

Developing the Customer's Business

P&G understands that if its business customers don't do well, neither will the company. To grow its own business, therefore, P&G must first grow the business of the retailers that sell its brands to final consumers. In P&G's own words, "CBD is more than mere 'selling'—it's a P&G-specific approach which enables us to grow our business by working as a 'strategic partner' (as opposed to just a supplier) with those who ultimately sell our products to consumers." Says one CBD manager, "We depend on them as much as they depend on us." By partnering with each other, P&G and its customers create "win-win" relationships that help both to prosper.

Most P&G customers are huge and complex businesses—such as Walmart, Walgreens, or Dollar General—with thousands of stores and billions of dollars in revenues. Working with and selling to such customers can be a very complex undertaking, more than any single salesperson or regular sales team could accomplish. Instead, P&G assigns a full CBD team to every large customer account. Each CBD team contains not only salespeople but also a full complement of specialists in every aspect of selling P&G's consumer brands at the retail level.

Teams vary in size depending on the customer. For example, it takes a team of 350 P&G specialists to properly serve Walmart, far and away its biggest customer. By contrast, the P&G Dollar General team consists of about 30 people. Regardless of size, every team constitutes a complete, multifunctional customer service unit. Each team includes a manager and several account executives (each responsible for a specific P&G product category), supported by specialists in marketing strategy, product development, operations, information systems, logistics, finance, and human resources.

To deal effectively with large accounts, P&G salespeople must be smart, well trained, and strategically grounded. They deal daily with high-level retail category buyers who may purchase hundreds of millions of dollars' worth of P&G and competing brands annually. It takes a lot more than a friendly smile and a firm handshake to interact with such buyers. Yet individual P&G salespeople can't know everything. And because of the nature of P&G's B-to-B interactions, they don't have to. Instead, P&G salespeople have at hand all the resources they need to resolve even the most challenging customer problems. "I have everything I need right here," says a household care account executive. "If my customer needs help from us with in-store promotions, I can go right down the hall and talk with someone on my team in marketing about doing some kind of promotional deal. It's that simple."

The multifunctional nature of the CBD team also means that collaboration extends far beyond internal interactions. Each time a team member contacts the customer, he or she represents the entire team. For example, if during a customer call an account executive receives a question about a promotional, logistical, or financial matter, the account executive acts as the liaison with the appropriate specialist. So, although not each CBD member has specialized knowledge in every area, the CBD team as a unit does.

Competitors have attempted to implement some aspects of P&G's multifunctional approach. However, P&G pioneered the

CBD structure. And it has built in some unique characteristics that have allowed it to leverage more power from its team structure than its rivals can, giving it real competitive advantage.

A Competitive Edge

One of the things that gives P&G an edge when it comes to maintaining deep relationships with its business customers is a CBD structure that is broader and more comprehensive, making it more multifunctional than similar team structures employed by other companies. But perhaps more important, P&G's structure is designed to accomplish four key objectives. These objectives are so important that they are referred to internally as the "core work" of customer development. These four objectives are:

- *Align strategy:* Create opportunities for both P&G and the customer to benefit by collaborating in strategy development.
- *Create demand:* Build profitable sales volume for P&G and the customer through consumer value and shopper satisfaction.
- *Optimize supply:* Maximize the efficiency of the supply chain from P&G to the point of purchase to optimize cost and responsiveness.
- *Enable the organization:* Develop capabilities to maximize business results by creating the capacity for frequent breakthrough.

More than just corporate catchphrases jotted down in a P&G employee handbook, for sales personnel, these are words to live by. P&G trains sales staff in methods of achieving each objective and evaluates their effectiveness relative to each. In fact, P&G's customer relationship strategy came about through the recognition that to develop true win-win relationships with each customer, P&G would need to accomplish the first objective. As one account executive puts it, "The true competitive advantage is achieved by taking a multi-functional approach from basic selling to strategic customer collaboration!" If the CBD team can effectively accomplish the first objective of aligning strategy and collaborating on strategic development, accomplishing the other three objectives will follow more easily.

Building such strategic partnerships creates shopper value and satisfaction and drives profitable sales at the store level. When it comes to profitably moving Tide, Pampers, Gillette, or other P&G brands off store shelves and into consumers' shopping carts, P&G reps and their teams often know more than the retail buyers they advise. In fact, P&G's retail partners often rely on CBD teams to help them manage not only the P&G brands on their shelves but also entire product categories, including competing brands.

Giving advice on the stocking and placement of competitors' brands as well as its own might seem unwise. But believe it or not, it happens all the time at P&G. In fact, it isn't uncommon for a P&G rep to tell a retail buyer to stock fewer P&G products and more of a competing brand. Although that may seem like retail suicide, keep in mind that a CBD team's primary goal is to help the customer win in each product category. Sometimes, analysis