



Consulting: client commentaries

PHILIP MORRIS JAPAN

A NEW BEGINNING

Part of the global Philip Morris International (PMI), Philip Morris Japan (PMJ) is a strong number two in the Japanese tobacco market. Having executed its sales promotion activities through two separate subsidiaries of Japanese trading firms, PMI decided to acquire these two firms, leading to a transformation process in which **Capgemini** has played a major role.

From fragmentation to focus

In 2002, PMI acquired the two sales force organizations previously owned and managed by Japanese trading firms. This would enable significant efficiency gains by rationalizing support systems and cutting out wastage. In addition, the inconsistent operational methods previously used in east and west Japan would be consolidated and improved by introducing best practice methods from other markets.

With this acquisition, PMJ's organization expanded extensively, and it needed strong support for a smooth and fast transition. PMJ management recognized the need for expert consultancy support during this period and decided that **Capgemini** was the partner they needed. With the help of **Capgemini**, the company identified significant opportunities to eliminate redundant back office infrastructure and to build new infrastructure and processes that would lead to better sales planning and execution. Jim Mortensen, PMJ's VP for marketing & sales promotion, explains why: "**Capgemini** had a far more collaborative approach than anyone else," he tells us. "Their proposals and approach were extremely clear and simple. They pulled no punches in explaining how they believed our business relationship should work.

From day one there was real openness in the way we worked together. Nothing 'fell through the cracks' due to lack of clarity about roles."

Transformation on an ambitious scale

To tackle the challenges of this transition, **Capgemini**, in collaboration with PMJ, established several work streams to cover organization, IT, processes, and customer experience. Work started on these streams in parallel and fast progress was made. Comments Jim Mortensen: "The first big achievement was gaining in-depth knowledge of the two companies PMI acquired. We could not identify or address key issues until we gained insight into culture, process, systems, back office architecture, structure, compensation, and performance metrics of the acquired companies."

With the advice and proposals from **Capgemini**, PMJ started streamlining its organization and processes to achieve its goal. Masayoshi Fuse, **Capgemini**'s vice president, tells us: "This relationship is all about collaboration in action. We have worked closely with PMJ to apply best practice while simultaneously building a new company. The collaborative approach is definitely the key to success."

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