

SKF: Strategic Marketing Management for B2B Markets

The SKF Group, headquartered in Sweden, is one of the leading global suppliers of products, solutions and services in the areas of rolling bearings, seals, mechatronics services* and lubrication systems. The Group's service offer also includes technical support, maintenance services, condition monitoring and training.

SKF is organized in three divisions: Industrial, Automotive and Service. Each division serves a global market and focuses on specific customer segments. SKF Industrial Division's segments include agriculture, marine and wind energy. Each customer segment requires a specific marketing strategy in order to be successful.

Why did SKF contact MCE?

SKF's Industrial Division already had its marketing activities in place, but they wanted to put those activities within a structured framework or context. This would make their marketing more effective and give it

& Strategy Process, SKF Industrial Division, to understand what was happening in SKF's sector. The Associate wanted to know more about the organization itself, how it worked and its particular strategy. He also wanted to know about the marketing activities, processes and procedures in place, and the people issues related to implementing the company's strategy. By finding out all of this information he would be able to put together the right solution for SKF.

Analyzing what SKF needed

The MCE Associate learnt that processes were already in place to link the manufacturing, product development and sales to

Most of them had been trained as engineers and now found themselves in a marketing role. For the SKF management team it was important to show their marketers that SKF was using recognised marketing tools and techniques that were standard across many industries. MCE's Associate, with his external expertise, could help to get that message across to employees.

Deciding on the right Customer Specific Solution for SKF

The MCE Associate now had enough information to put together the proposal. The face-to-face meetings between SKF and the MCE Associate had really helped MCE to understand SKF's needs. What also helped was the Associate's experience of working for Swedish organizations. Understanding the culture accelerated the progress of the project.

MCE and SKF met again to discuss the proposal. Both parties agreed that the solution should be a workshop on strategic marketing management. This workshop would cover key topics that marketing people at SKF needed to fully understand and apply in order to create the framework for their marketing activities.

Development and Implementation of the Solution for SKF

Strategic marketing management

The solution was developed specifically for the marketing people at SKF, with relevant exercises and diagnostics that applied to their work. The workshop covered the following key topics:

- The essentials of marketing
- Strategic marketing planning
- Understanding industrial buyer behaviour
- Understanding value, cost and speed
- Market intelligence and research
- Market segmentation, targeting and positioning

“At SKF, we needed a marketing framework to hang our marketing activities on. MCE really helped us to make this happen. They also helped us to refine our market segmentation by understanding customer value. This truly differentiates SKF from the competition.”

Carola Kylin, Manager Industrial Marketing and Product Development, Portfolio and Process Management Office, SKF

more return on investment. It would help SKF grow existing market segments, and go after new ones.

They approached MCE to provide the external expertise to develop the framework and context for their marketing activities.

How did MCE work with SKF?

Understanding the situation at SKF

MCE's Associate met with Carola Kylin, Manager Industrial Marketing and Product Development, Portfolio and Process Management Office, SKF, and Ann Dahlsten, Manager Business Portfolio Management

marketing. Putting those processes into practice within a structured context would help SKF to grow their business in traditional segments like pulp and paper, and to identify new business opportunities in segments such as food and beverage. A better understanding of the needs and challenges of their customers would also make SKF's marketing more effective. Really understanding what their customers valued would mean that doing business with them would be much more productive.

Another important factor was that many of the marketers at SKF, although highly qualified and doing very well in their jobs, had not in fact had a formal marketing education.

* According to Wikipedia, Mechatronics is centred on mechanics, electronics, control engineering, computing, molecular engineering (from nanochemistry and biology) which, combined, make possible the generation of simpler, more economical, reliable and versatile systems. The term "Mechatronics" was first coined by Mr. Tetsuro Mori, a senior engineer of the Japanese company Yaskawa, in 1969. Mechatronics may alternatively be referred to as "electromechanical systems" or less often as "control and automation engineering".

The session on market segmentation, targeting and positioning was a great success, given SKF's focus on specific customer segments. To cover this area in more depth, SKF and the MCE Associate worked on a new and separate workshop on effective positioning statements.

Results and Benefits for SKF

So far there have been six sessions of the value-based marketing workshop, involving around 100 people. Another session is planned for 10 more employees.

The workshop on developing effective positioning statements has taken place twice. Plans have been made to run it for key individuals from each segment of SKF's Industrial Division.

In short, SKF already had their marketing activities. They worked with MCE to put those activities within a context. The activities and the context together are now helping SKF to apply marketing more productively to their business.



About SKF

SKF has 110 manufacturing sites distributed all over the world and its own sales companies in 70 countries. SKF is also represented in 140 countries through some 15,000 distributors and dealers. SKF is always close to its customers for the supply of both products and services.

SKF was founded in 1907 and from the very beginning focused intensively on quality, technical development and marketing. The results of the Group's efforts in the area of research and development have led to a growing number of innovations that has created new standards and new products in the bearing world.

For more information, visit www.skf.com.



Carola Kylin, Manager Industrial Marketing and Product Development, Portfolio and Process Management Office at SKF

Customer Specific Solutions to help you implement a new strategy

MCE can help you identify the people alignment issues around your strategy. Then we can help you take the best steps to address them. Communicating your ideas and issues to the key people who can support you in implementing solutions is a very tough job. MCE can help by developing the strategic communication skills of your managers and leaders in the context of your strategy and your company.

Our Customer Specific Solutions can be an adapted version of one of our open enrolment workshops. Or, we can create

a completely customized management development programme for your company.

Contact our Director of Customer Specific Solutions, Patrick Faniel, and let us show you how we can put together and roll out a programme that answers your specific needs.

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