

ACADEMIC STUDY CALLS FOR C-SUITE TO GET TOUGH ON MARGIN MANAGEMENT

- *In-depth report by Vendavo and Cranfield School of Management academic highlights major shortfalls in enterprises' ability to manage margin*
- *Patrick Reinmoeller proposes Eight Actions Model to help organisations increase margin and perform ahead of market expectations*

LONDON, UK – 21 July, 2016 – Profit performance experts Vendavo and Patrick Reinmoeller, Professor of Strategic Management at Cranfield School of Management, are calling for organisations to increase their focus on margin. With political instability, falling corporate profits¹ and fluctuating commodity prices taking hold, it is more important than ever that organisations place a greater emphasis on understanding and improving margin.

Based on conversations with C-level executives, and by analysing the results of a survey of 200 CFOs and CMOs, a new [in-depth report](#) reveals that those who report growth ahead of market expectations are more likely to say that maintaining or increasing margin is vitally important (41%) to their organisation, in comparison to those behind (4%).

Despite striking evidence that a lack of insight into margin is damaging shareholder value and the financial health of organisations, more than a third (38%) would not know how to affect an increase in margin tomorrow. To help organisations take positive steps, this report offers an Eight Actions model outlining how to regain control of margins at the practical level to beat market expectations.

“With wider economic uncertainty exacerbated by the Brexit vote, understanding how to regain control of margins should be a top priority for businesses,” said Patrick Reinmoeller, Professor of Strategic Management, Cranfield School of Management. “To make real change, leaders must overcome barriers to data, communication and collaboration, and create a company culture which is focused on raising profits. Organisations which give margin the attention it deserves will be best positioned to outperform their competitors.”

“Business conditions are not always predictable, but companies can learn from past trends and build new capabilities to take more strategic action to what is happening in the market,” commented Robert Irwin, Vice-President, Business Consulting, Vendavo Europe. “Those that can accurately measure and report profit and margin up-to-the-minute will improve decision making and advance faster in their chosen markets.”

The Eight Actions Model, which the report outlines in detail, are:

- 1) Increase awareness of growth drivers
- 2) Focus on margin
- 3) Create a common ground
- 4) Analyse how to increase margin
- 5) Open the data vault
- 6) Offer data that matters
- 7) Help client facing employees exert better judgment
- 8) Ensure that awareness, analysis and action are linked

The full report can be accessed at <http://www.marginmatters.eu/>

About the research

The survey took place in Q4 2015, and was carried out by independent consultancy Vanson Bourne who polled 200 CMOs and CFOs of companies with more than 1000 employees and with revenues over \$1 billion in the UK, DACHs, Nordics and Italy. Further commentary on the results will be supplemented in a comprehensive report being produced by Patrick Reinmoeller, Professor of Strategic Management, Cranfield School of Management.

About Vendavo

Vendavo harnesses the power of Big Data to generate actionable insights that enable businesses to sell more profitably. Our margin and profit optimization solutions help global customers make better data-driven decisions for pricing and sales effectiveness. Using cutting-edge analytics and deep industry expertise, Vendavo boasts the largest number of implementations for B2B enterprises in the industry, having helped more than 300 company divisions dramatically increase revenue, improve profit margins and maximize shareholder value. Located across the globe, Vendavo is the solution of choice for Global 2000 companies in industries such as chemicals, industrial manufacturing, high-tech, and distribution.

ⁱ <http://www.ft.com/cms/s/0/87b2215c-f75a-11e5-803c-d27c7117d132.html#axzz45mbqECOd>