



BIRCHWOOD CONSULTING INTERNATIONAL, LTD.

Your Guide to Global Growth

Engagement Summary Number One

Asia-Pacific Regional Market Research Project

Situation Summary:

Although enjoying a leadership position in North America, a domestically based, multinational crane manufacturer lacked a significant market share in the 12 Asia/Pacific countries in which it was represented.

Business Issues:

The Company marketed its exported cranes through a network of independently owned and operated Asian dealerships with geographically defined territories — usually entire countries. Most of those dealers marketed several brands of cranes, and none of them depended on revenues from sales of the Company's products for the majority of their income. In addition, most of them did not stock crane or parts inventories, train their sales/service staffs, or heavily advertise.

Project Objectives:

Design and conduct a 90-day regional market research project to:

- Determine if there was an achievable profit opportunity, in the 12 subject countries, for cranes of the type manufactured by the Company.
- Evaluate, if such an opportunity existed, how best to direct future sales growth and improve the Company's regional operating results.

Approach & Results:

In-depth secondary and on-site primary research in each country established the total annual sales opportunity; segmented that opportunity by size, type and manufacturer; determined each competitor's distribution channel; and sampled transaction prices. Economic histories and projections for each country were created, market entry/expansion barriers were evaluated by country, competitors profiled, and industry trends determined. Specific target market segments were also evaluated and the level of current and potential future activity projected, including projects underway and being bid.

Based on this research, we recommended that the Company focus on six target countries where opportunities were highest and barriers to market entry were lowest. Within those countries, four specific target market segments were defined where the needs of that segment most closely matched the advantages offered by the Company's products. Product "positioning" was modified through recommended advertising and literature that stressed advantages sought by decision makers in the four target segments. Distribution channel changes were also recommended to allow the Company's products to be presented by dealers with whom the decision makers currently traded and whom they knew to be knowledgeable about their specific industry segments. The study also provided all the base data for the creation of a strategic marketing plan.

Impressed with the market research, the Company asked us to help them create a detailed three-year strategic marketing plan to implement the research project's recommendations. Today, despite economic turndown, their sales and profits in the region have markedly improved.