

# Partnership Strategy to Protect and Develop Market Share for DONG

## Collaboration with Capgemini helps DONG expand outside Denmark to Germany and beyond

### The Situation

In the wake of liberalization of the energy market, several foreign energy providers have entered the Danish market resulting in increased competition.

As a consequence, DONG (one of the largest energy providers in the Nordics) wants to defend its current market share in its home market and improve its position in foreign markets such as Germany, The Netherlands and Sweden. This should be achieved through closer cooperation and partnership with energy providers abroad.

DONG has therefore asked Capgemini to develop a partnership strategy to achieve market share growth, primarily in the German market.

### The Solution

The transport of energy, in particular Gas, is difficult over longer distances, and potential growth opportunities should therefore be found in areas close to supply sources in the North Sea.

DONG has already established cooperation with Municipal providers (Stadtwerke) in Germany, who are responsible for the sale and distribution of energy. There are approximately 800 Stadtwerke in Germany and the aim of the partnership strategy is to establish a close connection between a number of Stadtwerke and DONG.

Providers in Germany are facing liberalization and a more competitive energy market, and the partnership with DONG will

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strengthen their local market position and give them access to competitive delivery of energy. In cooperation with the local Stadtwerke, DONG will get access to the German energy market and can gain a competitive advantage.

### The Result

DONG has established a sales office in Germany as part of its strategy of market expansion to the south. The sales representatives in this office will make energy sales deals with Stadtwerke that will later develop into formalized partnerships between the companies.

The partnership model is also going to be the foundation for DONG's further expansion into markets like The Netherlands and Sweden.

### How DONG and Capgemini Worked Together

It took Capgemini's Consulting Services four months, in close cooperation with DONG, to develop the partnership strategy and a detailed plan and guide for the implementation. Before arriving at this stage Capgemini had conducted interviews with a number of CEOs of the German Stadtwerke and carried out analysis of the German market. During this process Capgemini used its presence in Germany and its local competencies.

*"Capgemini's strategy is thoroughly prepared and clearly articulated, with a number of sharp points and specific guide-lines. Contrary to most other strategic proposals, this one includes more than just analyses, visions and statements. Capgemini has put considerable effort into delivering a model that can be implemented in practice and has addressed the operational level in the implementation proposal. This makes it highly usable. We know exactly who is supposed to do what and when," says Ole Vestergaard, Head of Products and Partnerships at DONG Handel (Trade).*

For Ole Vestergaard this means that the partnership model has been a mental "turn around" for DONG. Building your business on partnerships and not on contracts and acquisitions requires a change in mindset. It is all about building relationships based on reciprocity and trust as well as common visions and goals with your partners. This has to be prepared and organized from the bottom up.

As part of the delivery, Capgemini offered DONG a one day workshop in its Accelerated Solution Environment® with key decision makers and functional area managers. A total of 35 people participated in an evaluation of conclusions from the analysis, which formed the foundation for the partnership model.

*"The ASE-workshop was indispensable. Partnerships cannot be measured with numbers and curves – what counts is less quantifiable. It is therefore crucial that the partnership concept is broadly accepted throughout the organization and that all the people involved have a clear understanding of the implementation of the model and the importance of our way of cooperating. That is how you gain commitment to the project," stresses Ole Vestergaard.*



### About Capgemini and the Collaborative Business Experience

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collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

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