



## **CASE RETTIG ICC**

### **– MARKET INTELLIGENCE FOR KEY ACCOUNT MANAGEMENT**

Rettig Indoor Climate Comfort (ICC) brings together Europe's leading brands for radiators, underfloor heating, valves and controls.

Interviewed for this case is Julian Stocks, Key Account Manager for Europe at Rettig ICC, who is responsible for the coordination of large European customer account activity in more than 10 markets (dependent on customer footprint), which together comprise a significant double digit share of the company's sales revenues.

#### **Background on Rettig ICC**

Rettig ICC brings together Europe's leading brands for radiators, underfloor heating, valves and controls. The Company runs international businesses with customers located in over 50 countries around the globe. The largest direct customers are sanitary and heating wholesalers based in Northern, Western, Central and Eastern Europe but increasingly also in North America and Asia.

Rettig ICC's products include steel panels, convectors, decorative, bathroom and electric radiators, underfloor heating systems, thermostatic valves for heating and cooling, balancing valves together with electronic control equipment and programmers.

These Rettig ICC products are sold under some of the strongest brand names in their various industrial sectors. The Purmo, Radson, Thermopanel, Dianorm and LVI target over-the-counter and smaller project markets, where installers and end-users have greater influence. The brands Vogel & Noot, Myson and Finimétal target larger contract markets, where professional specification amongst engineers, architects and contractors is important.

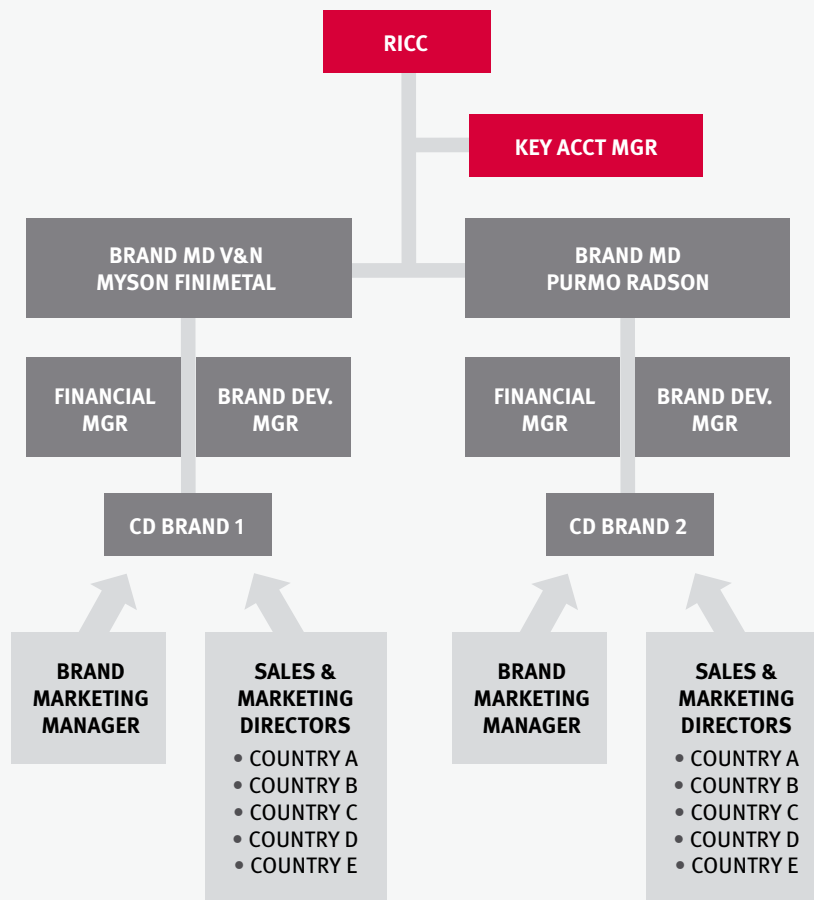
The Key Account Management position provides a central point for communication, interaction and negotiation on behalf of both brand umbrellas for large European customer accounts in both types of markets. These types of large customers are looking for suppliers who can provide a senior point of contact and liaise with local teams to act quickly and decisively across supplier/customer touch points in their European subsidiaries.

## CASE EXAMPLE

### Account Management

Key account managers analyze customer accounts that are of strategic importance, determine the needs and challenges of these particular customers, and implement procedures to ensure that they receive premium customer service and to increase customer satisfaction. Success is often measured by the ability to maintain existing and/or identify new sales opportunities. The ability to build long-term relations is key, even in the face of changes to customer personnel, market dynamics or business cycles.

Over the course of the economic crisis of 2008/09, key account management at Rettig ICC has become even more crucial as customer markets underwent the drastic impact of the global economic crisis in 2009 and significant slowdown in construction and renovation activity. As the senior point of contact for Rettig's key accounts that are located in different parts of Europe, it was essential for Stocks to keep abreast of individual customer markets as well as the changes to the European business environment in general.



## How is Market Intelligence Used in Account Management?

Rettig ICC has used been a loyal user of Intelligence Desk™ from Global Intelligence Alliance since 2001, which it uses to keep a close watch on its business environment. Market Intelligence gathered is delivered directly to 130 Rettig staff every day.

According to Stocks, Market Intelligence can be very beneficial in managing key accounts when used to:

1. Monitor developments in customer markets, particularly complex ones eg. different business cycles, many stakeholders, government involvement in legislation and subsidies
2. Provide a good overview of regional or country-based sales trends, particularly when customers are spread out geographically
3. Predict changes in the customer markets which will impact Rettig sales so they can be addressed in advance
4. Gather industry and raw material insights which will help in customer negotiations.
5. Keep track of personnel movements across the industry
6. Finetune the intelligence process with customer intelligence gathered

A handful of Rettig's customers are publicly listed companies that release a lot of information. The benefit of using a tool such as the Intelligence Desk is that information which is not readily available in the public domain, such as industry reports, can also be included so that more comprehensive views on customer markets can be formed.

At Rettig, information gathered is reviewed on a daily basis and is used in different formats across various presentations. It can be shared throughout the company and with customers, either electronically or by phone.

## Can you please provide some anecdotes?

When used correctly, the Desk can be a powerful market scanning mechanism.

The fact that Rettig has been able to perform better than its peers during tough economic times can be partly attributed to how the company has systematically and strategic used Market Intelligence.

Some examples of how Rettig has been able to proactively respond to changes in its business environment with the market information gathered include:

- Being the first key supplier to request an update meeting with the chief executive officer at a customer organization after one of their directors left
- Recognized payment issues at customer subsidiaries beforehand and re-negotiated credit terms as a result
- Compared information provided from the market verses information gathered independently to derive balanced and informed views. (Larger customers follow raw material price movements very closely , so it is important to be able to manage and drive the resultant negotiations for the benefit of both parties)
- Created 'killer' arguments that produce win-win situations for both both parties in the market
- Won new contracts on the back of reported housebuilding schemes

## **Has the Market Intelligence gathered been useful for other departments too?**

Market Intelligence is also gathered on material cost movements, which is a key component of cost control, and hence profitability. The procurement team uses this information in their negotiations with suppliers.

“Information is power, and negotiating is all about the art of knowing how to use this information. Through the Intelligence Desk, our purchasing people can monitor the market situation and negotiate preferential pricing based on sound market knowledge. It has enabled our people to have the market savvy in making the right decisions, especially during the tough market situations we have recently experienced. I must say, these have been the toughest economic situation I have witnessed in my entire career!” said Stocks.

## **Through the years, what other ‘side-effects’ have there been from setting up a market intelligence operation at Rettig?**

The Intelligence Desk has helped Rettig ‘think as one company’, rather than 10 different businesses. Like all European businesses, the business environment is complex and has many different influencing factors, so it is good to get a good overview of one’s business environment, plus all the different supply and demand trends.

“We have become much more analytical in the way we look at the business environment and I believe that this, together with a strong brand profile, is what our large customers come to expect from us an industrial market leader. This is evident in the way we have been able to pull through the past year as a company, with various strategic initiatives that have been based on how we see our markets moving and that have enabled to present ourselves as a “solid” investment for our customers in uncertain times,” concluded Stocks.

## **About Global Intelligence Alliance**

Global Intelligence Alliance (GIA) is a strategic market intelligence and advisory group. GIA was formed in 1995 when a team of market intelligence specialists, management consultants, industry analysts and technology experts came together to build a powerful suite of customized solutions ranging from outsourced market monitoring services and software, to strategic analysis and advisory.

Today, we are the preferred partner for organizations seeking to understand, compete and grow in international markets. Our industry expertise and coverage of over 100 countries enables our customers to make better informed decisions worldwide.

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