

PRACTICAL
CSM
practicalcsm.com

Case-Study Exercise: Module Two

Case-Study Exercise: Overview

Purpose

This exercise will test the following knowledge and abilities:

Basic understanding of customer success management: Your knowledge of what customer success management is, why it is important and how it works

Knowledge of the role of customer success manager: Your understanding of the tasks involved and the knowledge, skills and experience needed to fulfil the CSM role

Conducting research and analysis: Your ability to read and understand detailed documentation in order to glean essential information from it

Understanding the needs of senior leaders: Your ability to determine what information is relevant to senior leaders and to use business language to present information in a way that is useful and meaningful to them

Communication and influencing: Your ability to impart complex information in a simple to understand and persuasive manner

Working under time pressures: Your ability to get necessary tasks completed to the required standard within the available timeframe

Instructions

First read the 'Task', making sure you absorb and understand it fully. Then turn to the 'Scenario' to read the background information that relates to the task, again making sure you absorb and understand it fully. Once you are sure you have fully understand both task and scenario, complete the task using the information provided within the scenario to help you.

The task should take you a minimum of 45 minutes to complete. Some students may find they need longer in order to complete the task thoroughly.

Once you have completed the task, turn to the 'Model Answer' and compare your own response with that within the model answer. Note that the model answer is simply one possible response to the task, and does not provide either a 'best' or a 'definitive' response to the task, since there may be multiple ways in which information contained in the scenario and tasks might be interpreted, and multiple ways in which problems might be approached and/or challenges might be overcome, that would all yield an equally positive result.

Case-Study Exercise: Module Two Challenge

Task

Perform the following tasks for the business described in the Scenario below:

- Create an Org Chart for the business
- Use your Org chart to help you create a Porter's Value Chain analysis to show how the various horizontal and vertical functions of the company combine to generate value for its customers
- Use a PESTLE analysis to determine what you think might be the external drivers that are impacting the company right now or might impact it in the near term future
- Use the Porter's Value Chain analysis and the PESTLE analysis to help you determine which business capabilities you believe might be either positively or negatively impacted by the proposed new system, and describe the possible impact on each one

Your answer can be in any format – for example it could be in the form of a written document, or a PowerPoint presentation, or anything else. Your answer does not need to “look good” in the sense of formatting or branding, it is purely the actual content that is important, not the way in which that content is presented.

Scenario

Connemara Golfing Limited is a family owned and run, specialist manufacturer and direct-to-the-public online retailer of high quality but reasonably priced golf clubs and other golfing related products. The company was established in 2002, and is headquartered in the Republic of Ireland, with its manufacturing facility in China and with two regional distribution centers – one in San Diego California which distributes to purchasers within Canada, the USA, and Central and South America, and the other in Rotterdam, Netherlands which distributes to purchasers across the entirety of Europe.

After around five years of initial exciting growth, the company suffered badly during the global economic downturn of 2007/8 and it only survived by the owners mortgaging their personal properties and investing everything they had to keep the company afloat. It has taken the company ten years to get over this downturn, but it is now just about back to profitability, with annual revenue for the last tax year of €17m and pre-tax profits of €700k.

One of the ways in which the company managed to survive this difficult period for them was to manage costs carefully and to minimize all unnecessary expenditures. This was a prudent and indeed necessary strategy that enabled the company to keep afloat despite sales revenues dropping to less than half what they had been before 07/08. However, it has meant that no investment has been made in improvements to infrastructure or working practices.

Sales levels began climbing again around five years ago, and have picked up considerably compared with where they were around ten years ago, to the extent that they are now back to where they were originally in terms of sales, although profits are lower than before.

The company is structured as follows:

Senior Management Team

- President & Chairman: Brendan Heneghan
- CEO: Mary Heneghan
- VP Sales and Marketing: Dermott Heneghan
- VP Operations: Sean Heneghan

Sales and Marketing Functions (reporting to the VP Sales and Marketing)

- Head of Marketing: Sarah Connelly
- Head of Customer Services: Josh Callaghan
- Head of Sales (Americas): Paul Heneghan
- Head of Sales (Europe): Dianne Strong

Operations Functions (reporting to the VP Operations)

- Head of Manufacturing: Danny Liu
- Head of Distribution (Americas): Samuel Weiner
- Head of Distribution (Europe): Manuel Rodriguez
- Head of Facilities: Sean Bennett
- Head of Supply Chain: Ron Cameron

Other Functions (reporting to the CEO)

- Head of Research & Design: Gary Smith
- Finance Director: John O'Reilly
- HR Director: Laura Ashworth
- IT Director: Paul Lewis

The company is currently negotiating a large deal with a well-known sports brand to manufacture and supply an entire range of golfing equipment to them under this company's own brand name. If this deal is signed, it could double the size of the business in terms of equipment manufactured, although of course as they would be providing the equipment as a manufacturer and supplier rather than a direct-to-the-customer retailer, the revenues and especially the profits would be lower than for the current direct sales of their products under their own brand name.

Nevertheless, the CEO Mary Heneghan and her VP Sales and Marketing, her son Dermott Heneghan are very excited about the opportunity for growth that the opportunity will provide GG with. They have ambitions to use the additional profits from this new income stream, together with increased profits from a general increase in their existing direct-to-consumers business to fund improvements to their aging facilities and to bring forwards the development of new product ranges in order to "beat the competition to market" with latest golfing trends and innovations.

Of particular concerns for them is the process of calculating existing inventory at each distribution center, and predicting likely sales demands, in order to determine how much of each product needs to be manufactured and sent to each of the two distribution centers. This process is currently performed manually and is very time consuming. Additionally however, it has led to problems where certain items have been overproduced and therefore products have needed to be stored for considerable time in the distribution centers without being sold. This of course means that cash flow is reduced and money that could have been turned around multiple times to make profits is just sitting there, tied up in unnecessary stock, and sometimes even necessitating the company to sell old stock at heavily discounted prices – occasionally at even below the cost of production – just to be able to move it on in order to either create space for other stock, or to enable the launch of updated product versions. Also and perhaps even worse, it has also led to shortages in other products where insufficient levels of some items have been manufactured. This in turn leads to lost revenue opportunities and also to frustrated customers.

Mary, Dermott and Mary's other son Sean who is the VP Operations are in agreement that this situation cannot go on, especially with the potential large increase in manufacturing that is likely to be occurring shortly. Sean has been investigating inventory management systems and "just in time" supply chain management systems, and he thinks that an IoT (Internet of Things) system that uses electronic tagging of all stock items to automatically count and control the flow of inventory items both into and out of their two distribution centers and at the factory itself in China would be a good idea. It would be an expensive solution to implement, requiring a large investment for which the company would need to seek a loan, but the advantage would be the relatively low running costs of the system and the potentially very great benefits of automating the entire end to end process of inventory management at both the factory and the distribution centers and also of automating the re-ordering of stock, based upon demand for each item that would be calculated by the system on an ongoing basis.

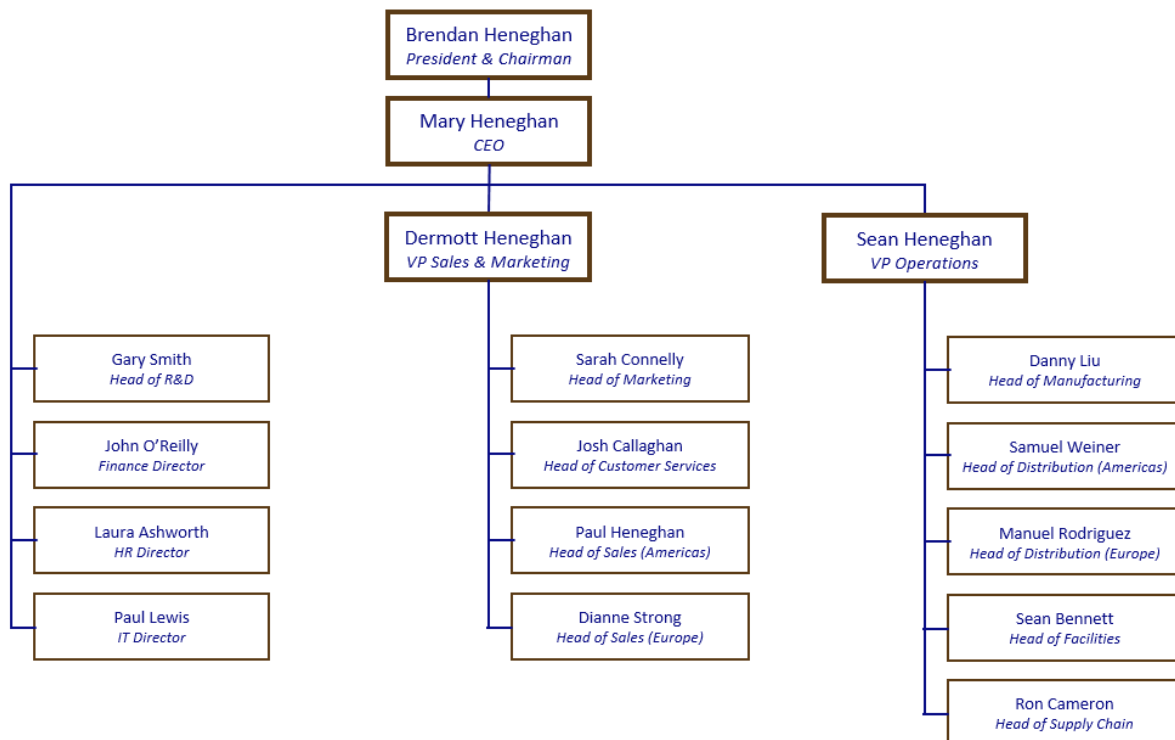
Mary, Dermott and Sean are not clear as to what criteria they should use on which to base their decision as to whether or not to go ahead and purchase this system, or what research they might need to conduct to help them determine these criteria. In addition, they are not sure what parts of their business might be impacted by the change, or how much impact might occur, so they are concerned about any hidden challenges or problems that going ahead and implementing such a system might produce.

MODEL ANSWER

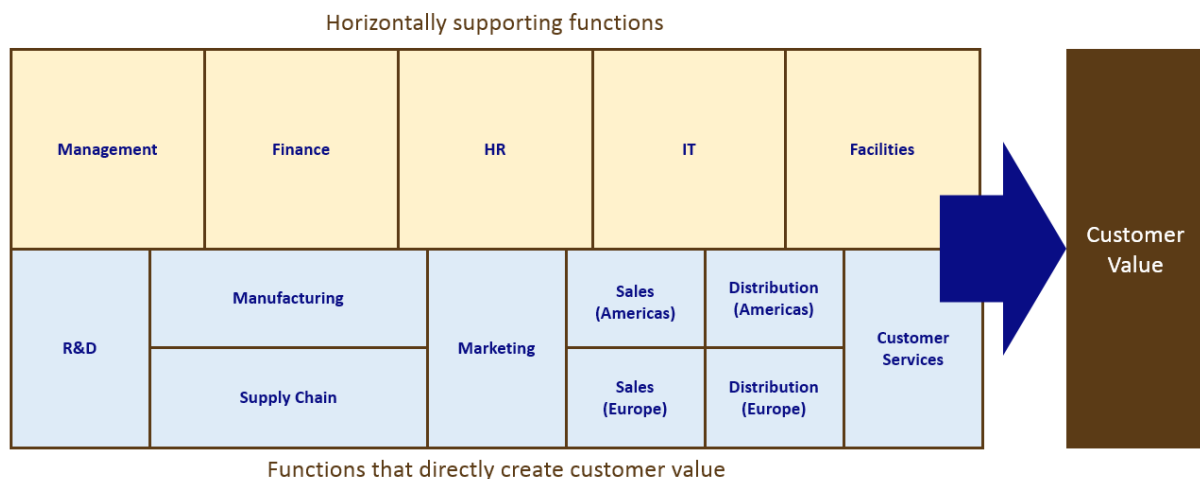
Warning: Do not review until after you have completed the exercise

Case-Study Exercise: Module One Model Answer

Org Chart



Porter's Value Chain Analysis





PESTLE Analysis

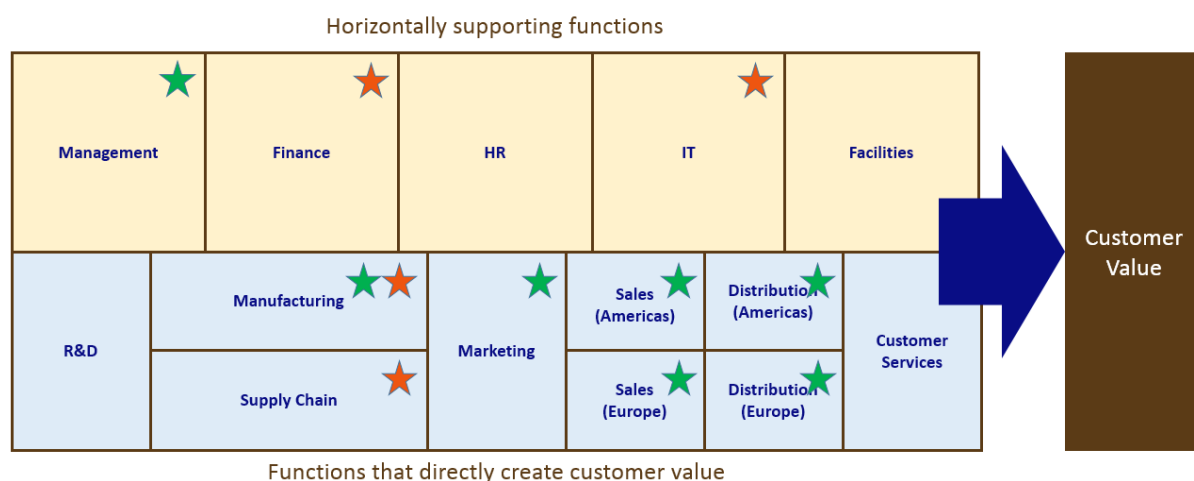
POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
Trade wars between USA and China have lead to increased import tariffs on goods manufactured in China being imported into the USA, impacting costs for the Americas region.	In terms of sales operations, both the American and European economies continue to be stable, with no specific perceived problems. Similarly there are no exceptional economic considerations in China where the manufacturing occurs.	The global interest in golf continues to grow with a total of 23.8m golfers, and 82% of players are described as "committed golfers". This provides a growing base of potential customers for the company's products. Due to political unrest between the USA and China, there is potential for US citizens to prefer not to purchase Chinese made products in the future, although this has not been experienced as yet	Technological advances in golfing and particularly in virtual reality and in other technologies such as "swing analysis" systems has given rise to the potential for increased innovation within the company's product range.	Employment laws that forbid the employment of illegal aliens must be strictly adhered to, especially in the USA which is currently cracking down hard on this.	The main environmental concern is the cost of transportation of manufactured products from China to the distributions centers in Europe and America. Currently, the price of transportation has dropped due to reduced fuel costs. This somewhat offsets the increased tariff costs in the USA.

(Note that the PESTLE was performed in July 2019. Naturally, external influencers will change over time, and this should be accounted for in your own response)

Impacted Capabilities

The following high-level capabilities have been identified as being potentially impacted by the proposed implementation of a fully automated inventory system:

	Indicates a directly impacted high-level capability
	Indicates an indirectly impacted high-level capability



Capability	Description of Impact
Finance	Finance will be directly impacted, as it will need to fund the purchase and ongoing operation of the new inventory system, as well as measuring ROI over time
IT	IT will be directly impacted, as it will be responsible for implementing and maintaining the new system. This may require additional personal, or at a minimum new training for existing personnel
Manufacturing	Manufacturing will be directly impacted, as it will require new processes for fixing the IoT sensors to each product prior to shipping. Other capabilities within manufacturing will also be indirectly impacted by changes to the way in which orders for new products to be manufactured will come into them for the Supply Chain team.
Supply Chain	Supply Chain will be directly impacted as they will be the primary users of the new system. Much of what they do will need processes to be adapted to use the new automated system instead of the existing manual method.
Management	Management will be indirectly impacted, since they will need to make the purchase decision, and having done so will have less cash and borrowing power available to them to use for other purposes
Marketing	Marketing will be directly impacted because they will no longer need to create any (or at least as many) reduced price sales campaigns for large quantities of stock that need to be cleared
Sales	Sales in both the Americas and Europe will be directly impacted, since they will be able to focus on selling the latest and most up-to-date products rather than trying to shift older stock
Distribution	Distribution may also be directly impacted, since without the reduced price clearance sales, there may be a different pattern of purchasing and therefore a change to distribution requirements.

Case-Study Exercise: Your Module One Score

Scoring

Once you have finished, and for your own benefit only, compare your own response to the response within the *Model Answer* and rate your response from 0 (low) to 5 (high) for each of the following:

- *Completeness*: how complete was your response compared with the model answer?
- *Accuracy*: how accurate was your response compared with the model answer?
- *Quality*: How high a quality level was your response compared with the model answer?

Completeness	
Accuracy	
Quality	
Your TOTAL Score	

If you rated yourself at a total of 6 out of 15 or lower your score is lower than ideal, and we recommend you review the module again and then retry the exercise to see if you can improve upon that score.

If you rated yourself at from 7 to 9 out of 15 your score is within acceptable boundaries of competence, although it might indicate perhaps less understanding or experience in the role than a higher score would have done.

If you rated yourself at from 10 to 12 out of 15 your score reveals a good standard of competence that indicates you have understood the task and can perform it well.

If you rated yourself at 13 out of 15 or higher your score reveals a very high level of achievement for this task that indicates your mastery of the topic.