

# MTF

## Market Research Reveals Branch Potential

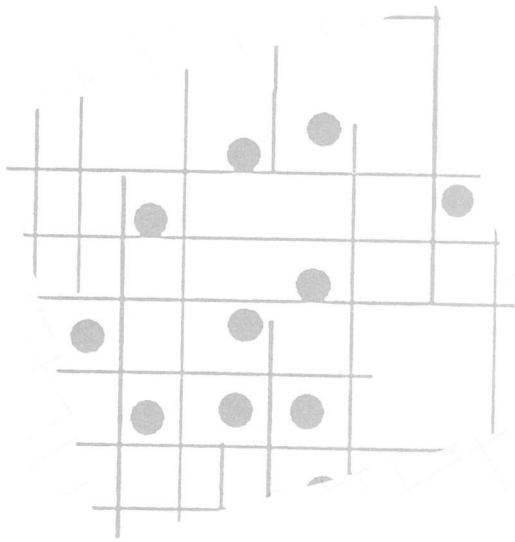
**D**uring the next two years, JCI branches should experience substantial increases in sales and profit. That's Market Planning and Research Manager Bill Hable's forecast for the future. It's a forecast his group intends to help fulfill by evaluating business opportunities in branch territories.

"Although we're a worldwide company, we really compete city by city, and county by county," Bill explains. "During the last few years we've come to more fully realize that success and growth depend on the insights of local people and the execution of local strategies—not on national dictates. But before you can select markets and strategies, you need a thorough understanding of the size and type of opportunity in front of you."

With the insight from a reliable assessment of local market opportunity, branches are in a better position to evaluate their own strengths and weaknesses, choose which markets to pursue, develop marketing plans, and allocate resources.

That's where market research comes in. Last fall, Bill and his market research group were commissioned to do opportunity analyses for 15 individual branch territories in the Southwest Region. Working directly with branch managers, marketing and sales managers, and sales team leaders, the group completed detailed studies of the opportunities available in each branch territory, how much of that opportunity the branch pursued, and how much work the branch secured as a result. The group also performed similar analyses on competitors in the area, and provided third-party studies on market trends from groups like the Urban Land Institute and the National Realtors Association.

The pilot project was so successful, that the market research group contracted to do the same analyses for branches in the Northeast and Midwest Regions. They expect to cover the remaining regions and Canada by the end of 1990.



industrial and small office sectors. Now we're developing strategies and reallocating some of our sales resources to try to capitalize on those opportunities." Rick says that while it's too early to see an effect on sales, the results of the study have been verified. "The reaction coming back from our salespeople shows that the opportunity the assessment said is there, definitely exists!"

The Dallas/Ft. Worth branch also participated in the project. Marketing

and Sales Manager Rick Cyr says that along with pointing out additional opportunities, the study helped them focus on what they already knew was a primary market for them. "The study really helped fortify our beliefs in where we felt we were in the service business," says Rick. "We were aiming for service growth, but really had no support to say why. With the results of the market assessment, I was able to justify to our sales group that our opportunity *is* in the service business. We always thought this, but now we have dollars and sense behind it. It helped us motivate and build goals."

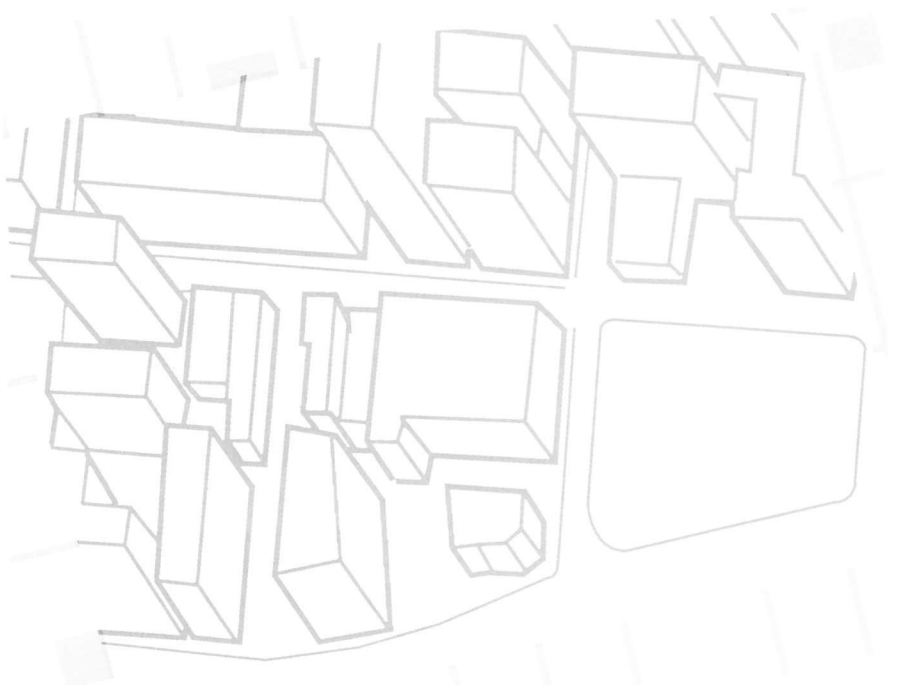
Bill says that while the studies showed each branch to be unique in focus and performance, they also reflected a common element. "The most striking finding is that branch-level strategies can and do work—success consistently follows focused market efforts." This finding led to Bill's earlier forecast. "Market research data on available opportunity provides the branch with a baseline to go from. With the information, a branch can determine a direction and quickly adjust to it. Once a branch focuses on a market, it will succeed. And it will succeed within two years." ■

*"Branches viewed the findings with the same type of amazement as when you view a Voyager photograph of a planet you've only seen twinkling in the sky,"*



says Bill. "They were very excited to see the actual size of their local markets. It suggested to them just how successful they could be." According to Bill, the analyses revealed a vast amount of opportunity that branches could tap into. "Even branches with rapid growth are usually penetrating only a few markets effectively. Typically there are many more unexploited opportunities in front of them."

The St. Louis branch was one of the first to participate in the market research project. Says Branch Manager Rick Tinucci, "Initially it helped us quantify where our business opportunities are by vertical markets, and gave us an idea of where we stand in those markets competitively. We realized that there's quite a bit of opportunity in the



# The Name of the Game:

## Go Where You're Needed

*There's no room for bluffing. In today's competitive marketplace, the only way to win is to read your markets carefully and position yourself close to your customers' needs. Here's how three branches advanced with some strategic moves.*



### Positioning the Players

#### The Remote Office

Six years ago, JCI-Regina had one customer in the community of Moosejaw. Now they have more than 30 customers who rely on JCI for operations consultations and total maintenance. What made the difference? Local representation. "If you're perceived as an out-of-town contractor, you're not received as openly in the community," says Regina Branch Manager Dave Patterson. "We knew there was an opportunity in Moosejaw, so we moved into their turf. We put a resident mechanic in place, opened an office, and got a better handle on local needs."

Dave stresses the importance of having the right person at the site. "In a small community, you can seldom go out in public without running into a customer. And, word travels fast if you do—or don't—satisfy a customer's needs. You have to employ someone who takes ownership for his work—someone like our resident mechanic Bert Mickleborough. He's a highly energetic and competent individual, who feels personally responsible for every building he works on—but doesn't forget he represents Johnson Controls. He's the m.v.p. in Moosejaw, and has led us to success there."



times it was hard for salespeople to spend enough quality time in rural areas to effectively cover the markets available. Now with the satellite, we have people right in St. Cloud who are dedicated to selling and servicing in specific areas. This gives us much better focus on the rural market."

Another advantage of being a local company is that customers identify you as the "home team." Randy notes, "A customer 100 miles away is too removed from the home branch, and never develops loyalty to JCI. We're seen as remote 'big city' guys. But with a satellite in the area, we take advantage of having a home team—St. Cloud people bidding and servicing St. Cloud people."

All of this makes it easier for JCI people to build relationships with customers. "You can learn so much more about customer needs when you can listen to their concerns over coffee, instead of 100 miles away on the telephone," says Randy.

Randy agrees that it's vital to have the right people on the satellite team. "First, you need experienced people in every position. People coming into the satellite must be ready to go from day one. Second, everybody must be able to wear two-dozen different hats. You forget about the hierarchy system—the only way to get the work done is if everybody pitches in and does whatever needs doing."

St. Cloud's branch manager Al Hardtke confirms. "I thought I had done everything in the 20 years I've been with Johnson Controls...until the satellite opened! It doesn't matter if you're the branch manager, secretary, or salesperson—if the phone rings, you pick it up. If a customer comes in, you take care of him. If the floor needs sweeping, you sweep it."

That's the name of the game—no matter what kind of playing field you're in, you go where you're needed. ■



### Picking the Best Play

#### The Service Business

When new construction in Northern Louisiana started to taper off a few years ago, the Shreveport branch knew it was time to get the ball rolling. "In a small branch especially, we couldn't just wait for new buildings to be built," says branch manager Tim Beach. "Service is what we knew we could grow with. We looked at what our capabilities were, and worked on expanding those."

According to Tim, this game plan requires long-range vision. "In a small branch, jump-starting a service business can be quite a challenge. There's your upfront investment in people, trucks, and parts, and you don't have the luxury of a high-dollar construction market to even out your cash flow," he explains. "You have to think ahead, and remember that it will all pay off. You're building for the future with service—not just for the jobs you can pick up this year."

The Shreveport branch improved the score by building their reputation with local promotional activities, hiring the community's best mechanics, and setting themselves apart from competitors by offering the fastest response time in the area. They won. "When we started, we had one mechanic, one truck, and did about two thousand a month in parts," Tim remembers. "In three years, we're up to 18 mechanics, 23 trucks, and three million a year. Today we're the largest service company in town."



### Building a Home Team

#### The Satellite Branch

Making real headway in a market takes a concentrated effort. That's why the Duluth branch placed 12 people in St. Cloud and opened a satellite office to handle central Minnesota's rural market. Says Duluth Branch Manager Randy Anderson, "There comes a time when the opportunity available becomes too much to get your arms around, and you can't effectively penetrate your markets." To be effective, says Randy, you need to cover the playing field. "With small towns and long driving

## Basic Sales Skills Workshop Held



*These sales engineers learned how to build long-term relationships with their customers during the Basic Sales Skills Workshop held in Milwaukee February 19 - 23. Pictured from the left, first row: Robert Elfa, Los Angeles; Barry Naegele, Los Angeles; Charlotte McKercher, Duluth; David Siek, Austin; Don Curry, Tulsa; and Daniel Pollock, Appleton. Second row: Timothy Murphy, Long Island; William Westbrook, Charlotte; Dominic Bohnett, Los Angeles; and David Shim, Toronto. Third row: Jeffrey Budzinski, Detroit; Timothy Chin, Los Angeles; James Pyles, Indianapolis; Donald Seier, Rochester; and Nicholas Kutsch, Roanoke. Fourth row: J. Michael Day, Detroit; James Pirog, Hartford; and Gary Jones, Orlando.*

MTF is published monthly for employees and retirees of the Field Operations Unit, SSD. Employees like:

Westchester Branch Manager Peter Licopantis and New York Metropolitan Area Manager Bob Dixon, for their commitment to customer satisfaction.

One customer from Texaco Inc. wrote: "Pete and Bob have always catered to our needs and provided us with excellent service throughout the years. I would like to see this relationship continue for many years to come."

Readers may submit story ideas, news items, and comments to Fran Verito, MTF Publications Editor, P.O. Box 423, 507 East Michigan Street, Milwaukee, WI 53201.

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## TIME OUT!

Take a minute to show your appreciation for the hard work and special accomplishments of someone you know by nominating them for this year's Chairman's Award for Excellence in Customer Satisfaction.

The Chairman's Award is an annual employee recognition program designed to let JCI employees salute their co-workers for individual or group excellence in quality, service, and productivity. You can nominate your employee, peer, supervisor, or an employee at another location.

The nomination deadline is June 1, so now's the time to think about saying thank you to someone for their efforts. Jot down your thoughts about the contribution, and send it along with a nomination form available through your

supervisor (details about nomination procedures are specified on the form).

All nominees will be eligible for division Merit Awards, and all Merit Award winners will be eligible for the company-wide Chairman's Award. Winners selected from nominations received by June 1 will be announced in September.

Employees need to know that their good work is valued, and is a source of pride for everyone. You're the best person to tell them. Send in your nomination form soon. ■



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