

Moving closer to his clients:  
**Francisco Gomes Neto**, CEO of Marcopolo,  
 one of the world's largest bus body manufacturers.  
 The company is taking sales into its own hands.

## Long Distances, Close Relationships

**Buses on Brazil's longest line run for three days straight. Marcopolo is the company that manufactures them.**

Text Gerald Scheffels Photo Douglas Eiji Matsunaga

Over 6,000 kilometers in length, the bus line from Lima, Peru, to São Paulo, Brazil, is the longest in the world. It's a five-day journey, during which two drivers take turns doing four-hour shifts, with two breaks per day. The majority of these buses come from Brazil. Despite the strenuous nature of the trip, the bus is the most competitive option available. The rail network is sparse, and domestic flights are beyond the means of many Brazilians. Some 97 percent of the country's 210 million inhabitants use buses for intercity travel. There is a dense network of bus lines and services—which also means a major market for bus manufacturers. For many years Marcopolo S. A. has been the country's main producer of bodies for long-distance and municipal buses. And the company is one of the largest body manufacturers in the world, producing around 11,000 vehicle bodies a year under the Marcopolo, Neobus, and Volare brands and exporting them to more than 100 countries.

Many managers might be tempted to sit back and relax if their companies commanded over 60 percent of a very large home market. But not Francisco Gomes. After being named CEO of Marcopolo in 2015, he and his fellow board members carefully examined the company's main business processes and systematically analyzed the potential for optimization.

### **Sales: Back in the driver's seat**

"Our sales department used to work with around fifteen different dealers—quite successfully, of course, but with a somewhat unsystematic approach. Especially with respect to customer loyalty, there was and still is considerable room for improvement," notes Gomes. Marcopolo asked Porsche Consulting for support in



## Interoceanic Highway

- 🕒 Five days' travel time
- 📏 > 6,000 kilometers
- 💰 192 dollars per journey

**Right through South America:** The Interoceanic Highway connects the Atlantic and Pacific oceans: The longest bus line in the world—over 6,000 kilometers—extends from Lima to São Paulo.

making use of this potential—with processes that are comprehensible and reproducible.

As Gomes noted at the time, “We’re superbly organized in production. We monitor every step and every parameter, and everything is transparent. Let’s apply that to our sales.” The core of the strategy was to increase flexibility and transparency of the sales process in order to respond to customer needs more quickly and precisely: “We wanted to further expand our share of the market—by building closer relations to our customers and gaining a better understanding of their needs.”

The company first carried out an analysis of the markets. “Sales were significantly better in some regions than in others. We wanted to apply a best-practice methodology, with a systematic approach and new sales strategies, in order to build on the strengths in individual regions,” says Diego Correia from Porsche Consulting in Brazil. The core of the

strategy was to have Marcopolo take sales into its own hands instead of relying on commercial partners.

One means employed by Porsche Consulting was the design thinking process, which now enabled Marcopolo to create unique customer-oriented solutions. The customers were segmented and their individual needs identified before distinct value propositions and customer-specific solutions were defined. The understanding of each customer’s concerns allowed the team to develop a wide range of possible new products and services, including digital product configuration, one-stop shopping, e-commerce, and financing opportunities.

### Every step in the sales process is defined

As a result, a hybrid sales business model has been defined: in large cities and regions with above-average growth potential, Marcopolo is implementing a direct sales channel. In other areas, the indirect model is

maintained but standardized and aligned with the headquarters.

Furthermore, Marcopolo has applied clear management rules to the subsequent processes of orders, production, and delivery. “Every step is now defined,” says Gomes. “Our salespeople and customers can configure the buses correctly right away, which reduces the number of last-minute changes. That in turn measurably improves quality and productivity at our plants.”

Another year will be needed before the sales structure is truly “in place,” but managers at Marcopolo consider the course to be promising and are already seeing initial results. The project was also launched at the right time, because after undergoing a dramatic decline in recent years the Brazilian bus market has now emerged from the crisis and is looking up. Operators are investing in renewing their fleets, which is benefiting Marcopolo to a disproportionate degree. “We have set ambitious targets for both sales and profits, and

are very confident that the targets will help us achieve direct and more favorably structured sales,” says Gomes.

### Rapid aftersales response

Joint efforts with Porsche Consulting are continuing in the form of a second project, which includes all after-sales activities. “Here too we can improve by expanding our services and increasing our sales of replacement parts,” says Gomes. “Just like for new vehicle sales, we first have to really understand the market and what customers want.” A new project is being created for this purpose. In the future, dealers and end customers will also be able to order replacement and wearing parts very conveniently from a digital marketplace.

Supported by Porsche Consulting, Marcopolo wants to take additional steps to improve and expand service. These include holding regular discussions with key customers and defining service levels and response times. “If a windshield breaks on an overland bus, it has to be replaced as quickly as possible. The cost is not the priority here—it’s more important to get the bus back in service. It’s our job to make that happen, and we’re now putting the appropriate structures into place,” says Gomes. He sees greater potential for growth in aftersales than in new vehicle sales. “There’s a lot of room to expand here, and we’re going to make systematic use of it.”