A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.

"Learnings From Real Cases Route-to-Market Redesign Within The Portuguese Lubricants Sector"

Ana Claudia Mariano Oliveira

Nr. 832

A Project carried out on the Work Project in Strategy, under the supervision of:

Professor Carlos Marques

June 2013

"Learnings From Real Cases Route-to-Market Redesign Within The Portuguese Lubricants Sector"

ABSTRACT

This Work Project studies established distribution channels strategies' adjustments due to continuous customers' needs updates and market challenges. Qualitative and quantitative views support the analysis, based on two real cases within the same company. It was found that cases' negotiations may turn comparable premises in distinct developments and outcomes. Lessons from the past, if used to address future cases, would be helpful through customer satisfaction focused perspectives. It is suggested that distribution approach choices may not be homogeneous along the business and they must rely on who is able to effectively complete the process from product source to the customer.

Keywords

Lubricants; Route-to-Market; Distributors Network; Customer Satisfaction Focus

BRIEF CONTENTS

PROJECT DEFINITION, PURPOSE AND OBJECTIVES

In the field of an internship in a company operating in oil and energy sectors, arises the opportunity to embrace a study, proposed to the University, as a baseline to the Masters in Management degree's Work Project development. The occasion of facing a company project reveals a way to combine the professional on field experience as strategic marketing assistant, initiated right after the fulfilment of the academic courses component, with the challenge to recall tools and knowledge academically acquired.

Hence, this Work Project emerges as part of an approach to a continuously need that companies face when operating in dynamic and competitive business environments: Route-to-Market re-design. Therefore, this intends to be a strategic look at the go-to-market process and how to adjust it.

The main objective is to anticipate and prepare actions to take when introducing some changes in company's current distribution channels. This can be achieved by looking at past situations. Thus, **the detailed goal is to identify learnings from real cases of Route-to-Market Redesign within the Portuguese Lubricants sector, establishing drivers to successful approaches to the market**. The challenge is to assume a forward-looking approach, taking into account past experiences, aiming to guarantee the control and increase the penetration in the market.

BRIEF LITERATURE REVIEW

"To manage the large mould make a model of the small mould, make a small room in proportion" said Leonardo Da Vinci[1] in the 15th Century, highlighting the importance of being able to adjust the approaches according to the constraints faced when running an analysis. Nowadays, the same can be applied: in order to align and refresh the way to reach the market, aiming to deliver products and services that effectively satisfy customers' updated needs, it is crucial to focus on distribution channels, deeply analysing selected cases within the network.

Route-to-market, also known as go-to-market, takes the form of distribution channels. It relates to how to approach the market: the chosen way to deliver the product or service to the customer. Louis Bucklin (1966)[2], pioneer in distribution channel structure theory, defines it as "an optimization problem allowing customers' satisfaction and minimizing costs". The solutions should be dynamic and do not last forever since key variables as customers' needs constantly change, as adds Sanders (2011)[3].

Distribution channels are seen by Sanders (2011)[3] as part of the Placement in the 4 P's Marketing Mix, earlier developed by McCarthy (1960)[4], because distribution is included in the supply chain. In a different perspective, inspired in Abell (1980)[5] and Markides (1997)[6], Kumar (2004)[7] prefers to look at distribution channels built-in the network, as part of "how to deliver", in the light of his three Vs (Valued customer, Value proposition and Value network).

However, all of them look at distribution as a strategic supply chain component. Moreover, supply chain channels are responsible for assure the bridge from the seller, which can be manufacturer or an intermediary (Coughlan et al, 2006)[8], to the customer. As distinctive aspects within a competitive market, the same authors look at channels stressing the contribution to "marketing and positioning strategy". Hence, Supply-Chain Council 2007, an industry group of several companies and academics, sees distribution in the delivery process within its Supply Chain Operations Reference (SCOR)[9] model.

Although it is generally agreed that there is no best channels structure for a company or sector, Sanders (2011)[3] points three key determinants of it: market coverage objectives, product characteristics and customer service objectives. Kumar (2004)[7] and Sanders (2011)[3] defend that, besides the distribution channel structure is highly influenced by the customers' needs, management has the ultimate decision bearing in mind company's corporative objectives. In this sense, "the engine must be consumer shopping patterns and preferences but the CEO must grease the wheels" (Kumar 2004)[7].

Among the traditional channel elements are the supplier, supplier's own sales distribution or distributor/wholesaler, agent or broker, retailer and, finally, the end customer. They are not cases mutually exclusive in all, being also reinforced by several social, media and word-of-mouth marketing techniques (Rangan and Bell, 2006)[10]. Apart from many elements a chain can have, the major difference between a direct selling chain and an indirect one is that the first has owned sales teams while in the second there are more intermediaries delivering the product to the customer.

Direct selling allows a higher degree of channel control (Bozarth and Handfield, 2008)[11] and a broader process overview. Some economies of scale and scope could be reached through this market approach method. So, Coughlan et al (2006)[8] classify it as a valid option when interpersonal contact is decisive to the relationship with the consumer. The same authors point higher investments inherent to support a sales force team and the consequent lower strategic flexibility as disadvantages of this approach.

Indirectly going to market strategies have as positive aspects the main disadvantages of direct selling approach as well as additional motivation and functional specialization. The larger market coverage achieved through this method easier customers' searching process for the product (Coughlan et al, 2006)[8] and allows higher independence from the main supplier (Sanders, 2011)[3]. However, this can grow into some less appellative aspects for the channel design such as higher environmental uncertainty, increased risk of supply chain disruption and lower ability to in-depth control the chain (Coughlan et al, 2006)[8]. Choosing to reach the market indirectly is also associated to high challenges in terms of communication and coordination among chain participants and performance monitoring (Kumar, 2004)[7]. In spite of the consciousness of unintentionally choose unavailing distributors or agents possibility (Coughlan et al, 2006)[8], reduction costs are reached through transactions standardization.

Intermediaries' relevance in the chain is crucial (Coughlan et al, 2006)[8] since they should be in the chain only if value is added during the delivering process to the customer simultaneously reducing channels costs. Kumar (2004, p.114)[7] suggests that "the internal rate of change in distribution strategy must match the external rate of change in consumer channel preferences". Existing distribution channels' restructuration, even demanding, is the most common situation (Coughlan et al, 2006)[8], comparing to zero-based channel design cases.

Some industries, namely within PC industry, have been increasing the retail percentage while decreasing direct sales in channel shares (Steffens, 1994[12]; Narayandas and Rangan, 1996[13]). Besides the contrasting examples of easyJet as increasingly direct selling and Charles Schwab as a distribution chain with more leaders, other innovative distribution channels are emerging like online distribution, which are part of distribution formats' reinvention (Kumar, 2004)[7]. In opposition, there are also not so successful cases such as the ones verified in pharmaceutical sector: in 1993 and 1994, three major pharmaceutical manufacturers acquired their distribution and few years after dissociated their acquisitions (Lloyd, 2003)[14].

Multiple product lines, market segments, heterogeneous customers' needs and geographical covering goals may justify mixed channels strategies (Rangan and Bell, 2006)[10]. Ryanair is a case that pools direct and indirect sales, increasing sales volume percentage in direct selling and allowing a sales costs decrease (O'Leary, 2003)[15].

In multiple channels systems, customers' allocation to distribution channel may work under strict criteria such as customer potential size ranking (Rangan, 2005)[16]. In addition to higher market coverage, multiple channels may cause cannibalization within its participants. Cisco is an enterprise that used two distinct strategies (penalties and incentive schemes) to lower this type of critical channel conflict which is a critical channel conflict (Rangan and Bell, 2006)[10]. Moreover, Philip Morris by substituting some channels (Hotopf, 2002)[17] and Swatch, with independent and self-owned channels (Yves, 2005)[18], are examples that multichannel strategies can be an alternative way to approach the market. The ability to turn chain participants into partners creating alliances and strategic partnerships shows to be another key aspect in channels design, as Caterpillar successfully experienced (Fites, 1996)[19].

Distribution design is commonly seen as a company's essential aspect, as Kumar (2004, p.26)[7] says: "brands, customers and distribution networks are the crown jewels in any company". Looking at market players under a focus on the customer is a smart going-to-market strategy. Kotler (1977)[20] proposes customer satisfaction as the objective, rather than profits. Satisfying customers' needs is the goal of redesigning the approach to the market. It includes analysing the number of stages in the structure, the value each chain adds and the function it plays (Sanders 2011)[3]. Well-known managers' opinions are aligned with these academic researchers as the following quotes advocate: "What you need most are solutions…a partner who can help make all the pieces you've already got work better together" (Hewlett-Packard CEO, 2002)[21] and "The winners will be those who deliver solutions from the users' point of view" (Jack Welch, 2001)[22].

In the light of the above discussed, it is highlighted how strategic to any firm is to analyse past cases and to take key leanings from them. **The purpose is to be prepared to better perform in coming situations when redesigning company's Route-to-market approach. Hence, focusing in delivering products and services able to satisfy customers' needs, learnings from a real case Route-to-Market Redesign within the Portuguese Lubricants sector will be identified.**

"A market is never saturated with a good product, but it is very quickly saturated with a bad one"[23] says Henry Ford. The performance and maintenance of a car depends a lot on the engine oil (lubricant) conditions and its characteristics.

Lubricants are made of base oils (80-90%) - which can be mineral (from petroleum distillates)[a], semi-synthetic or synthetic - and the remaining percentage is composed by chemical additives[24]. Lubricants can be liquid, solid and semi-solid (greases). Their usage allows a longer life for the machine in which they are applied, through their main functions: separate moving parts, reduce the friction, wear and corrosion, and provide heat transferring, cooling, delivering cleaning properties and contaminants dispersion[25].

Therefore, the range of functions that lubricants can have is as wide as the machines in which they are used. The oil is everywhere: from the underground (mining industry) up to the sky (NASA space stations), as well as underwater (submarines) and in curious crossing industries applications such as money printing and food processing, without disregarding massive industries where power and transports are included[26].

The lubricants market in Portugal is characterized by some market concentration if the C5 index[b] is considered as reference: 5 main suppliers jointly account for approximately 74% of the total supply in the country[c]. These suppliers are mainly importers being only one of them simultaneously producer and exporter (exported 40% of its production in 2011[27]). The total market (overall lubricants consumption) represented about 94,8 Million Liters in 2011 and 77,3 Million Liters in 2012[28] and it can be divided into three main segments: consumer (36%), industrial (34%) and

[a] For details about lubricants' base oils, see appendix I – "Distillation column and base oil derivation"
[b] Cn index is a concentration ratio measuring the market share held by the n larger firms in a certain market. Cn = (n-firm's sales / market sales) x 100, that is, Cn = sum of n-firm's market share.
Source: **Hirschey, Mark**. 2009. "Monopolistic Competition and Oligopoly". In *Managerial Economics*. 527-529. Mason: South-Western Cengage Learning
[c] For details about firms' market shares, see appendix II – "Estimated suppliers' weight on lubricants market in Portugal"

commercial lubricants (30%)[29]. Although the overall lubricants market is expected to continue following the decreasing trend until 2015 (on average -1,3% per year), synthetic lubricants consumption is expected to growth, shaping a shift in the type of products demanded from lower value to higher value[d].

Expectations on the Portuguese Lubricants market for the next years are influenced by the current Portuguese economic situation and its forecasts until 2017[e]. Within this economic and social environment, that impacts simultaneously the final consumer and the companies, it becomes urgent to be attentive to shifts in customers' needs and it turns more challenging to look at the possibilities of redesigning the Route-to-Market.

METHODOLOGICAL CONTEXT

A premium lubricants brand importer, Company S, is taken as a case to analyse and develop the project. Company S reality is considered the starting point to investigate the Route-to-Market redesigning within the Portuguese Lubricants market.

Company S is a lubricants brand representative and importer in Portugal that emerged from the opportunity to be Company Y's lubricants business ambassador in the country. The business includes three segments (consumers, industry and commercial lubricants) and it becomes a way to perpetuate Company Y brand legacy in Portugal.

Using Collis and Montegomery (1998)[30] and Hill and Jones (2008)[31] suggested approaches to describe a firm, Company S can be defined as having as mission high quality product and service delivery to its customers, taking advantage from its team experience and technical knowledge. Its vision is to reach 15% market share by 2018, along firm's core values: honesty, integrity and respect[32] to the people and environment.

---

[d] For details about market forecasts, see appendix III – "Estimated percentage of lubricants demand growth in Portugal"
[e] 1st quarter 2013 data: GDP growth rate = -3,9% (comparing with 1st quarter 2012); Private consumption = -5,6%; Public debt = 124% of GDP; Unemployment rate = 17,7%).
Source**: Banco de Portugal**. 2013. *Indicadores de Conjuntura – Número 5*. May. Banco de Portugal - Eurosistema: http://www.bportugal.pt/pt PT/EstudosEconomicos/Publicacoes/IndicadoresConjuntura/Publicacoes/ind_mai_13_p.pdf (accessed May 02, 2013)
For details about Portuguese economic outlook forecasts until 2017, see appendix IV – "Portuguese economic outlook"

These goals are only achievable by satisfying customers' needs, which can be approached through different ways. That is why it is crucial to analyse the existing distribution channels. At the moment, the chain starts in the supplier (Company Y), and then Company S as importer to Portugal operates with two distinct circumstances: direct approach - owned sales team, with 6 elements accounting for 60% of company's annual sales volume (L), and indirect approach - distributors' network, 12 in total, weighting 40% of company's annual sales volume (L). Through the indirect approach, the final customer is reached via additional layers in the process: distributors' sales teams[f].

In this sense, the indirect approach is a key section to be analysed. Each distributor works a certain geographical area (from now on, designated as GA) and allocates its own sales team members to subareas in which they are responsible for running the business[g]. As distributors, they should fulfil several requirements such as minimum market share. In turn, they receive benefits like additional discounts, bonus, marketing campaigns and specialized training.

There has been a decreasing trend in the distributors' network path along the years: from 65 in 2005 to 12 in 2012. Part of this trend is explained with the implementation of a project called "Premium Distributors"[h]. The project took place between 2006 and 2009 with the aim of retaining in the network only the distributors with the best performances. After this project implementation, the criteria to monitor distributors' network were preserved and the number of distributors has been decreasing.

Among so many changes, there were cases in which the distributor discontinued its business and the correspondent GA started to be under the responsibility of another distributor or directly through Company S. In this project, the purpose is not to decide

---

[f] For details about Distribution Channels structure of Company S, see appendix V – "Company S current supply chain framework"
[g] GA concept is used for direct sales team members as well as for designate distributors' areas and their sales team members' subareas. For a detailed explanation on GA definition, see appendix VI – "Geographical area (GA) concept definition within Company S"
[h] For details about this project, see appendix VII – "Premium Distributors" project (structure, criteria and guidelines)"

whether a GA should be approached directly or indirectly. The goal is to look at two distinct cases in which the GA was shifted to Company S. The focus will be the analysis of recent contrasting cases (Case A: November 2011; Case B: September 2012), take some learnings and assume a forward looking attitude preparing future situations.

The ultimate issue, when considering a situation of taking a distributors' business, is the value the company should pay for it. However, there is a long process to reach that number. One possible approach could be a pyramid framework, as addressed by Wooden and Carty (2005)[33] and Booz & Company (Navarro et al, 2010)[34] in distinct occasions but both based on bottom-up reasoning. Attempting to adjust that framework to the issue in analysis, the value would be on the top of the pyramid and it should be supported by many other steps in the process, such as the ones in the following figure:

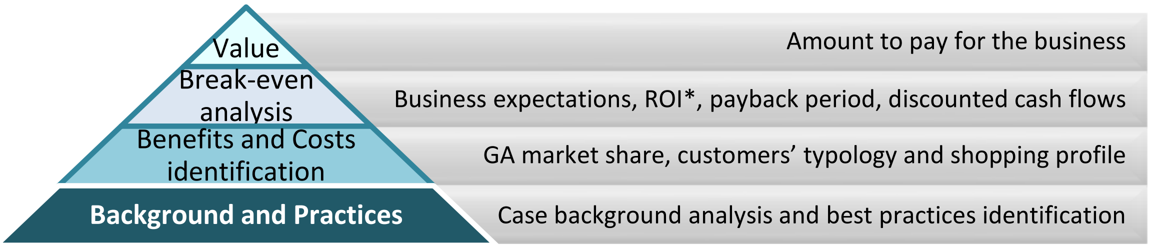

Fig. 1: Successive steps when approaching a distributor lubricants business aimed to be incorporated directly by Company S. *ROI – Return on Investment

Considering the figure above, the focus is the pyramid foundation (background and practices) and the link with the step above (benefits and costs identification). Only with a structured basis, it will be possible for the parties involved in the negotiation process, to justify what it is on the top and to reach a structured pyramid (sustained situation).

On field procedures

This project development is focused in two cases analysis in which the GA stopped to be approached by a distributor and started to be directly accessed by Company S. In order to get a wider view on the cases, the methodological procedures used include qualitative and quantitative techniques combining internal and external data sources.

The **qualitative** methods to obtain inputs to the research are:

- **Interviews** (main guidelines used to conduct the interviews, held in Portuguese, in appendix VIII) with key individuals involved in the cases' processes such as Company S' main executive director and the ex-company A and B' sales team members incorporating Company S as a result of the change (interviewees list in appendix IX) – **internal data source;**
- **Customers and prospects visits** (eg: franchised and independent workshops and extractive industries) with sales team members in the GAs associated with cases A and B (complete visits list in appendix X and insights collected in appendix XI) – **internal and external data source;**
- **Survey** conducted by a market research company worldwide recognized within the lubricants sector (Kline & Company, Report #Y533I)[35]– **external data source.**

The **quantitative** inputs used in the research to compute the analysis are:

- Business performance indicators regarding these two cases (before and after changes values) – **internal data source;**
- Market share and consumption path information: DGEG – Direcção Geral de Energia e Geologia (market share monthly and annual reports)[36] and Sogilub (annual used lubricants collection reports)[28] – **external data source.**

TOPIC DISCUSSION – TWO CASES OF ROUTE-TO-MARKET REDESIGNING

Two distinct situations, in which a lubricants distributor finishes its Company S distributors network membership while the GA previously approached through the reseller starts to be accessed directly, are the means to achieve the proposed look at the past in order to anticipate the future while monitoring the present. The following cases' analysis are based on a set of collected information through the above explained methodology and procedures.

Brief cases description and context

Company A, a lubricants distributor of Company S since 2009, results from the fusion with another company that were previously representing the brand in that GA. The previous company was in the business since 1948, being Company S lubricants distributor since 1977. Based in that GA's main city, Company A has 5 co-owners (2 were in the Board of Directors) and has 3 distinct businesses (fuels, gas and lubricants).

Company B, a lubricants distributor of Company S since 1979, has been representing the brand in the GA. Based in a strategic location within the GA, this family business with 4 co-owners (2 in the Board of Directors) has 3 businesses (tires, rims and lubricants).

When the changing process was initiated, companies A and B' *status quo* was:

Fig. 2: Companies A and B lubricants business units' *status quo* before the change.

CASE A	CASE B
Geographical area (GA)	
- 15 municipalities in one district and 11 municipalities in a neighbouring district. - 71% of potential market (in Liters) in these 2 districts and near 10% of total potential market (in Liters) in Portugal. - Majority of multi-brand customers.	- 14 municipalities in one district and 11 municipalities in a adjoining district. - 76% of potential market (in Liters) in these 2 districts and near 8% of total potential market (in Liters) in Portugal. - Great part of the customers operates with a single brand.
Lubricants brands	
Company A (and its precedent companies) was historically selling solely a competitor's brand, but since 2008 it was operating also with a different competitor's brand (Company S distributed brand: 44% in 2008 and 80% in 2011).	Company B was always one-brand lubricants reseller.
Sales team	
- 3 full-time, allocated by sub-regions within the GA according to the lubricants brand they were selling. - 1 allocated to the distribution, sharing the function with other Company A business units.	- 3 full-time (allocated by sub-regions within the GA), one of them accumulated it with the responsibility of being sales team manager and supporting the Board of Directors.
Infra-structures and sales support staff	
- 1 office (jointly for all Company A business units). - 1 warehouse (separated from the other business units). - 1 driver exclusive for lubricants business. - Technical advice and post-sales support done by sales team. - Back-office, marketing, human resources, financial. department and administrative services shared with other business units.	- Technical advice and post-sales support done by sales team manager, who was also responsible for adjust the guidelines, tools and campaigns provided by Company S due to the lack of marketing department. - Office, warehouse, distribution and sales support areas (Back-office, human resources, financial department and administrative services) shared with other business units.
Priority sectors approached	
Transports (cross-sell with fuels business unit), extractive and pottery industries, agriculture and independent workshops.	Transports (mainly heavy-duty vehicles), metalworking and moulds industries and independent workshops.

Timeline and milestones

Case A

- **2006/2007:** Criteria definition to be "Premium Distributor". Agreement on the deadline to finish the implementation phase.
- **February 2011:** 1st meeting after the conclusion of the implementation plan phase. It becomes clear that the lubricants business for Company A does not generate enough aggregated margin.
- **July 2011:** Company A voluntary takes the decision of discontinuing the lubricants business, remaining with the others. Both parties initiate the negotiation period.
- **20th October 2011:** A proposal to move to Company S incorporating the Lubricants sales team is presented to two Company A lubricants sales team members.
- **1st November 2011:** Company A finishes its lubricants business, selling to Company S its lubricants customers' portfolio. Both companies agree, Company S takes the lubricants business in the geographical area in which Company A was acting before, incorporating 2 sales team members and restoring Company A' lubricants stocks.

Case B

- **2005/2006:** Criteria definition to be "Premium Distributor". Agreement on the deadline to finish the implementation phase.
- **Mid 2008**: Deadline of the implementation phase for becoming "Premium Distributor" in that GA. A great part of the items requested were not meet.
- **End 2011**: Company B and Company S jointly analyse the situation and become aware of the increasing trend to lower the lubricants business significance within the Company B's corporate strategy.
- **14th June 2012**: 1st meeting in which the possibility of Company B discontinuing its lubricants business, selling its lubricants customers' portfolio, remaining with the other businesses, is considered.
- **23rd July 2012**: Company B did not comment the proposal neither presented quantitative arguments and the correspondent criteria used to support it. Company S disclose its offer. Company B do not agree with what is proposed and it is asked to present its view and arguments that support it.
- **10th August 2012**: There is no agreement. Company S presents a proposal to two elements from Company B lubricants business sales team enticing them to incorporate Company S.
- **3rd September 2012**: Company S stops to supply Company B and starts to work that GA directly operating with two of the three elements from the sales team allocated to the lubricants business in Company B that expressed their intentions to incorporate Company S. Company B continues with lubricants as a complementary business to the other business units changing the supplier.

Fig. 3: Cases A and B timelines and main milestones.
Details in appendix XII – "Cases A and B timeline and milestones"

Main similarities and differences between the cases

The criteria for choosing the lubricants business unit sales team members to incorporate Company S were the same (eg: sales volume, portfolio of customers and experience in the business). The initial proposal presented comprised the right to exploit the distributors' GA by Company S, current portfolio of customers and part of the sales team. The on-boarding programme prepared for sales team members embraced the same aspects (eg: coaching, training on job and behavioural guidelines). Other brands competition in the GAs in analysis has almost the same impact in both cases and customers' preference for the brand is highly driven by trust in the brand and in the company/sales team (eg: brand value recognition, pre-sales and post-sales support). Further details on cases common points are described in appendix XIII – "Main similarities between the cases" and the main differences are expressed in the next table.

Fig. 4: Main differences between cases A and B, before and after the changes.

BEFORE THE CHANGE

CASE A	CASE B
Management structure	
Executive board jointly managing several company business units. No leadership fully dedicated to the lubricants business.	Executive board involved in all company's business units, with a sales team manager fully dedicated to the lubricants business.
"Premium Distributors" Project Implementation	
Gradual implementation according to the defined criteria. The main required changes took about more 6 month than supposed to take place.	Difficult program implementation to fulfil the requirements. Crucial changes took an additional year than predicted to happen and some of them were never met.
Extra opportunity to recover the performance	
Additional area (4 municipalities in another district) representing 0,25% of total Portuguese lubricants market) given to Company A in the beginning of "Premium Distributors" program implementation. Company A accepted the challenge, enlarging its GA.	Extra opportunity to enlarge the GA (more 15 municipalities in another district) representing 1% of total Portuguese lubricants market). 6 months later, Company B did not try to exploit the additional area.
Intentions expressed	
When confronted with its performance indicators, Company A explicit expressed its decelerating investment process in lubricants business unit (only a residual percentage was dedicated to lubricants, evidencing the trade-off with the remaining firm's business units).	Although lubricants represented 5% of total firm's businesses units and despite the fact that the market approach was sacrificing customer service levels in business units that were not company's core business, Company B did not show intentions of taking-off.
Company S experience in this type of cases	
Past experiences were taken as a reference since the main participants from Company S had access to "Premium Distributors" project implementation guides, criteria and monitoring tools while working directly for Company Y. However, this was the first occasion that Company S faced as Company Y brand representative and importer.	In addition to the past experiences also taken as reference for Case A, Case B counted with Company S precedent involvement in Case A. However, remains the consciousness that it was a short period between changes occurred in Case A and the starting of Case B negotiation in order to take conclusions.
Companies A and S views: divergent but negotiable expectations and value perceptions on the business unit **AGREEMENT**	Companies B and S views: sharply divergent expectations and value perceptions regarding the business unit **NO AGREEMENT**

AFTER THE CHANGE

CASE A	CASE B
Sales team members incorporating Company S with the change	
- Both selected individuals were open to analyse the proposal and negotiate. - Both sales team members were motivated to face the new reality and showed a homogeneous changes acceptance path. - Having GAs adjacently located, like previously to the change, both colleagues intuitively developed a higher degree of cooperation (eg: jointly customers' visits and training sessions for certain groups of customers).	- One of the selected individuals was promptly attainable to examine the offer, while the other disclosed more reluctance in negotiating. - One individual feels a higher motivation levels and the other still dealing with the changes acceptance process. - Contiguous GAs made them adopt a more competitive posture (eg: lack of open speech to share best practices).
Methods used to feed the prospects' pipeline	
Higher focus on local social media sources and news to obtain contacts followed by a deep analysis on these prospects' characteristics.	Focus on pre-selected databases available in Company S combined with intensive on field research (eg: spot new opportunities on the way to visit current clients).
Same brand competitors in the GA	
Along the years, there have always been other suppliers for the same brand operating in the GA. However, they are not the premier brand representatives and thus, the commercial conditions, the tools and the approach to the market as well as the target customer typology are different. As the change resulted from an agreement, Company A customers' portfolio was transmitted to Company S.	Previously to the change same brand competition was not so strong as today. The non-agreement regarding the change encouraged Company B to integrate this "same brand competition", diversifying its lubricants suppliers. The retaliation includes an aggressive pricing strategy which in one hand lowers Company B's margins menacing its own profitability but in the other hand prevents same brand competition (Company S included) in that GA.
Customers preference for suppliers based on historical data and past experiences	
Customers' preference is mainly driven by sales team members, performing a tendency to follow the salesperson. Customers faithful to the brand saw the brand representative company in the region change 3 times during 8 years (from Company A's antecedent to Company A and then to Company S).	Customers' preference strongly influenced by the relationship with the company that is selling the brand in the GA for many years and with its owners. GA where customers that persisted loyal to the brand did not had the need of changing its supplier during the last 30 years.

OUTCOMES

Presence in cases A and B GAs

A way to measure a company's presence in a market is the market share, which is the ratio between company sales and the total sales in that market. However, according to Cooper and Nakanishi (1988)[37] the market share concept and its interpretation depends on how the market in defined in each circumstance. In this occasion, the market is defined as the lubricants potential volume (in Liters) in the GA in analysis, being the market share (or "market presence") the Company S sales percentage of total GA lubricants potential, calculated in Liters and applied to cases A and B GAs.

The data used to compute the "market presence" in this sector, at a company level, is usually the DGEG[36] monthly and annual reports. However, not all the players in the market report to DGEG. Reported values to DGEG account for about $^2/_3$ of the total[28].

With the aim of completing the analysis, the "market presence" was calculated through a different perspective: taking into account the Ecolub value[i] and the used lubricants collection path by region[38] taking the following assumptions:

- The products are consumed and collected in the same local and the collection path within the country does not vary along the year;
- Distributors' products in stock do not significantly affect distributors' shopping paths in the "before" situation[j] (historically, these stocks underrate 1month).

Therefore, the "market presence" calculation in the following table is based in the accumulated Company S sales in cases A and B GAs, accordingly to the "before and after"[10] situations for both cases:

---

[i] Ecolub value: tax on each new litre of lubricants in the market. There are specific products that do not pay this tax but they are also institutionally reported.
Source: **Agência Portugesa do Ambiente**. 2013. *Ecovalor*. Governo de Portugal – Ministério da Agricultura, do Mar, do Ambiente e do Ordenamento do Território: http://www.apambiente.pt/index.php?ref=16&subref=84&sub2ref=197&sub3ref=279 (accessed April 10, 2013)
[j] "**Before**": 6 months previous to the starting of the negotiation process to change from distributor to Company S. Case A: February – July 2011. Case B: January – June 2012
"**After**" - 6 months after to the start of the change from distributor to Company S. Case A: November 2011 – April 2012. Case B: September 2012 – February 2013

Fig. 5: Company S "market presence" in cases A and B GAs, before and after the shift in the market approach.

Market presence (%)	GA CASE A		GA CASE B	
	Before	After	Before	After
DGEG based method	7%	6%	6%	3%
Ecolub value based method	6%	4%	5%	2%

While DGEG based method follows a production/supply approach, Ecolub value based method monitors a consumption view. However, both methods show us a decreasing trend in the "market presence" from the before to the after situation, which is slightly sharper in Case B. This path is also observed when calculating the "market presence" in the after situation taking into account the 1 year available data instead of only 6 months (6% and 3,8% in DGEG and Ecolub based methods, respectively). From now on, "market presence" evolution can be studied using both methods to cross-check trends whereas combining their associated pros: Ecolub method accuracy (it considers the total market) and DGEG method shorter information availability time lag.

Main business performance indicators

After looking at the "market presence", it is relevant to analyse the business performance in cases A and B through an internal perspective. Hence, using internal data and insights from the interviews, while applying the same timeframe criteria to the "before and after" approach as in the "market presence", the following is observed:

Fig. 6: Company S main business performance indicators regarding cases A and B GAs.

	GA - CASE A			GA - CASE B		
	Before		**After**	**Before**		**After**
	Real vs Plan (%)	Real vs PY* (%)	Real vs Plan (%)	Real vs Plan (%)	Real vs PY* (%)	Real vs Plan (%)
Sales Volume (Liters)	-20%	-7%	-4%	-27%	4%	-57%
Gross Margin (% of net proceeds)	-	-	-20%	-	-	-46%

	GA - CASE A		GA - CASE B	
	Before	**After**	**Before**	**After**
Average accounts receivables (days)	60	35	90	35
Nr. Customers	630	453	450	195

*PY - previous year accumulated value within the same period in analysis (in this situation, within the same months).
Calculations based in cumulative values and considering "before and after" status about the market approach shift.

In terms of sales volume and gross margin, through the comparative analysis it is possible to highlight, in percentage, "how far" these two variables were from the objectives set in the annual business plan and from the previous year records (in the before and after situations). Before the change, in Case A there was a negative gap to the plan in sales volume (-20%) and to previous year values (-7%). With the change, the sales volume gap to the objective, even negative, was shortened to -4% even though presenting -20% gap in gross margin terms. In Case B, before the change there was a negative gap to the plan in sales volume (-27%) and a positive gap to previous year values (4%). With the change, the gap to the objectives became amplified, achieving -57% in sales volume and -46% in gross margin percentage.

Both cases recorded similar gaps before the change but distinctly performed after it. It can be seen a sales volume recovery with the change in Case A, while in Case B a gap increase is verified along with a large gross margin gap. These results are influenced by the way the change occurred in Case B (non-agreement followed by retaliation).

The average accounts receivables period improvement in both (to 35 days), is in part a result of Company S credit policy, which contrasts with the ones in place previously in those GAs. These rules contributed to the decreasing number of customers (sharper in Case B than in Case A). At the same time, it is a customers' selective factor in terms of profile and typology, which reduces the business risk involved.

Current situation

Cases A and B evolution path can be studied through the monthly generated sales volume and net profit. The next graph illustrates sales volume (in liters) in the left vertical axis (represented in bars) and the net profit (in euros) in the right vertical axis (represented through contiguous lines). The net profit is evaluated under a cost-benefit perspective: benefits are the gross margin while costs include direct sales cost not inputted to the gross margin such as sales team members' sales commissions.

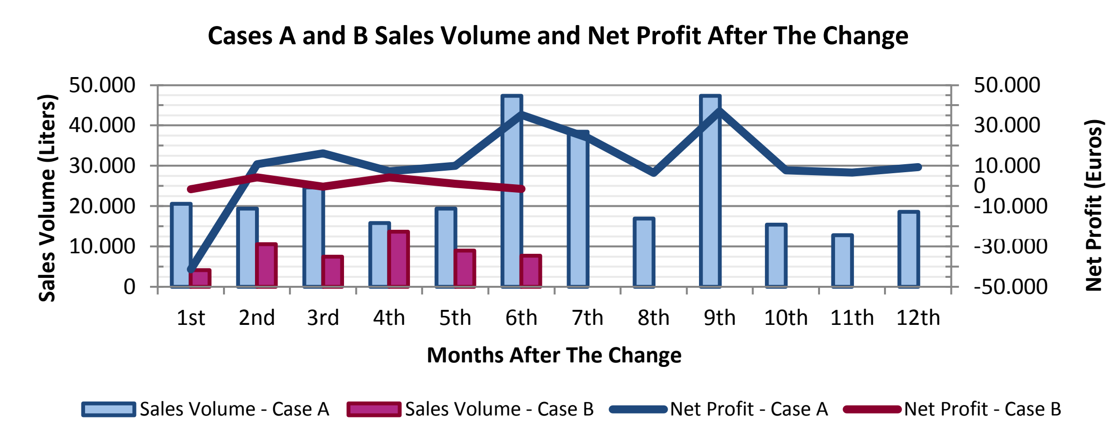

Fig. 7: Cases A and B sales volumes and net profit after the change. For details about intermediate calculations, see appendix XIV – "Current situation: Cases A and B monthly analysis after the change".

Sales volume vary along the months, showing higher values in Case A than in Case B. Case A sales volume fluctuates between about 12.800 L and 47.300 L, while Case B's lowest recorded value is 4.124 L and highest is 13.647 L. The net profit has a lower volatility in Case B than in Case A, in part due to the existence of an initial investment in Case A. Nevertheless, Case A's monthly net profits are above 6.500€ (with the exception of the 1st month) and Case B's net profits fluctuate near the break-even (from a loss of 1.660€ up to a 4.338€ gain).

Fig. 8: Cases A and B after the change accumulated values.

	CASE A		CASE B
	1 Year After	6 Months After	6 Months After
Total Benefits (€)	255.348	122.969	43.017
Total costs (€)	125.571	84.524	36.710
Net profit (€)	129.777	**38.445**	**6.307**
Number of months with loss profit	1	1	3
ROI (%)	260%	77%	no initial investment

Looking at the accumulated values in the table above, the net profit within the first 6 months in Case A is highly larger than the one verified in Case B, which is also reflected in the ROI ratio when analysed after 6 months and after 1 year. In Case B there was no initial investment, thus it is not relevant to compute that ratio. In addition to Case B low net profit, comparing to Case A, there is a higher volatility in Case B difference between benefits and costs. This can be perceived through the number of months with loss profits (3 out of 6 in Case B and only 1 out of 6 in Case A).

Scenario analysis

Another perspective to look at these two cases is to simulate scenarios if there were no changes, that is, if the distributors in cases A and B remained in the network. Thus, it was used the same cost-benefit analysis framework as to evaluate the current situation. Benefits are the gross margin and the costs are the sum of additional year-end discounts (if the target volume is reached), technical services, customer service center and marketing supporting costs as well as costs related to the distributor's account manager.

The analysis is built taking into account the following assumptions and scenarios:

Fig. 9: Assumptions and scenarios definition if there was no change in the market approach.

ASSUMPTIONS	
1.	The estimated percentage of both distributors' gross margin for 2012 and 2013 remains the same as in 2011 (13% in Case A and 10% in Case B).
2.	If the distributor achieves its volume target, receives a year-end discount (2% of sales revenue).
3.	Distributors' products in stock do not vary along the years and their storage capacity is expected to remain the same (historically, these stocks underrate 1month).
4.	Costs with technical, marketing and customer services center support and distributors' account manager allocation do not vary significantly along the years.
5.	The cost of product and costs that directly influence price setting and consequently, sales revenue, are assumed to remain constant. Fluctuations in these variables would affect all the considered scenarios.
	Since the purpose is to compare scenarios, the same reasoning was applied to other issues that influence simultaneously all of them, such as inflation and annual cash flows discount rate (the opportunity cost would affect all the scenarios, reason why the analysis looks at free cash flows).
SCENARIOS	
Optimistic scenario	The distributor reaches its annual volume target and gets an additional year-end discount.
Conservative scenario	The distributor maintains the same volume as in the last year, not achieving the additional discount at the end of the year.
Pessimistic scenario	The distributor under performs in sales volume (comparing to the previous year), do not obtain further discounts. Sales volume decrease at the same rate as the total Portuguese lubricants market in 2012.

Being aware of the restrictions of considering a limited number of scenarios, the three distinct above described scenarios were formulated. The comprehensive scenarios estimation can be seen in appendix XV – "Scenario analysis for cases A and B distributors", being the main deductions regarding the net profit in the next table:

Fig. 10: Scenario analysis for net profit values if cases A and B GAs continued to be indirectly approached.

Company S Net profit (€)	DISTRIBUTOR - CASE A			DISTRIBUTOR - CASE B		
	2011	2012	2013	2011	2012	2013
Optimistic Scenario	86.728	**88.014**	103.632	44.457	**56.882**	63.749
Conservative Scenario		**86.728**	86.728		**44.457**	44.457
Pessimistic Scenario		**68.189**	66.555		**33.737**	32.792

Comparing the above scenarios with the performance while being directly operating in cases A and B GAs, Case A estimations suggest that it was a success. In this case, Company S' net profit in that GA in 2012 was near 130.000€, which is a higher amount than the ones estimated in the above scenarios, even in the optimistic one. In opposition, Case B is a situation where the operation through the distributor would be more profitable than directly approached. Taking the first 6 months performance of direct operation in Case B as proxy, the several scenarios' forecasts continuing with a Distributor in that GA would be greater than the observed first year operating directly.

MAIN LEARNINGS

Cases A and B are examples of successful and ineffective changes in the Route-to-Market approach, respectively. Under a qualitative approach along with a more quantitative view, some learning points can be taken from these two experiences.

Through the **qualitative perspective**, these "lessons learnt" can be summarized as:

- Two cases are not equal, even though they have similarities at:
  - <u>External level</u>. Eg: GA (number of municipalities and relative weight in the total Portuguese lubricants market), major other brands competitors in the GA and its relative weight, customers' key aspects to buy the brand;
  - <u>Internal level</u>. Eg: distributor's business units and theirs relative weight, distributor's seniority in the business, sales team members (number and experience).
- The main aspects that lead to different cases conditions have distinct natures:

- Corporate. Eg: distributor company management structure, its intentions expressed regarding the lubricants business unit, existence of internal competition with other lubricants brand, priority sectors to approach setting;
- On field. Eg: sales team members' approach to the GA, same brand competition in the GA and customers' preference driven by the relationship with previous supplier.

- The consequences of changes in Route-to-Market can be divergent regarding the agreement and outcomes, even if the same procedures are taken along the process:
  - Analysis and negotiation phases: criteria and initial proposals presented;
  - Implementation phase: sales team integration in the company and support provided.

At a **quantitative glance**, the main findings can be briefed in three key aspects:

- The "market presence" in a GA is affected with the Route-to-Market change in that GA, showing a tendency to decrease during the first months, even in successful cases.
- Business indicators about the performance in a GA after the change reveal that volumes and margins tend to shift in the same trend. It is observed that in "fighting cases"[k], operating with lower margins do not solve volume gaps between real and targeted values.
- When measured by financial business indicators, "fighting cases" can become a worsen situation than if the business in the correspondent GA continued to be approached through the distributor. However, other aspects can drive a company to take the decision of running the business directly in a certain GA such as control over the entire network objectives.

[k] Situation, in consequence to a non-agreement between Company S and the distributor, in which the GA starts to be directly approached by Company S ending the contract with the distributor but not eliminating its action on the field. The distributor adopts a retaliation posture.

Possible complementary approach

Aiming to prevent ineffective "fighting cases", a concept to complement the approach to a future situation is further suggested. It can be added as a step during the negotiation phase preparation and it consists in estimating, under an agreement scenario, which would be a reasonable initial investment value conditional to Company S goals.

This simulation can be seen as a management tool, where assumptions are adjustable according to each case, in order to produce projections to support decisions to take.

Based on a cost-benefit analysis (the same used in the current situation analysis) and taking as benchmark a successful (Case A), the assumptions, conditional variables and scenarios are:

ASSUMPTIONS	
1.	The baseline sales volume is the homologous value done by the distributor before the change.
2.	Sales volume follows the same monthly sales volume growth rate as in the benchmark during the first 12 months after the change. This premise is supported when both GAs have about the same total Portuguese lubricants market relative weight. Otherwise, it should be adjusted.
3.	Sales revenue forecasts according to the average sales revenue in the benchmark (2,99 €/Liter).
4.	Gross margin estimation built on monthly gross margin percentages recorded in the benchmark.
5.	Sales team costs and other sales costs consider the same fixed part values as the benchmark and the same monthly percentages are applied, given the sales volume, for the variable portion.
CONDITIONAL SCENARIOS AND VARIABLES	
Two scenarios are considered: **6months and 1year after the change analysis**. This should be adjusted according to Company S willingness to invest and the correspondent targeted payback period.	
Same ROI	Initial investment estimation, maintaining the same ROI as the benchmark.
Same net profit	Initial investment estimation, maintaining the same net profit as the benchmark.
Break-even	Initial investment estimation, to break-even at the end of the period in analysis.

Fig. 11: Assumptions, conditional scenarios and variables definition in which the initial investment value simulation is built.

Provided that, the simulation was run for analysing which would be the possible initial investment value in Case B, taking as reference the successful Case A. The goal in futures cases is to be able to do this exercise *apriori* (during the negotiation phase).

The purpose is not to set an exact value but suggest a framework of how the interval in which Company S is willing to provide an initial investment can be determined. Simulation details can be seen in appendix XVI – "Possible complementary approach: initial investment value simulation", being the main deductions the following:

Fig. 12: Company S possible initial investment value interval simulation (for 6 months and for 1 year after the change analysis)

Initial investment value (€)	Same Initial Investment	Same ROI	Same Net Profit	Break-even	Possible Interval
1 year after the change analysis	50.000 €	66.690 €	110.859 €	240.636 €	**[0 € ; 240.636 €]**
6 months after the change analysis	50.000 €	65.300 €	77.162 €	115.607 €	**[0 € ; 115.607 €]**

With the consciousness of the strong set of assumptions used in this simulation, there is an indicative interval for possible initial investment values. The wide range of numbers included in the interval takes into account the break-even value for a given period to recover the investment that Company S might be willing to accept. A key aspect to take into account is that this approach should be moderately and carefully used, as it is a complementary way to look at the situation. Previously to running any simulation, each case should be studied in detail jointly considering the context, its qualitative and quantitative analysis.

CONCLUSION

With the objective to go further than in a post implementation review over cases of Route-to-Market adjustments, this work project's main conclusions can be taken as a set of learning points and actions to consider in possible future similar situations. Therefore, the combination of qualitative and quantitative analysis of past experiences suggests future approaches taking into account the sequential next steps:

1. Carefully analyse the capacity of the candidate to be a "Premium Distributor" while promote a proactive attitude in bridging the gap to fulfil the requirements.
2. Anticipate distributor reactions to "Premium Distributors" project implementation, extra opportunities and recovering plan. This, along with the intensions expressed by the distributor under analyses, can be hints for the shape that negotiations will take.
3. Exhaustively describe the associated GA's key success factors since it is a critical step to go further in any scenario the initial reactions may assume. This GA study may include market potential, "market presence", competition behaviour and

positioning, customers' activity sectors, profile and needs as well as brand preferences key drivers.

4. Along with the previous step, it is important to understand GA customers' historical relationship with the distributor regarding the degree of influence and faithfulness to the salesman and to the distributor company's ownership and management.
5. Taking the inputs from the preceding two steps, compare it with previous cases' lessons learnt and spot the main differences and similarities among them. Some of them would appear as examples to take as reference in some aspects within the particular situation in analysis.
6. Keeping in mind the qualitative background, start the quantitative analysis incorporating information when it is available and may be considered as meaningful. Complementary approaches to the main business indicators analysis may be developed such as scenario analysis and initial investment value simulations.
7. Based on the available information, take a rational and sustained decision.
   - **a.** In case of keeping the distributor, monitor it using the current methodology and tools worldwide approved as best practices, implemented and widespread through Company Y and other multinational companies.
   - **b.** In case of go forward with the direct approach to that GA, complement the choice with the next two supplementing steps:

     b.1 Align and evaluate the sales team proposed to approach the case's GA in order to match customers' needs and company's objectives through who will be directly selling the product. As a consequence, their on-job training and other sales support to that GA' sales team members should be accordingly tailored.

b.2 Periodically evaluate the case evolution and the resulting performance. This step may include the identification of learning points. Likewise, a contingency on-going plan can be designed and updated along the re-evaluations. This should include alternatives at different levels such as:

- Operational (eg: sales tools reinforcement, pricing and portfolio review);

- Structural (eg: GAs reallocation, take-off the GA, return to an indirect approach).

The above ladders are an integrated and macro perspective on the topic discussion while the "lessons learnt" described in the main learnings section assume a more detailed view through it. Both pictures are crucial to a comprehensive understanding of the situations. This broader understanding enables the view over the entire pyramid (introduced in the methodology section). Revisiting the pyramid analogy, inspired in Wooden and Carty (2005)[33] and Navarro et al. (2010)[34], adjusting and combining it with the steps in the above defined set of actions (including qualitative and quantitative lessons learnt), this could be Company S approach to the distributor's lubricants business unit analysis picture:

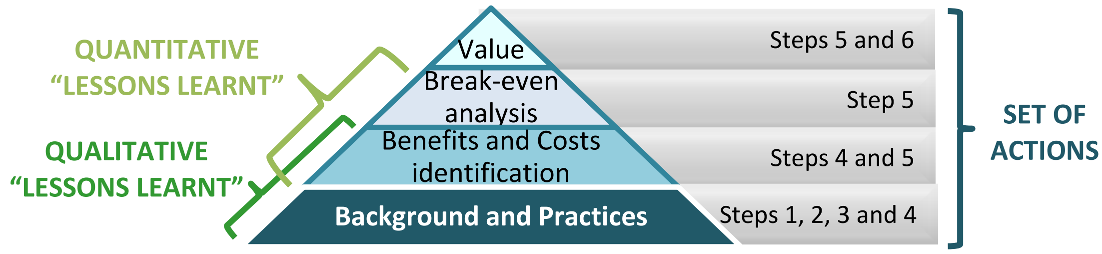

Fig. 13: Revisiting the pyramid: lessons learnt from past cases and steps to approach a distributor lubricants business.

In the light of "lessons learnt", the qualitative analysis focuses the pyramid bottom segments while the quantitative approach makes the link with its top. Meanwhile, the set of actions view approaches all pyramid hierarchies. Notwithstanding, in this last view there is a step concentration in the bottom. The agglomeration around the background and segment practices, as well as the segment of benefits and costs identification, is an indicator of time and effort allocation to the pyramid segments needed when analysing a Route-to-Market redesigning case. To effectively reach the top of the pyramid with valid arguments and analysis, the attention paid to each segment (i.e: time, effort and resources) should be weighted according to steps distribution.

Once the top is reached and the value is conceptually set, it is time to take decisions regarding the case under analysis' Route-to-Market redesign. Empirical evidence from cases analysis indicates that, in general, reaching an agreement is a preferable situation.

Some relevant drivers to the way the decision is accomplished are the company main objectives. In Company S, it includes assuring the control and market penetration increase. These are goals linked with how a product can be delivered to the end customer, inducing its satisfaction as suggests Kotler (1977)[20]. As a consequence, after the case analysis under the pyramid methodology, inspired in Wooden and Carty (2005) and Navarro et al. (2010)[34], it is relevant an integrated view of the chain focused on the customer. This integrated approach, encouraged by Raulerson and Leboyer (2009)[39], if applied to Company S, weights the trade-off among direct and indirect channels to the market aligned with each GA features and needs, as proposed in the next diagram:

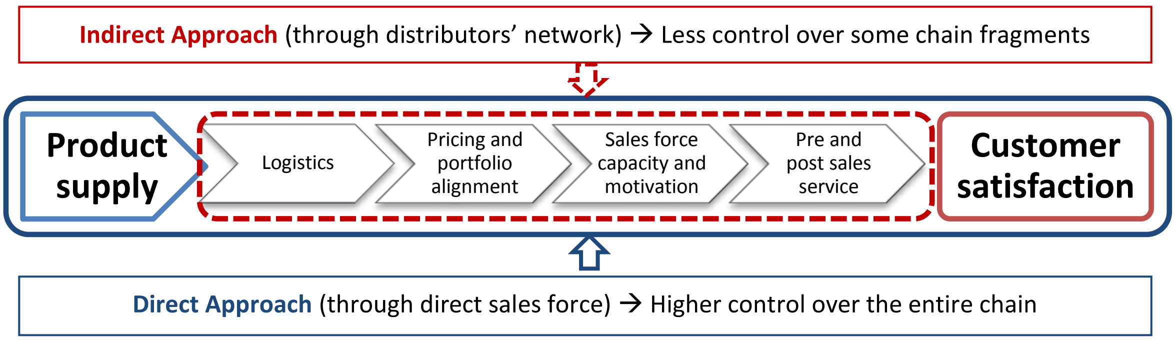

Fig. 14: Integrated approach through the chain: customer focused view from product supply until customer satisfaction.

Route-to-Market redesigning challenge the way the same product could be delivered to the same customer through distinct chain approaches. Focus on a customer oriented perspective can provide a jointly broad and detailed chain overview. Moreover, product and customer solutions should be the fundamentals to approach the market. As reported by Foote et al (2001)[40]: "Companies that adopt this solution oriented strategy may have strong leadership aiming to integrate and centralize those two types of solutions".

Even with no best approach proved for a certain sector or company (Sanders, 2011)[3], the conclusions are in tune with Kumar's perspective (2004)[7], in which the changes degree in distribution strategy should be aligned with the changes degree in the customers' preferences. In this sense, following Sanders' arguments (2011)[3], the approaches and members choices should rely on the value they add to the overall chain and company. Thus, Company S should evaluate which of the approaches (direct or indirect) is able to better perform the stages from logistics until pre and post sales service, in a certain moment, for a certain aspect in analysis such as GA or customers' typology. Hence, Raulerson and Leboyer' (2009, p.2)[39] words are embraced: "Route-to-Market can be spread in a progressive or incremental way throughout the company".

In this way, decisions implementation benefits from arguments and structure improvements, increasing the likelihood of being an effective and efficient decision. Of course, the decisions' quality is affected by the available information and its time lags, which are constrains in this optimization problem (further constrains are listed in appendix XVII – "Main project limitations and difficulties found"). However, restraints will always occur and that is why management is commonly described as "taking decisions based on the available information and on the expectations it generates".

REFERENCES

1. **Richter, Jean Paul**. 1970. *The Notebooks of Leonardo Da Vinci – Compiled and Edited From The Original Manuscripts*. Vol. II. New York: Dover Publications
2. **Bucklin, Louis**. 1966. *A Theory of Distribution Channel Structure*. Berkeley: University of California Institute of Business and Research
3. **Sanders, Nada R**. 2011. *Supply Chain Management: A Global Perspective*. New Jersey: John Wiley & Sons Inc.
4. **Mccarthy, Jerome**. 1960. *Basic Marketing – A Managerial Approach*. Homewood: Richard D. Irwin Inc.
5. **Abell, Derek**. 1980. *Defining The Business: The Starting Point of Strategic Planning*. New Jersey: Prentice Hall
6. **Markides, Constantinos**. 1997. "Strategic Innovation". *Sloan Management Review 38*, no3: 9-23
7. **Kumar, Nirmalya**. 2004. *Marketing As Strategy: Understanding The CEO's Agenda For Driving Growth And Innovation*. Boston: Harvard Business School Press
8. **Coughlan, Anne et al**. 2006. *Marketing Channels*. New Jersey: Pearson Prentice Hall
9. **SCC – Supply Chain Council**. 2013. *GET SCOR: How Do I Use SCOR?*. Supply Chain Council, Inc.: http://supply-chain.org/scor (accessed April 04, 2013)
10. **Rangan, V. Kasturi and Bell, Marie**. 2006. *Transforming Your Go-To-Market Strategy*. Boston: Harvard Business School Press
11. **Bozarth, Cecil and Handfield, Robert**. 2008. *Introduction To Operations And Supply Chain Management*. New Jersey: Pearson Prentice Hall
12. **Steffens, John**. 2004. *New Games: Strategic Competition in the PC Revolution*. New York: Pergamon Press
13. **Narayandas, Das and Rangan, V. Kasturi**. 2004. "Building and Sustaining Buyer–Seller Relationships in Mature Industrial Markets". *Journal of Marketing*. Vol. 68, No. 3, 63-77
14. **Lloyd, Linda**. 2003."Merck & Co. to Spin Off Prescription Drug Benefits Managers". *Philadelphia Inquirer*. August 6.
15. **O'Leary, Michael**. 2003. "Flying Above The Clouds". *Newsweek (Atlantic Edition)*. Vol. 141, June 23, 64
16. **Rangan, V. Kasturi**. 2006. "Cisco Systems: Managing the Go-to-Market Evolution." *Harvard Business School Case 505-006*, May.
17. **Hotopf, Max**. 2002. "Skilling Your Channel". *Routes to Market (The Channel Management Journal from VIA International)*. Nr. 3 (Autumn), 4-7
18. **Aoulou, Yves**. 2005. "L'Héritier inattendu de Monsieur Swatch". *Management*. March 6, 18-22
19. **Fites, Donald**. 1996. "Make Your Dealers Your Partners". *Harvard Business Review*, 74. Nr. 2 (March - April), 84-95
20. **Kotler, Philip**. 1977. "From Sales Obsession to Marketing Effectiveness ". *Harvard Business Review*, 55. November - December, 67-75
21. **Fiorina, Carly**. 2002.In "CEOs: Customer is King". *ZDNet*, November 22
22. **Welch, Jack and Byrne, John**. 2003. *Straight From The Gut*. New York: Warner Business Books
23. **Shorney, Neil**. 2013. *A lesson in sales from... Henry Ford*. Changing Minds: http://changingminds.org/articles/articles10/a_lesson_in_sales.htm (accessed April 08, 2013)
24. **Mang, Theo and Dresel, Wilfried**. 2007. *Lubricants and Lubrication*. Weinheim: Wiley-VCH
25. **APETRO – Associação Portuguesa de Empresas Petrolíferas**. 2013. *Informação nº13 – Lubrificantes*. APETRO: http://www.apetro.pt/index.php?option=com_docman&task=cat_view&gid=17&Itemid=131 (accessed April 08, 2013)
26. Internal data: Company technical department training and on-boarding sessions (June and July 2012)
27. **Cision**. 2013. *Exportações de lubrificantes da Galp Energia ultrapassaram a fasquia das 10 mil toneladas no ano passado*. CisonWire: http://news.cision.com/pt/galp-energia--sgps--s-a-/r/exportacoes-de-lubrificantes-da-galp-energia-ultrapassaram-a-fasquia-das-10-mil-toneladas-no-ano-pas,c2059167192 (accessed April 11, 2013)
28. **Ecolub**. 2013. *Relatório de Actividades 2011*. Sogilub – Sociedade de Gestão Integrada de Óleos Lubrificantes Usados Lda: http://www.ecolub.pt/index.php?option=com_content&task=view&id=99&Itemid=85 (accessed March 01, 2013)
29. **Kline & Company**. 2011."Country Profile: Portugal". *Global Lubricants: Market Analysis and Assessment*. Report #Y533I. New Jersey: Kline Group
30. **Collis, David and Montegomery, Cynthia**. 1998. "An Introduction to Corporate Strategy" In *Corporate Strategy – A Resource-based Approach*, New York: McGraw-Hill
31. **Hill, Charles and Jones, Gareth**. 2008. "Introduction to Strategic Management" In *Strategic Management – An Integrated Approach*, Boston: Houghton Mifflin Harcourt
32. Internal data incorporated in company's identity and collected during the interviews realized for the cases analysis (February – April 2013)
33. **Wooden, John and Carty, Jay**. 2005. "Building the Pyramid" In *Coach Wooden's Pyramid of Success – Building Blocks for a Better Life*, California: Regal Books
34. **Navarro, Carlos et al**. 2010. "The Four Pillars of a Powerful GTW Platform", *Getting Routes to Market Right Designing Profitable Go-to-Market Models in Consumer Goods*, 4-5. Booz & Company: http://www.booz.com/media/file/Getting_Routes_to_Market_Right.pdf (accessed March 01, 2013)
35. **Kline & Company**. 2011."Country Profile: Portugal". *Global Lubricants: Market Analysis and Assessment*. Report #Y533I. New Jersey: Kline Group
36. **DGEG – Direcção Geral de Energia e Geologia**. *Dados de Mercado (Lubrificantes)*. Reports received monthly and internally available with monthly and annual information from the last two years.
37. **Cooper, Lee and Nakanishi, Masao**. 2010. "Understanding Market Shares" In *Market-Share Analysis: Evaluating Competitive Marketing Effectiveness*, 17-20. Boston: Kluwer Academic Publishers
38. **Ecolub**. 2013. *Relatório de Actividades 2011*. Sogilub – Sociedade de Gestão Integrada de Óleos Lubrificantes Usados Lda: http://www.ecolub.pt/index.php?option=com_content&task=view&id=99&Itemid=85 (accessed March 01, 2013) and annual reports internally available with country regions' weights on total collection records
39. **Raulerson, Peter and Leboyer, Antoine**. 2009. *Building Routes to Customers*. New York: Springer
40. **Foote, Nathaniel et al**. 2001. "Making Solutions the Answer". *McKinsey Quarterly*, nr 3: 84-93