

A CASE STUDY IN INFLUENCING: WHEN A CUSTOMER WANTS A MASSIVE PRICE REDUCTION

**KRISTIAN KAAS MORTENSEN, DIRECTOR, STRATEGIC PARTNERSHIPS
GIRTEKA LOGISTICS, BALTIC STATES**

SESSION 1
BEFORE LUNCH

KEY COMPANY FACTS

99%

International business,
Europe, Scandinavia, Russia/CIS

2019
**~1 Billion
Euro**

Top 5 KAM
~150 Meur
in 2019

Few years ago
biggest clients 10-20 Meur,

**now Biggest
30-50 Meur**

Like one of worlds top
**3 airports/
450.000**

We have moved several steps
up in **client organisation**

Less volatility in client
relationship

CSR, company, people etc,
increase in importance

OUR CHALLENGES

- Fast organic growth **2017/30%** - **2018/37%** - **2019/40%**
- **Different** and very **independent business units** work with same key clients
- **Not** yet a very **client centric organisation**
- **Production driven company**, not sales force driven

A CASE STUDY IN INFLUENCING A DIFFICULT SITUATION

- Big **KAM client has a business problem during business** peak season
- **No solution** available in the market
- Our company **found a solution**
- Solution was delivered, client was perfectly **happy** (Business ordered, procurement confirmed)
- The project ended, solution had been delivered, **invoice had been paid**
- Post project client company analyzed that this project was **too costly** (TOP management)
- A **video call** took place in early December (2 weeks after project end)
- During video call client was **very angry, very emotional** and demanded a multi million euro refund (50%)
- Following video call a F2F **meeting was agreed** for late January

QUESTION 1

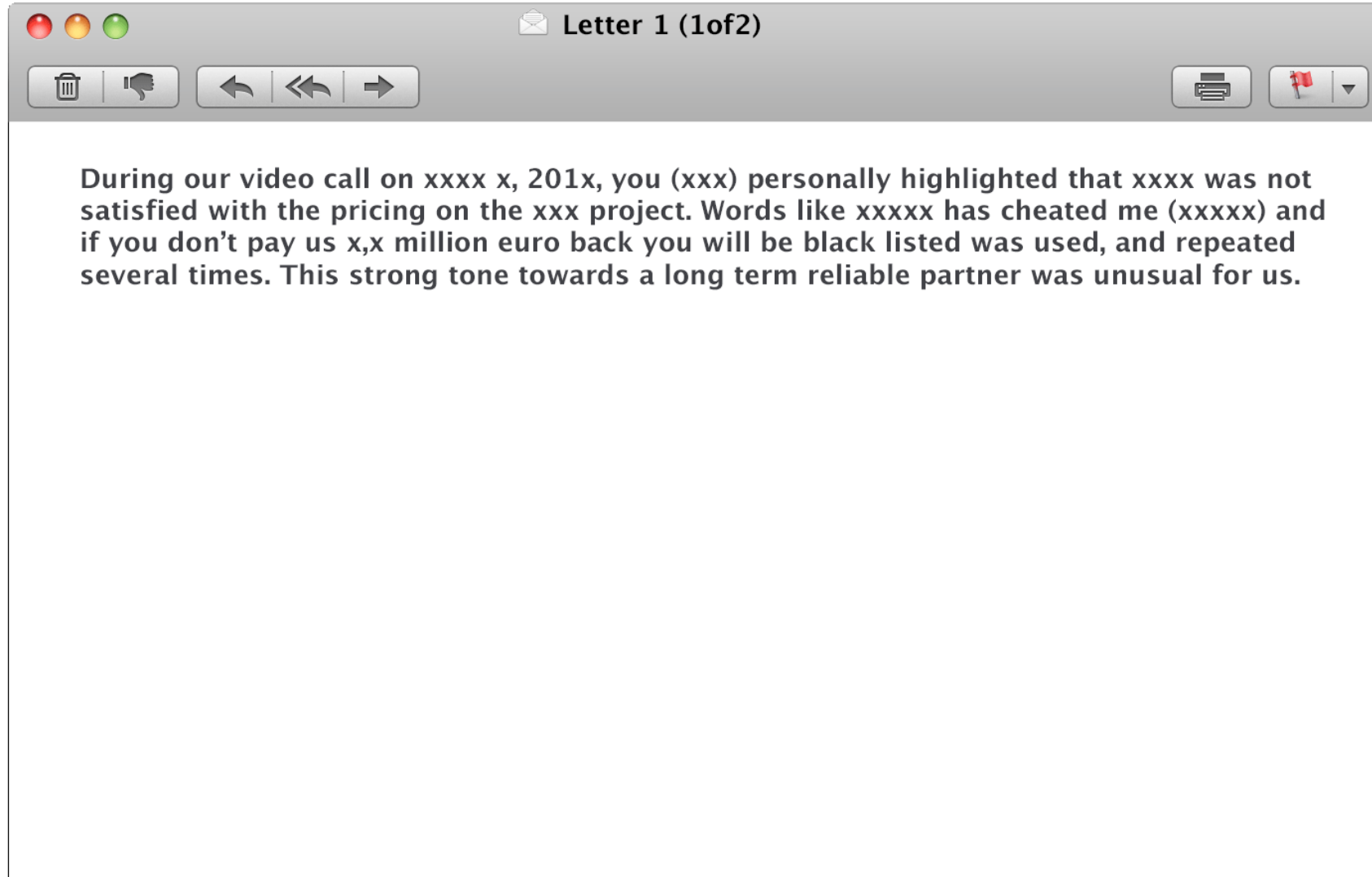
Please discuss in your group the following, and make a quick remark.

- Based on the available information,
How would you **proceed** after this video call?
- **Wait** for the F2F meeting in January?
Or **do** something now? If yes, then what **would you do**?
- What do you expect **the outcome** of this case to be?

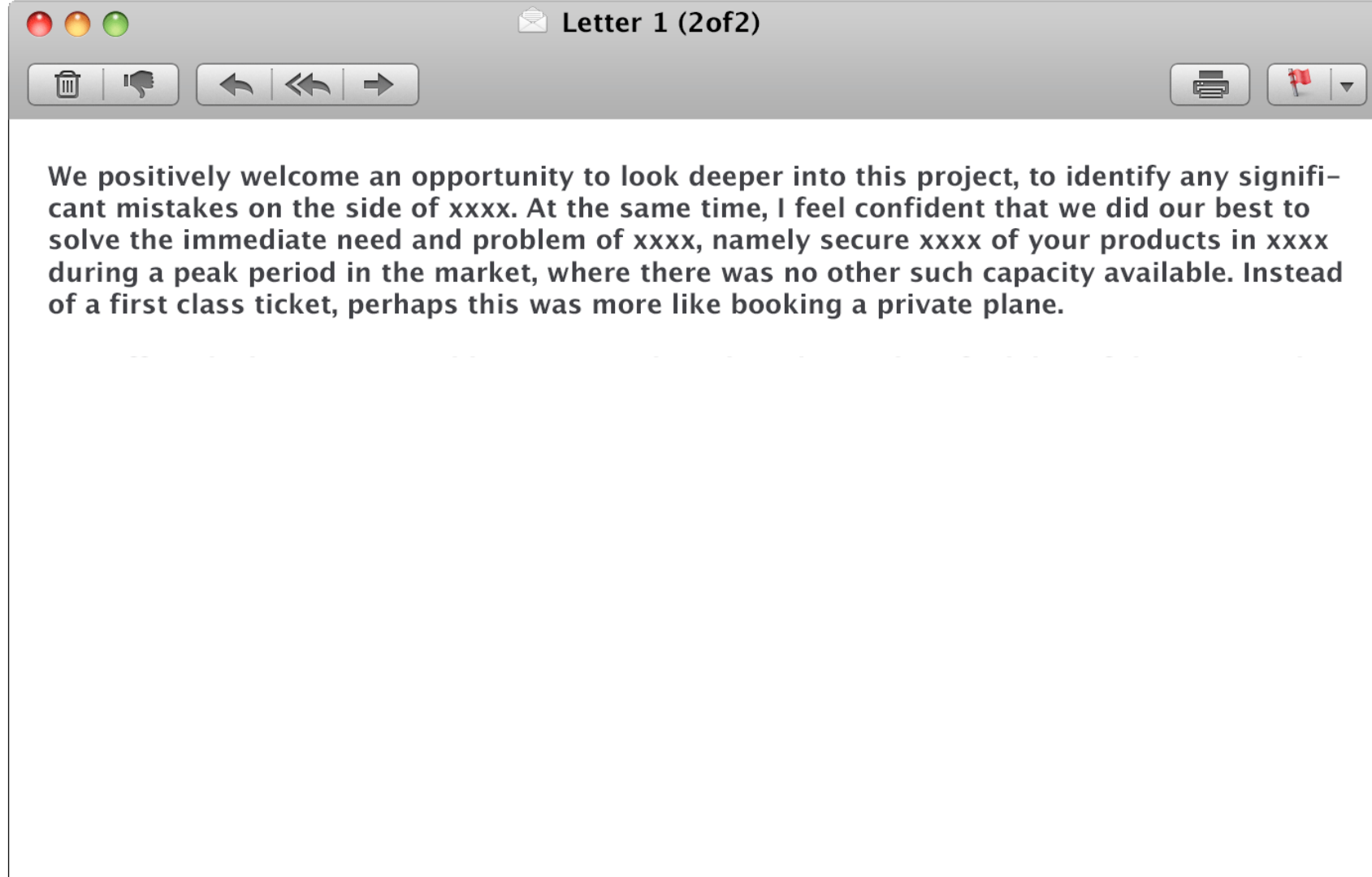
WHAT WE **DECIDED** TO DO?

- High emotions **had ruled** the video conference
- We expected these emotions **to continue** during the F2F
- We wanted to change the situation **from emotional to fact based**
- We wanted to **document** these facts, **record** the positive story of the business problem we helped solve and the fact that we are **long term partners**
- We decided to write **a formal letter**
- Letter was written by KAM team, but formally **sent by CEO**

LETTER 1 HIGHLIGHTS (1 OF 2)



LETTER 1 HIGHLIGHTS (2 OF 2)



QUESTION 2

Please discuss in your group the following, and make a quick remark.

How do you think the client reacted to the letter?

Reaction 1.

from client – after a few min's

Good Morning xxxx,

thanks a lot for sending us the letter of xxxxx. I appreciate a lot his summary of the meeting. As he described very well the history of our cooperation I'm quite sure that we'll find a good meeting in January for our future relationships. For this moment I wish everybody a relaxing Merry Christmas and a Happy New Year!

See you in January – with best regards xxxxx

Reaction 2.

Continued emotions with very few facts

We then pushed for some HARD facts prior to the F2F meeting

LETTER **2**: FROM CLIENT

*In fact, the amounts paid (approximately xxxxx) are **2+ times** the rates we pay to other suppliers for similar service.*

We decided to work with your company basically for two reasons:

1 Because we saw in you a potential partner for xxx and we wanted to grow with you

2 Because we were expecting to have a much lower use of the xxx solution

THE F2F MEETING

Tough meeting, a few sentences:

- Client **finally agreed** that they could not commercially find any faults, but felt that from a "*partnership*" point we took advantage of them
- We have another partner that we worked with for 40 years, they made a opposite mistake, and are now almost **bankrupt**, we are considering giving them a small extra support....so they can survive
- We stated, we are **proud** of the service we delivered and are not ashamed of the price we charged

THE **FINAL** OUTCOME AND EVALUATION

- YES, we did charge a **reasonably high price** – but we also delivered **a good service**.
- **What** happens, **will** happen.
- Most likely **nothing** very negative **will happen**.

SESSION 2

AFTER LUNCH

CASE REVIEW

1. Discuss in groups
2. On the case what did we do right, what would you do different
3. How to avoid a similar situation with other clients
4. How do you view our company, our KAM, challenges, opportunities?

THINGS TO **LEARN:**

1

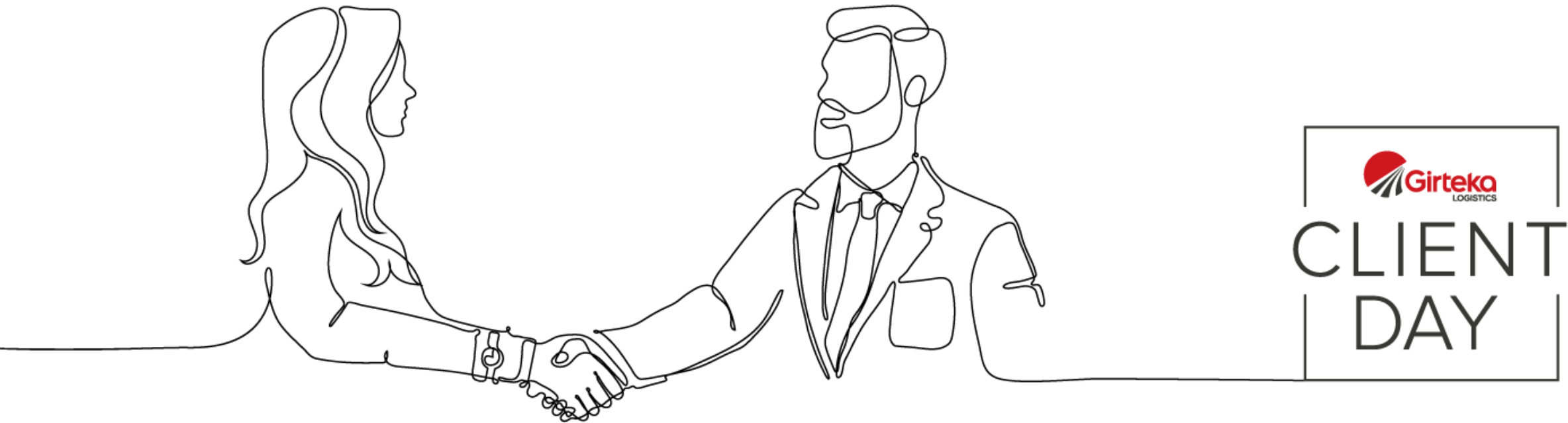
NEVER GIVE UP

2

DIG DEEPER

3

FACTS VS EMOTIONS



LOGISTICS, SUPPLY CHAIN AND TRANSPORTATION 2019+: HIGH-SPEED CHANGE

**PARTICIPATE IN CLIENT DAY,
MAY 16, 2019 IN COPENHAGEN AIRPORT**