

# Beyond Survival: Thriving in New Market Conditions

Dear Reader,

Over the past 24 months, the economic impact of the international banking crisis has arrived with force, leaving business leaders to bear the full brunt of the market upheaval. Many CEOs are under pressure to respond by launching a wide range of activities simultaneously, while also providing ongoing operational support and deciding in good faith which strategic thrusts will best equip their companies for the future. The immense diversity of areas requiring urgent attention includes everything from cost reduction programs, optimization of logistics, personnel reductions and product portfolio revisions, to changes in marketing strategies. Furthermore, as the degree to which individual industries have been affected differs, the strategic maps applied often deviate greatly between companies.

In addition to these overwhelming demands, many businesses have been subjected to harsh criticism from the media. The integrity and intrinsic value of their top managers and entrepreneurs has come under close public scrutiny. As a result, popular opinion is quick to accuse

today's executives of being profit driven and to bemoan the apparent demise of ethical managers, who subordinate themselves to the common good and focus on corporate social and sustainable responsibility.

However, being "lean and green" no longer needs to be an irreconcilable contradiction. Our Interview with Asher Grinbaum, COO of ICL, examines this question and provides examples of how companies can pursue a "save the planet" approach while also focusing on "profitability". This is likely to become the only realistic option in the future and companies will be forced to act in a moral, ethical and sustainable way if they want to survive long term. The problem at hand is how to convert this realization into practical action within the corporate environment. One approach could be to pursue new remuneration schemes for top managers, which motivate those concerned to look above and beyond the financials for the next quarter. The German bank has already taken action here by installing a new long term payment model on an international scale.

Although these global challenges require long term solutions, there are also many significant changes that CEOs should consider in the immediate future. As the behavior of consumers changes in both B2B and B2C and their expectations rise (due in part to the price transparency provided by the Internet) classic sales techniques are no longer sufficient and sales directors are called upon to come up with new ideas and change perspective. Our article, “Key Account Management in the European Healthcare Industry” explores this topic, stressing that communication with the customer needs to focus more on the added value to be gained from a product or service.

Indeed, conventional one-dimensional communication is rapidly becoming a thing of the past. Today’s consumers use social media to discuss their experience of specific products amongst themselves, while the company – once the product message initiator – is increasingly relegated to the role of observer. In the future, social media (such as Facebook, LinkedIn, Twitter, YouTube, etc.) will transform the lives of people and companies more quickly than we can envisage today. If they are to keep ahead of the social media bandwagon, businesses should begin integrating this powerful force into their corporate strategies now. As our article “Social Media – the Need to Interact” explains, social media is more than a mere marketing tool and the time is ripe to investigate how companies can successfully deal with this influential development.

In this context, we also focus on the significant effect that these trends have on multi-channel management. The growing multi-dimensionality of distribution channels and their interdependence presents sales directors with an avalanche of challenges, which require a more radical response than the implementation of the latest IT tools. Familiar sales management approaches are also crying out for a makeover and the knock-on effect is that the entire supply chain needs to be redesigned. The idea is not just to

reduce costs but also to optimize the globally related processes, while still increasing the supply and delivery speed. The article “Supply Chain Complexity – Dealing with a Dynamic System” focuses on this complex topic.

Although it is true that top managers have always had to deal with these same market, production, product innovation and supply chain challenges, it is the frightening rate of change and the exhausting concurrence of these changes which has slashed reaction times, thereby noticeably increasing the pressure. The economic crisis of the past 24 months has aggravated the situation further.

In light of these market developments, we at the Tefen Tribune have made it our mission to provide you with useful information and realistic approaches to help you navigate through the business management jungle and boost the future success of your company.

Take a break from the demands of corporate life and enjoy reading your new Tefen Tribune.



Dr. Heiko Frank  
Managing Director, Tefen Germany