

The MathWorks gets its coverage right (July 2002)

The mission

Increase revenue by making sure that sales efforts cover the most attractive opportunities cost effectively.

The solution

Commission a study by Cambashi to identify whether:

- The MathWorks should open an office in the Republic of Ireland
- Company sales activity is appropriately covering potential market areas.

The results

- The study showed that the expense of setting up an office in the Republic of Ireland could not be justified by the potential of the market in that country. The MathWorks therefore decided to go down the less expensive and less risky reseller route.
- ■ A comparison between the company's geographic coverage and the location of potential customers revealed that there was great potential within areas of the UK that the company had not previously been targeting. Sales territories were therefore redesigned and new sales quotas were set.
- ■ Statistics showed that The MathWorks was not fully addressing market sectors that it had perceived as saturated. It knew, for example, that it was strong in the automotive sector. From the coverage analysis, The MathWorks discovered that it was only really selling to a portion of that sector. It became clear that the sales force could continue their efforts in existing sectors with potential.
- ■ The company was so impressed by the tangible results that that it commissioned follow up studies in France and Germany and has started planning a further study in Benelux.

The customer:

"Cambashi's experts really know their stuff. This research gave me much more than I expected. It showed our true potential which came as a pleasant surprise and confirmed what I had believed to be our market potential. It enabled me to ensure that we are using our resources effectively.

Sham Ahmed, Managing Director, The MathWorks UK

The MathWorks Incorporated is a leading developer and supplier of technical computing software to a number of industries. The biggest of these are aerospace and automotive; the fastest emerging are finance and telecoms. The company was founded

in 1984 and now employs more than 1,000 people. Its products are used by 500,000 technical experts worldwide who work for technology companies, government research labs, financial institutions, and universities.

Sham Ahmed is Managing Director in the UK. "We have a consultancy led business, providing products and services. We felt that we had attained good growth in our key industry areas. However we were concerned about geographic coverage as we felt that we were not fully exploiting our potential."

In particular Sham Ahmed was unsure how to approach the Republic of Ireland. "Many US companies are opening offices there and I had considered doing the same but I'd had conflicting reports about the potential. Despite this I was left wondering if a sales person working from the UK was sufficient."

He turned to Cambashi for guidance having had previous experience of Cambashi's work. As well as reporting on the overall market, Cambashi took The MathWorks' customer and sales database and ran a comparison with other public company databases in the UK and Ireland in order to identify potential customers. The conclusion was that there were not as many potential customers in Ireland as The MathWorks had thought. It was clear that it was not worth setting up an office there.

Although the study had originally focused on the Republic of Ireland, The MathWorks asked Cambashi to extend it to the whole of the UK. "As the study went on we got more than we'd bargained for" said Sham Ahmed. "There were some surprises. It turned out that the potential for Ireland was the same as for Yorkshire and Humberside. We had expected revenue from the south east so we had missed the fact that there was a great deal of potential in the north. It was certainly worth putting more effort into that region.

Likewise, we had always felt that automotive was by far our biggest sector. We found out that the number of companies that we could sell to was amazingly high. We then realised that we had only been successful with Formula One and Ford suppliers. We had not really touched the rest of the automotive industry even though we'd thought we had it well covered."

Whilst the study was an analytical project, it delivered practical results that allowed for pragmatic decision making. Sham Ahmed first decided to take a reactive approach to the Republic of Ireland and set about finding a local reseller, secure in the knowledge that the company was not going to miss out on huge opportunities. He then worked with his sales director to redesign sales territories, setting more aggressive targets for the north and west of England, and for the automotive sector.

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what I had always believed to be our market potential. It enabled me to ensure that we are using our resources effectively. To be quite frank we realised that we were really only concentrating on the south east and the midlands. Now we have more scope."

The study took place in the autumn of 2001. The MathWorks began monitoring progress after it implemented changes, with an expectation that it would see an improvement in sales by the end of 2002. Following this particular study Cambashi did similar ones for France and Germany and is currently carrying out a study for Benelux.