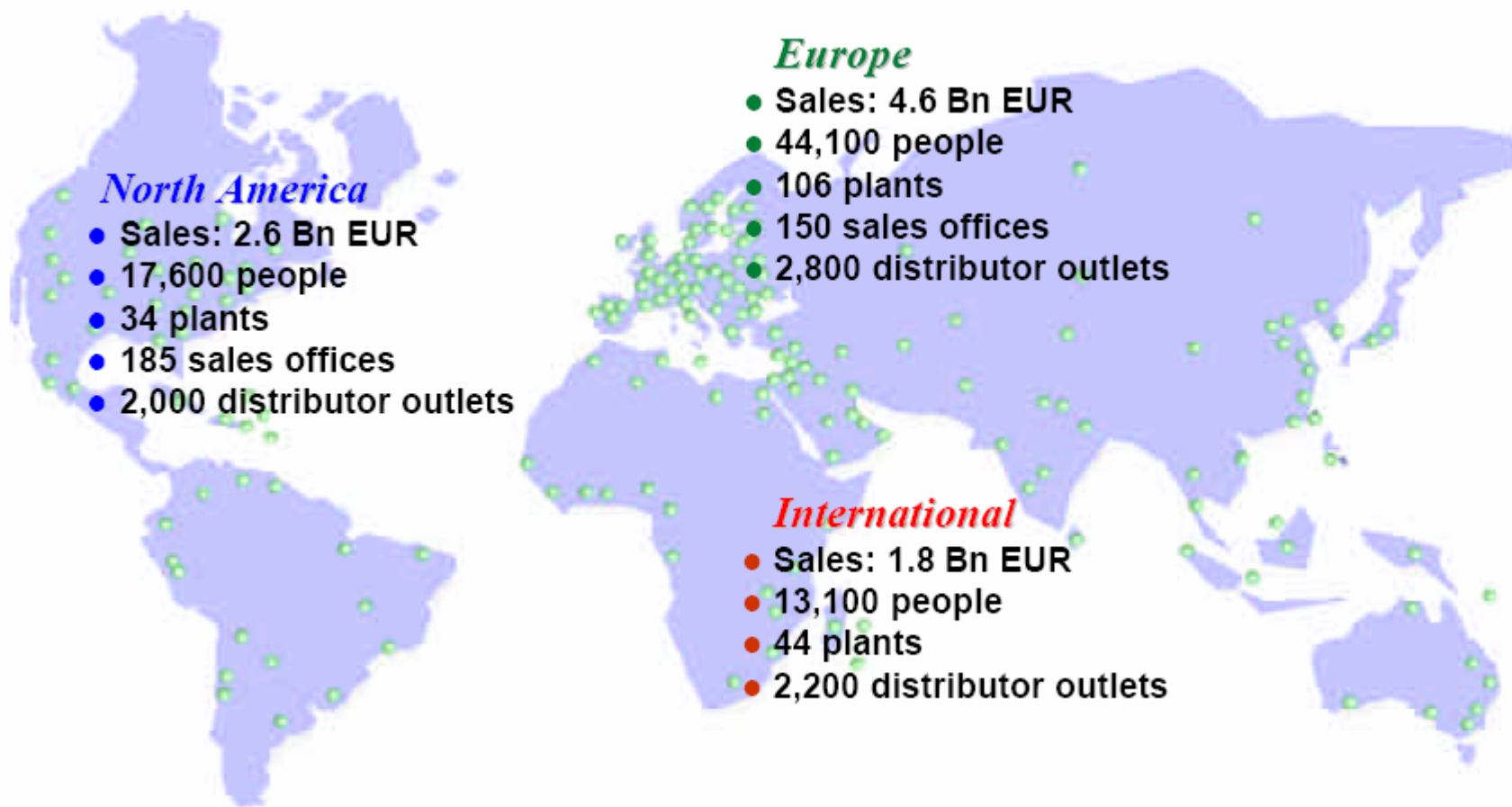
- **Schneider Electric At present**
- **A unique worldwide business model**
- **Our partnership policy aims at a 'Push-Pull' approach**
- **a specific strategy for OEMs**



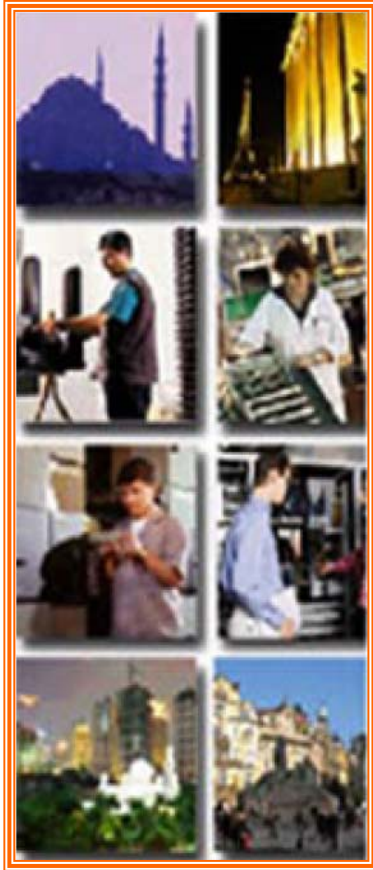


- ➔ a complete geographic coverage
  - successfully deployed the business model worldwide and adapted locally in 130 countries
  - standard products are available around the world
  - set a specific organization for global customers providing a unique interface for sales and services:
    - Schneider Global Business Development (SGBD)
  
- ➔ a strong partnership policy

succeeded in deploying and adapting in 130 countries



Source: 2002 figures



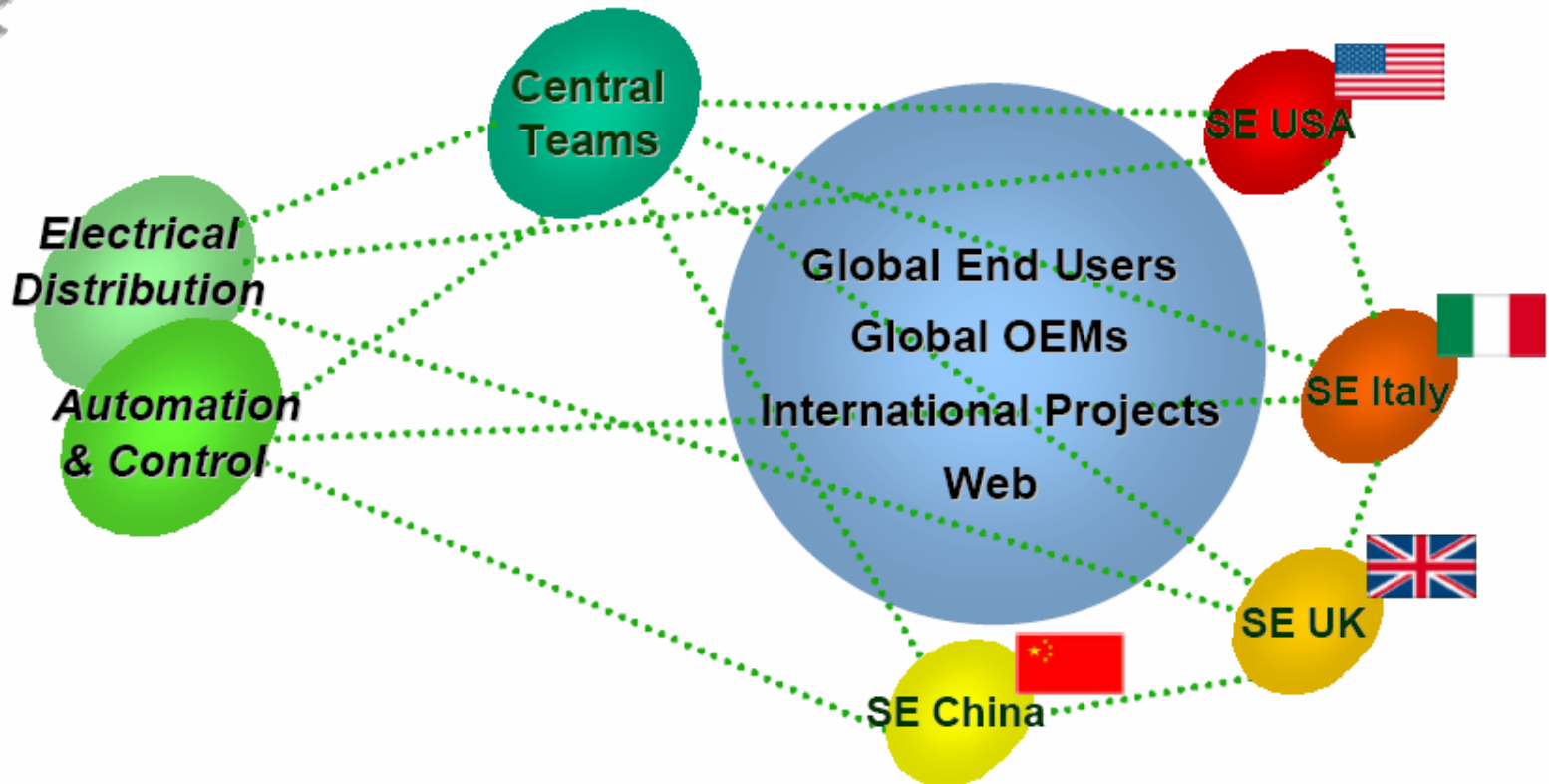
## Schneider Global Business Development (SGBD)

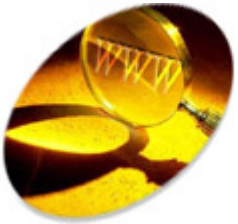
✦ SGBD has identified 80 global customers, outstanding for their leadership and their capacity to produce and invest throughout the world, as well as international OEMs.

✦ SGBD follows this global customers and offers them a unique interface and correspondents in countries all over the world. The network now includes between 400 and 500 people spread throughout the world, working for these major accounts.



**SGBD: an international network to ensure customer satisfaction**





## a unique worldwide business model

- ➔ We balance our sales between Power & Control
- ➔ We favor innovation as part of our differentiation strategy
- ➔ We give the power to our customers
- ➔ We have a strong partnership policy
- ➔ We have a complete geographic coverage with operations in 130 countries
- ➔ Our financials are among the best in class





## a unique worldwide business model

➔ a strong partnership policy- Key factor

- The business model relies on long term and loyal relationships with partners
- Sharing common goals
  - build together the tools to answer customer needs
  - enrich each other by sharing our expertise
  - accelerate innovation for the benefit of our customers
- maximizing access to customers and to decision makers

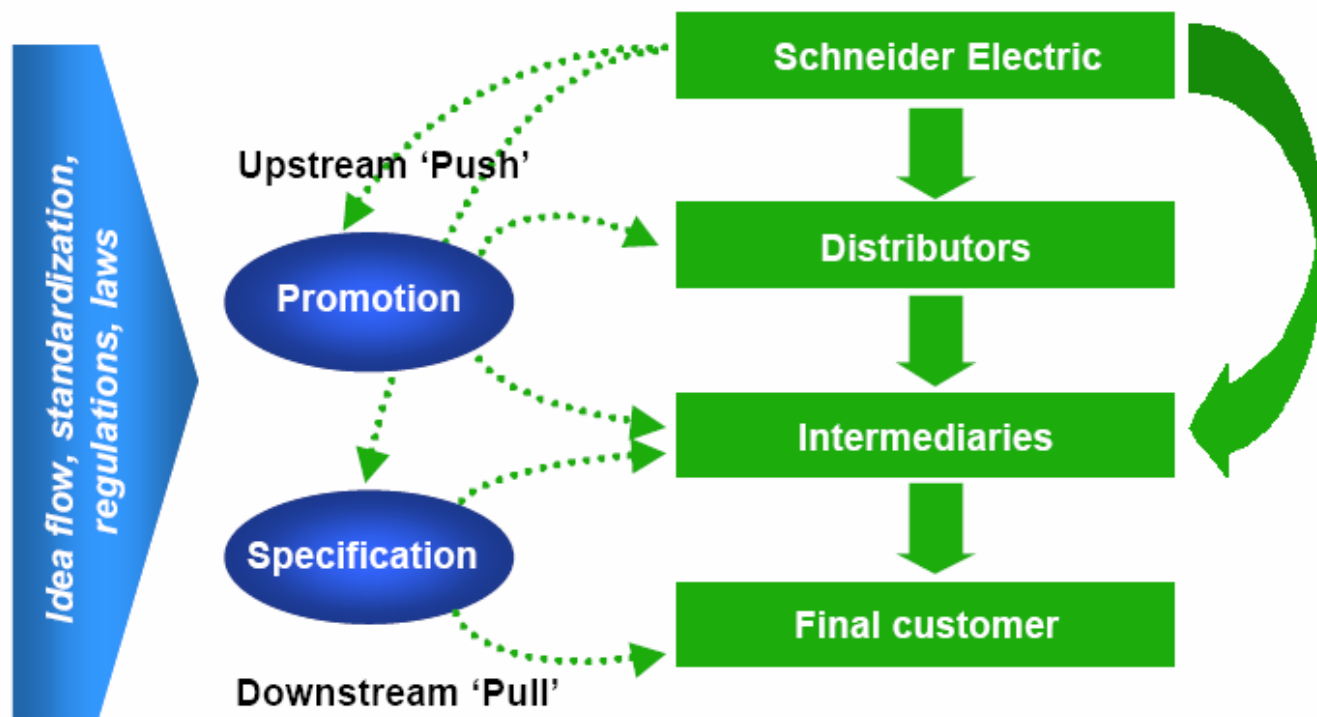


## A strong partnership policy

- ➔ Having unique competencies in developing state-of-the-art and innovative products
- ➔ The products are designed to integrate into comprehensive solutions that meet customers complex needs
- ➔ No one can be the specialist in every application or process
- ➔ Leveraging the partners specific expertise to enhance the added-value for the final customer

**Solution: the combination of partners expertise on customer needs and our very complete, ready to integrate, set of products and software**

*Our partnership policy aims at a 'Push-Pull' approach*



## A specific strategy for OEMs

*Machines play a key role in the industry market (50% of investments)*

*Machines manufacturers (OEMs) are our priority target*

*We focus on targeted applications to develop a leadership position*

*Our answer for OEMs: application centers*

### OEMs need to ...

- ➔ Reduce time to market
- ➔ Reduce overall machine cost
- ➔ Improve machine performance
- ➔ Increase revenues throughout the life cycle

### They recognize Schneider Electric as...

#### ➔ A global firm

- Worldwide coverage with focus on selected applications /processes

#### ➔ With a large 'product' lineup

- One-stop shopping for automation functions
- Innovative: Transparent Ready™
- Broad: full machine coverage
- Full automation catalog

#### ➔ Intimate with OEMs through design partnerships

- Innovation for next generation machines
- Improvement of machine performance
- Customization
- Development of maintenance solutions



## Answer for OEMs: application centers

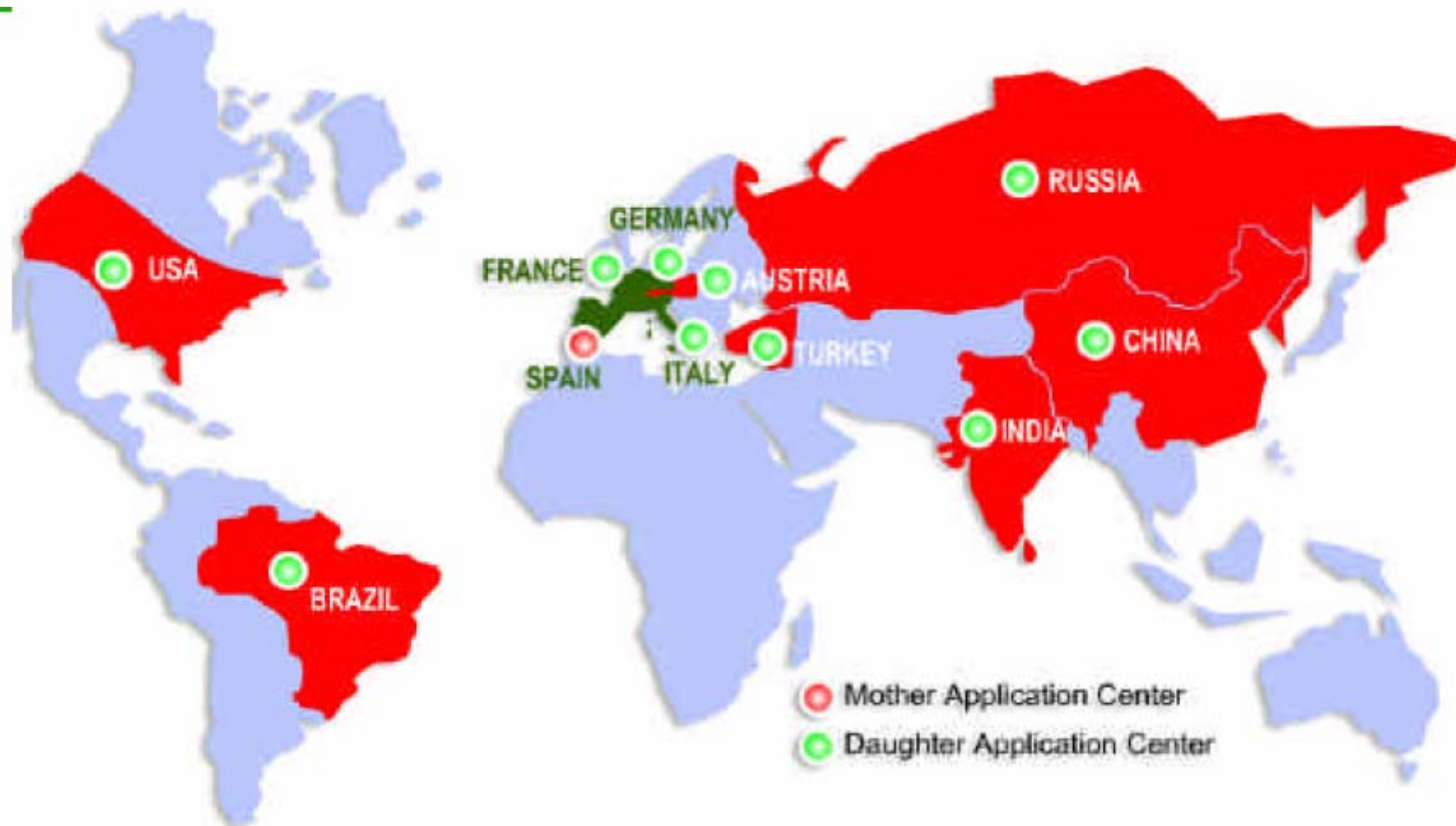
➔ **An application center is a technical and marketing team dedicated to targeted applications**

- Be a growth vehicle
- Increase OEM loyalty
- Focus on machine performance

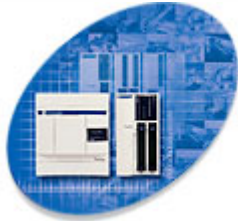
➔ **Three key success factors**

- Better understanding of customer needs
  - identify changing customer needs
  - segment the market and understand its needs and values
- Better ability to deal with OEMs
  - local responsiveness
  - international follow up
- Better lineup to meet OEMs needs
  - solutions minded
  - product development and adaptation process

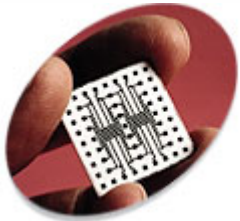
## Our hoisting application centers: a worldwide network



## Leveraging partnership policy in infrastructure project



- **Improved equipment availability**
- **Maintenance simplification**
  - Standardization of the site control systems (limited to 3 architectures thanks to simplification over the years)
- **Inter-site communication over Ethernet TCP/IP**
  - Improve data sharing between technical managers (hydrology, maintenance, operation)
  - Open new opportunities
    - **Build a database to make a mathematical model of the river, to manage overall flow regulation**
    - **Transfer of alarms to computer assisted maintenance management**



## The model supported by a solid foundation

- ➔ We balance our sales between Power & Control
- ➔ We favor innovation as part of our differentiation strategy
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## Challenge

- **Traditional Perception**
- **Internal Conflict**
- **Unbalanced Structure**
- **Personnel Allocation**



## Traditional Perception

### □ **Internal**

traditional perception---large accounts often meant high volume with low margins

### □ **External**

the large accounts cannot realize added value by GAM provides

## Challenge

- Traditional Perception
- **Internal Conflict**
- Unbalanced Structure
- Personnel Allocation



## Internal Conflict

- Conflict of power
- conflict of interest

## Challenge

- Traditional Perception
- Internal Conflict
- Unbalanced Structure
- Personnel Allocation



## Unbalanced Structure

### □ *The balance of power lies with country sales managers*

Global account managers acted as information-providers, influencers and coordinators, but they did not have decision-making power over sales to their account.

### □ *'matrix organization'*

Global account managers report to both their local sales manager and to a corporate executive responsible for global accounts.

### □ *The balance of power lies with the GAM*

Its logic is that global customers are more important than local sales, so the company is organized first and foremost around those customers.

## KSF

- Senior management commitment
- Selecting Global Accounts
- IT Infrastructure
- Selection of GAM
- Measurement metrics and Rewards



### KSF (Key Success Factors)

***Global account management is an organizational structure designed to better serve global customers. Underlying this objective, the global account management system must create new value for the global accounts. We reviews the KSFs of global account management and focuses on the hidden factors that underlie these KSF's where significant benefits were not widely recognized.***

- Senior management commitment
- Selecting global accounts
- IT infrastructure
- Selection of GAM
- Measurement, metrics and rewards
- Planning process

## KSF

- Senior management commitment
- Selecting Global Accounts
- IT Infrastructure
- Selection of GAM
- Measurement metrics and Rewards



## KSF (Key Success Factors)

*A global account management program needs senior management commitment for three reasons.*

- ◆ First, global customers expect to meet with senior managers from their key vendors on a regular basis.
- ◆ Second, allocating essential people and resources to global account management requires senior management support
- ◆ Third, senior managers will often be involved in making trade-off decisions between local business units, global business units, and global accounts.

## KSF

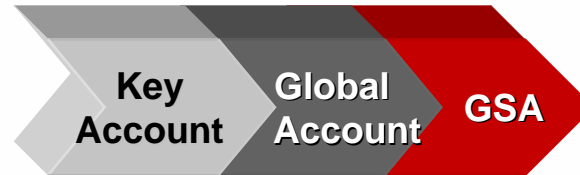
- Senior management commitment
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### KSF (Key Success Factors)

*companies with global account programs have found that not all global customers make good global accounts and that a clear selection process should be developed*

- ◆ Potential global accounts may need to meet a minimum revenue level so the relationship can afford global account management overhead.
- ◆ The critical factor in account selection is to identify accounts where the relationship is strategically important for both parties.



## KSF

- Senior management commitment
- Selecting Global Accounts
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## KSF (Key Success Factors)

A key success factor for global account management is the need for a robust information technology system that may include a global customer relationship management system.

The robust IT system **creates real value** only when the global account team can take **a global view** of the customer and identify potential value creation.

Schneider Global Business Development Communication

## KSF

- Senior management commitment
- Selecting Global Accounts
- IT Infrastructure
- Selection of GAM
- Measurement metrics and Rewards



## KSF (Key Success Factors)

***The successful global account management program requires high quality global account managers.***

As global account managers interact with individuals from both the customer and vendor from multiple cultures, it is expected that they will be capable of building and maintaining trusted relationships across diverging cultures, geographies and economies.



## KSF

- Senior management commitment
- Selecting Global Accounts
- IT Infrastructure
- Selection of GAM
- Measurement metrics and Rewards



## KSF (Key Success Factors)

*The sales function has always included some form of measurement, metrics and rewards tied to sales, profit or market share. Therefore, it is not surprising that measurement, metrics and rewards are a KSF for global account management.*

Only through understanding the customer's industry, the customer's strategy, and the vendor's role in supporting the strategy will real value be measured.



Value will come from an expert knowledge of the customer's industry, the KSF's in that industry, an understanding of possible industry fault lines and the strategy of the customer to win in that industry. When vendors can identify and create value that support a customer's strategy, the global account management program is more likely to be successful.

