

Major oil company in Asia – we identified margin and volume improvement opportunities in lubricant through pricing and channel mgmt

Situation

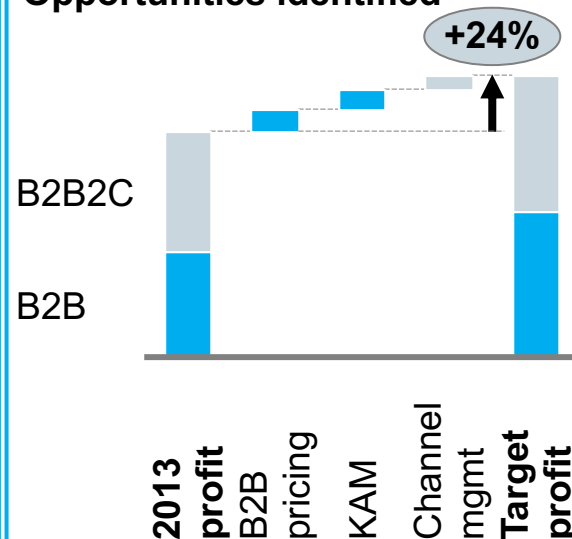
- National oil company in Asia with strong market position in lubricant market
- Have technology advantage in lubricant grease business (B2B), leading local brand in steel end user industry
- Channel management of engine lubricant (B2B2C) was weak, as it was just taken back to lubricant BU after ~7 years managed by group sales company

What we did

- **Conduct diagnosis on pricing strategy and execution of lubricant grease**, conduct value pricing exercise for 1 product, and reviewed price execution practice
- **Review channel management of engine lubricant**
 - Conduct value pricing exercise for retail price, and review retail price control and channel margin management
 - Analyze channel coverage model of dealers
 - Review current dealer management practice, including dealer segmentation, selection, support, etc.
- Review key account coverage and planning

Impact

Opportunities identified



- **Expect significant impact if completely rollout in the group**
 - RMB 250mn profit increase
 - Equivalent to ~1.6% of 2013 revenue