

Achieving breakthrough thinking in entrenched marketing teams

Abstract

Breakthrough in a strategy-consulting project can be achieved also in severely entrenched marketing teams. This paper describes how model conceptualisation, resource structure mapping and model parameter quantification have enabled a project team to challenge the client's "view of the world" and create consent and excitement around the new recommended strategy. In particular, it is shown how stock and flow diagrams have allowed for new ways to visualise critical challenges posed by the industry, segment the market, and support research designed to quantify the value creation from the identified strategic initiatives. Based on a real case, this paper provides an actionable framework to guide consultants and practitioners achieve breakthrough thinking in entrenched marketing teams. Additionally, it represents evidence supporting the claim that the value creation of System Dynamics goes beyond the insights that can be generated through model simulation.

Extended abstract

Success of a consulting assignment is measured by the ability to identify a path to achieve strategic objectives and by the client's commitment to the recommended actions. Achieving significant breakthroughs in both aspects is often necessary for a successful project. This can however be complicated by a management team entrenched in their view of the appropriate strategy and by scepticism toward consultant recommendations. This paper shows how system dynamics has provided crucial support to overcome this obstacle in a recent strategy-consulting project aimed at sourcing market share growth in a stagnant market for a \$ 400 million OTC drug in the US. It is described how the first initial step leading to breakthrough has been the achievement of an insight quite early in the project, during the phase of model conceptualisation. In order for an insight to lead to breakthrough it is necessary that the insight be perceived as such by the client, that its potential value creation is quantified, and that the tactics needed to extract this value are subscribed, and possibly identified, by the client's team itself. The paper demonstrates that system dynamics can play a crucial role in each one of the above phases.

The slides that are presented (see supporting ppt material) make the following points:

- Visualising the brand architecture through stocks and flows is the basis for performance comprehension
- Intelligence around flow rates is essential to understand
 - Churn
 - Switching between brands
- In and out switchers have different profiles
- Model simulation showed the massive value creation from reduced out-switching (churn)
- Analysis is conducted initialising the model with data from the different segments to lead to actionable insights and recommendations