How to ask better questions
Question 2024.10.27

Client 1 current situation

2 companies depend on each other for their success.
The perspective they have from one another is that one is more important than the other, so they should receive direction from the bigger one.

To be more specific, this client has a wholesale manufacturing industrial company and a retailer.

The Retailer is clear that if they keep following the path they have so far, they will disappear, which then becomes a major problem for both companies. The wholesaler is clear that they want and need the retailer to be a trailblazer providing not only information from the frontlines but at the same time providing ideas and processes to keep an innovation edge for both companies in the market.

In particular, the retailer has seen their sales going down, and having a 85% dependency on their wholesaler product portfolio in the sales floor as offering. Having identified clear changes in their consumers, requiring the Wholesaler to pay closer attention to the data provided to test new lines of products.

As a retailer, their nature is more B2C than the wholesaler nature B2B. They currently have 8 locations, with varying levels of consistency in their branding and also product offering given that each location demands different products to be offered.

They already know that this shift on the consumer preferences is being affected by inflation, urbanization and lack of government grants to the sector that globally any country provides in different levels and amounts.

As retailers, they are concerned with doing a drastic change that might antagonize their loyal current 85% customer base that has been shrinking, in favor of the new trends they have been increasingly catering to a point of making 15% of their revenue.

Important notes from previous SPIN call

Discovered the following:

- *They have worked with a specialized marketing agency in their industry, but currently they work with a freelancer that takes care mostly of their social media content, mainly in IG.*
- *They did 2 attempts to develop a proper e-commerce for the wholesale company, but realized they lacked the culture, process, positions, job descriptions and infrastructure to sustain the effort, understand it, internalize it and scale it with the industrial infrastructure and scale they already have in place.*
- *They do understand that this is a high stakes cost of opportunity and that they need help on all those fronts to be able to make it happen successfully.*
- *At the same time, they want to consolidate both brands, which I think would be a disservice to the organization and at the cost potentially of the retailer customer base which might provide them a scale opportunity to expand mid to long term. They understand this part and are still assessing this.*

Goal with this client current ask and situation

This is part of some of the notes from the SPIN call I had yesterday with the Retailer and Wholesale team, and without going into much more details, what I want to accomplish with this question is to get more clarity on what would be more practical for me to propose to them that makes sense given their situation.

I want to be able to present a grounded plan with some ideas that they can even implement without me being involved so they can better adopt new processes and culture around both companies to better collaborate with each other for their success.

What have I tried so far

At the moment I have already shown them a way to integrate their website, social media and WhatsApp channels to a point where data can be gathered and analyzed to optimize the Wholesaler website, so they already have an idea of what I can do for them for the Retailer.

Currently we are conducting a campaign with the Wholesaler, to optimize prospecting distributors, but I have found that as a system, it´s proven to be at the moment much more expensive than the previous efforts, but previous efforts were not prequalifying and segmenting as intentional, so we still have

some budget to keep testing, I´m trying to be mindful and fast on testing to properly optimize and proof to move into new projects with the wholesaler. This part I'm worried that is not working as expected or that I can´t find a reasonable CAC for them with the implemented system that can´t beat the previous campaigns.

I demoed a simple chatbot with their available data publicly and others I have, to provide an idea to them of what can be done for customer support and lead gen capture, and they did like it.

What I'm planning to do

1. Making a proposal for a quick win for both the wholesaler and retailer proposing to improve the bot for the wholesaler and implement one for the retailer, considering current state and having a roadmap to expand for desired state of operations for both.
2. Propose a process to expand in a sensible way, their white label offerings in a more relevant way, starting with the digital footprint to test and then moving it to the wholesaler manufacturing process to fulfill the retailers consumers needs.
3. Present them a way to adopt e-commerce again, with a plan to test and expand.
    a. Architecture needed, given that they have 8 locations with different portfolio of offerings, considering the specialization of each location
        i. This will either require that each store get´s it´s own dedicated website or subdomain for ease of inventory management and sales tracking, so the commercial manager can also analyze with ease the health of each location in terms of revenue and portfolio contribution.
    b. Proposing the geo location of visitors to show only offerings for each retail store location
    c. Presenting the checkout options, so they can better control client fulfillment with delivery or in-store, trying to push at the beginning the i-store pick up option, so they can have a strategy to start adopting the new processes and culture around having an e-commerce to prevent the failure again

4. Helping them define the job positions to support the e-commerce strategy, as well as the basic processes that would be required to run it successfully.
5. Propose a skunkworks team that would gather the retailer data and work to work on innovations to be pushed through the Wholesaler manufacturer to be tested
    a. For this, they would need to reframe times to market, since formulating and manufacturing is not the main problem, but downstream processes.
    b. Having a team like this, would allow them to not distract the Wholesaler operations that serves the current loyal based of clients, but at the same time allocating resources and attention to improve the retailers position, with a portfolio of product offerings more relevant to the consumer shift of preferences.