



Executive Summary

Escher Process Modules is a global process technology house which offers process solutions in oil, gas, petrochemical and chemical industries. They engineer, package, supply and fabricate the best process answer for each individual client. The products are divided into three main categories – oil and gas treatment systems, combustion systems and process vessels. With 90 years of experience, they are known for their reputation and high quality. Today, Escher Process Modules experienced oil price downfall, a slow-down in sales, gaps in-between projects and a loss of customers. The shareholders have also stated a target of EUR 30 million to be reached in 2020. Hence, a sales plan is needed to map out the future direction of the company.

Research Methodology

A qualitative inductive research is designed to first understand the internal sales structure and analyse the market. Primary data collection from interviews with Escher Process Module management and IRO were first conducted. This is followed by a secondary data collection from internal and external resources. The evaluated results are then used to create a research proposition as the main guideline of this report. Based on that, a sales plan is hence produced to overcome the challenges and boost sales revenues. Various analysis tools – Porter’s five forces model; and SWOT, confrontation, Ansoff and BCG matrices – are used in this report.

Market

The oil price has fallen by more than 50% and many made an average of 19.7% capex cuts. However, many reports stated a positive oil price outlook. The oil price should stabilise to US\$ 59 this year and rise to US\$ 70 in 2016 (Wood Mackenzie, 2015). It shows that there is future prospect in penetrating this existing market. In addition to the oil and gas market, analysis in this report has shown that the chemical and petrochemical market took an opposite turn. While the oil and gas industry is on the decline, the chemical and petrochemical industries are on the rise.

Market Strategy

Considering the situations and analyses in this report, market penetration is chosen to be the main direction. Based on grounded theory research approach, it is proposed that they should currently attempt to look into shifting the product or market focus, but they should also continue to market themselves in the oil and gas industry to secure future projects.

Sales Plan

The sales plan proposes the approaches to be taken in accordance of the research proposition. They are mainly product focus, market focus, resource allocation, promotion schemes, distribution channels and product improvement.

- Product Focus

The product focus should be shifted to combustion systems and process vessels because they appeal to the rising petrochemical and chemical market. At the same time, relationships with oil and gas companies should continue to be maintained to obtain new projects when oil price recovers.

- Market Focus

More market focus should be placed on the Russian and the Asian market. The EU sanctions on Russia is expiring soon and the Asian market dominates the emerging market list in Figure 24 of Appendix VII: Potential Countries Analysis.



- Resource Allocation in Sales Department
The sales structure is first to be based on geographic to create close relationship between the account managers and their allocated sales regions. It is then integrated with product-driven specialisation to provide a more focused process solution for each product line.
- Promotion Schemes
The main promotion schemes are attending an exhibition or conference; and advertising in relevant catalogue or magazine within the oil and gas; petrochemical; and chemical industries.
- Distribution Channels
More strategic alliances with local agents and Escher Certified Manufacturers within the focused market should be further established. In addition, occasional visit, frequent communications and rewarding of bonus should be established with these partners to maximise benefits.
- Product Improvement
To engage in product improvement activities, Escher Process Modules can continue to employ engineering interns and cooperate with educational institutions.

Budget Allocation

The sales revenues and costs projection are presented from 2015 to 2020. The required total budget is then calculated. It is estimated that the 2020 budget to meet the target sales revenue is EUR 2,124,810.58.

Monitoring

This determines how well the strategies work out. Sales performance evaluation is to be done every quarter. Performance is matched with sales objectives and relevant revisions to the sales strategies should be made according to how well Escher Process Modules performs.

Conclusion

It becomes clear that the oil and gas market is indeed not at its best now. Reduced capex means less projects is available in the market. This led to slow-down in sales, so there is a need to develop a proposition to guide Escher Process Modules towards their future growth. Following the sales plan in this final report would result in progressing effect of stability. Ultimately, the strategies lay the foundations for future sales revenues.

Recommendations

Several recommendations are added to create a more impactful sales plan. They include suggestions to revise the mission statement and improve the marketing skills of sales and after-sales departments. With regards to resource allocation, a clearer definition of job scope must be enforced. Further advices to open up their own local subsidiary office; seek acquisition and joint venture; and improvements to the sales budget format are also suggested.