

# SCHAFFER CASE STUDY

## *Global Manufacturer: Innovate Your Go-To-Market Strategy To Accelerate Growth*

### **BUSINESS CASE**

The leading global manufacturer of wine closures needed to accelerate growth. In spite of a clear strategy, superior products, and well thought out execution plans, top line growth continued to fall short of targets.

The CEO and his team realized the need for a different approach and asked Schaffer to help change this trajectory - quickly. Together we identified three areas of opportunity in their go to market strategy: new product launches, major account penetration and new market development. While each offered significant growth potential, they also represented key capability gaps for the organization.

### **CREATING CONDITIONS FOR BREAKTHROUGH INNOVATION AND PERFORMANCE**

The challenge was twofold: start generating actual growth right away while strengthening key capabilities so that growth could be sustained. Schaffer worked with the CEO and his team to assemble three cross-functional teams. Each team was tasked with delivering significant results in one of the priority areas over a 100 day period by developing new approaches that could then be deployed across the company.

Each of the three teams delivered results far beyond what they or the executive team thought possible.



### **REDEFINING THE PRODUCT LAUNCH**

Despite a portfolio of closures offering superior protection against wine spoilage, new product launches typically fell short of targets. The impending launch of an advanced biodegradable wine closure was selected as a vehicle for changing this pattern and a team was asked to reinvent the company's new product launch approach using the Italian market as a testing ground.

They started by setting aggressive 100 day revenue targets for the new biodegradable product across multiple channels, targets far higher than previous launch targets (which were rarely achieved). Then came the hard part – figuring out how to achieve the targets.

With Schaffer support, they developed a range of innovative marketing tactics and pricing terms across

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different channels to speed market awareness and convince buyers – particularly large wine labels – to adopt the new product. Rapid testing of these ideas quickly flushed out which would work. The team also took a completely fresh look at their distribution strategy, introducing changes to the support model that led to a far faster and more effective rollout – and a sharp increase in new customer acquisition.

The combination of these tactics generated tremendous velocity for the new product in the market, enabling the team to generate the entire annual sales target in just 100 days and gain several of the most prominent Italian winemakers as reference accounts. Equally important, the team developed approaches to launching new products that could be deployed across the organization.

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## BREAKING THROUGH TO MAJOR WINE LABELS IN NAPA AND SONOMA

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In spite of numerous attempts, the company had been consistently frustrated in its efforts to sell closures to the largest US wine labels. The CEO challenged a second team with developing a strategy for penetrating this strategically important segment that actually worked.

As a start, the team set a goal of generating actual sales to three of the top 15 largest labels - none of whom had ever bought closures from them.

Since large buyers typically have a 6-18 month cycle to test new closures, this goal represented a steep hurdle, and the CEO was skeptical: “There’s no way they can do this. I’ll be happy if they can get one of the big companies to buy.”

In fact they landed four. In 100 days.

They started by developing alternative approaches to virtually every element of the buying process, from who they contacted to how they positioned their product and the company. These new approaches engaged a broader set of stakeholders at target accounts, generating deeper understanding of how their closures could add value to major accounts’ business goals. And they were able to partner with customers to shorten the sales cycle, challenging long held assumptions about the length of time major accounts needed to make purchase decisions.

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## BREAKING OPEN THE CHINESE MARKET

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While China represents an enormous wine export opportunity, the company had been unable to develop a market for its closures among wine exporters.

A cross-functional team with members from China, Australia and France set out to find ways to convince wine exporters to convert to their closures for wine exported to China. Because cork quality isn’t a key selling point for China, the team quickly realized it needed a new value proposition. After testing different possibilities, the team realized that its extensive knowledge of the local Chinese wine market (gained from its Chinese domestic wine closure business) offered significant value for

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exporters looking to expand in China.

That insight enabled them to develop and test a new value proposition based on offering knowledge of and access to local Chinese wine markets to those exporters who converted to their closures.

This innovative approach has opened up one of the largest markets in the world. Within 100 days the team obtained orders for 200,000 bottles and created a pipeline of an additional 12 million bottles of demand from French and Australian exporters who had not previously considered their closures.

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## **BUILDING NEW CAPABILITIES ARE KEY TO SUSTAINABLE, LONG-TERM GROWTH**

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The result of these efforts benefited the company in multiple ways.

In the near term, the company made real progress against its growth challenges. Each team generated significant revenue in a matter of months - not years - in areas that had been ongoing sources of frustration and poor performance.

Delivering these results over accelerated time frames stimulated new levels of learning and thinking. Each team identified and validated innovations to their go to market strategies that could significantly impact growth across the company.

And because these new innovations were backed up by actual results that were far beyond what the company had come to expect, translating them into stronger organizational capabilities was far more successful than typical change efforts, with faster uptake and greater willingness by the broader organization to embed these innovations in their markets.

