

CASE STUDY

USING REAL ESTATE TO IMPROVE SALES EFFECTIVENESS IN JAPAN

A large multinational was underperforming in Japan, one of its key markets. Despite having the largest sales force among its competitors and a network of 70 sales offices across Japan, its sales force productivity was lagging behind, and its real estate was costing a small fortune each year — almost \$20 million.

CHALLENGE

For the Japanese leadership, this was clearly an unsustainable situation. But how could they increase sales and cut costs at the same time? Most of all, how could they convince 3,000 highly conservative, unionized Japanese sales people to buy into the radical changes needed?

Our client hired Axia to create and implement a creative strategy to achieve these seemingly incompatible goals. Specific objectives were to:

- Cut real estate costs by 40%
- Use the sales offices to increase the sales force's productivity and unlock value from the company's real estate spend
- Help gain buy-in and manage change within Sales and other internal stakeholders

SOLUTION

Working with outside designers and sales management, the Axia team proposed a radical transformation of our client's sales offices. Instead of cutting the number of offices in half, as had been initially considered, we proposed increasing the number of offices by 50%, to help the sales force reach new customers while wasting less time traveling.

At the same time, we decided to cut each office to a fraction of its existing size. From now on, each office would become a Touchdown Space — a set of meeting rooms where a mobile sales person could stop for an hour to do administrative work or meet his managers.

Most importantly, we decided to use the sales offices as a marketing tool. The offices would be totally revamped to project a modern, attractive brand image, allowing the sales force to invite customers into the offices. The potential impact was huge — a mere 1% increase in sales would translate into annual returns of \$40 million.



About Axia

Our proven approach—dynamic strategy development coupled with pragmatic implementation—empowers clients to achieve both near-term results and sustainable, long-term growth. As a collaborative business improvement partner, Axia delivers powerful results and exceptional return on investment.



RESULTS

Axia's deep analysis, cultural sensitivity, creative strategic thinking, and change management skills helped unlock tremendous value in our client's facilities infrastructure and aligned management to ensure the project's success.

Key accomplishments include:

- Reduced total real estate costs by 40% (\$8 million a year)
- Increased number of sales offices by 50%, bringing them closer to customers
- Delivered a complex \$30 million capital project 20% under budget
- Increased sales force efficiency by thousands of man-hours per year, leading to more face time with customers and improved quality of life
- Doubled the number of customer interactions in sales meetings, generating tens of millions of dollars in additional revenue

Transforming Sales Offices Will Improve Brand Image With Customers
And Enable A More Mobile Sales Force



The Axia team then helped lead a client team to implement this strategy over twelve months. We created a communications strategy to gain buy-in from local sales people and unions, coordinated implementation across over 100 offices, managed Japanese vendors and a budget of \$30 million. Ultimately, Axia helped our client successfully deliver the project under-budget and to extremely positive reviews from both senior management and local sales people.