

Proposal of a methodology to integrate the Lean approach into the Marketing function, Case Study: Transport Sector Company in Morocco

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Abstract: Faced with the many challenges currently facing the industry, industrial companies are called upon to react quickly to the various changes by adopting new strategies of agility and continuous improvement. The Lean concept has undoubtedly made its contribution in the production function. It makes the company more competitive and more efficient in terms of costs, deadlines and quality through optimal flow management. The marketing function has been an interesting subject of study during the last years; this interest is due to the important part of this function in the management of the overall performances of the company. This function will certainly contain non-value added activities, which will increase the cost price of the final product or service. The integration of the Lean concept will be necessary. It is in this context that our article will be composed of four parts. The first shows the interest of the Lean approach and its integration into the Marketing function. The second presents a review of the Lean concept literature. The third explains the steps involved in implementing the integration of the Lean concept into the Marketing function. The fourth describes the application of the new approach in the Marketing function in a company in the transport sector in Morocco by deducting the gain in the cost price of the finished product. We end our work with a conclusion and perspectives of work.

Keywords: Marketing, performance, quality, customer, supplier;

Introduction:

In a context marked by the challenge of companies faced with the internationalization of markets and the acceleration of cycles, be they at the level of innovation, the life of products, production or even distribution, Managers generally use new modes of organization and operation. To this end, the imperative of business survival depends largely on the development of several alternatives aimed at generating added value [1].

Moreover, the concept of performance is not fixed, but evolves with the change in the company's practices. It is therefore necessary to determine this trend and its levers that change the concept of performance. In addition, the consideration of environmental and social concerns is attracting growing interest; which has transformed the concept of performance into a multidimensional concept [10].

The need and the behavior of the customers have undergone a

great evolution in the last decades. These customers are becoming more and more demanding about the diversity of goods and services, in terms of cost, quality and deadlines [2].

To meet new customer requirements and changing market conditions, companies have had to look for innovative ways to increase the performance of the marketing function to maintain the company's brand image in the low-cost market. with optimal delay and quality [11].

In addition, although Lean Management is an approach known and treated in various research works and especially in the production function, the Marketing function remains fertile ground for the integration of this concept [7] [8].

The impact of traditional marketing on their decision process is eroding. Paradoxically, it is they who influence new marketing strategies and actions. They are the co-creators, co-producers, co-promoters and collaborators of a brand. Through social networks, they give meaning to the product, service or brand, influencing their peers and becoming the determining factor in the success or failure of a brand. [14]

Since marketing is often seen as a cost-generating function, managers often seek to reduce costs rather than improve operating mechanisms. The growth of global competition has generated remarkable changes in the way companies operate, these changes have affected the marketing function by making its role more crucial to business success. [10].

The objective of this paper is to propose an approach to improve the marketing function based on the Lean Management approach as a very powerful approach.

The first part of the article shows the interest and the role of the marketing function in an industrial company and its contribution in achieving its overall performance.

The second part presents a review of the literature. The third explains the different steps of the new Lean concept integration methodology, based on the carry analysis, in the Marketing function. We finish our work by applying our methodology in a Moroccan industrial company, followed by a conclusion and work perspectives.

Interest Of Lean Management:

Current management is considered the most effective strategy for companies that want world-class performance. Referring to a Toyota production system (TPS), Lean Management is an integrated sociotechnical system that does not eliminate sources of internal variability (Figure 1) at the supplier and the customer [3] (Figure 1).



Figure 1: Interest of Lean Management

The main objective of Lean Management is to achieve maximum efficiency by running operations at minimum cost and with zero defects. However, any transfer of organization or management techniques is also a transfer of leadership profile and organizational culture [4].

THE SOURCES OF WASTE

To achieve this ideal production system, it must be understood by all. According to Spear and Bowen, Toyota and all of its employees define an ideal person or equipment like [16]:

- Being flawless and consistent with what the customer requests;
- able to deliver one unit or one batch at a time;
- Can deliver on demand, in the requested version;
- able to deliver immediately;
- Can be produced in a physically, emotionally and professionally healthy work environment for all employees;
- Can be produced without wasting resources of any kind.

This last point is fundamental in the GST as in Lean today. The wastes are called muda in Japanese. These are activities that consume resources without creating value.

According to Liker and Ogden, if Lean deployment programs fail this is because people are confusing between "process-driven" Lean-based "technical solutions" that led to what we see in a Toyota factory and "Lean Leadership" which has involved Toyota employees in these processes on a daily basis [5].

Lean organization mode is developing today as the dominant model for the development of business processes not only in industry but also in services in general.



Figure 2: [15][17]

Today, there is no consensus on the definition of Lean despite the importance of this mode of organization. It seems that the meaning of Lean has been expanded to include virtually every imaginable good practice and has become synonymous with what many call "common sense".

IMPORTANCE OF THE MARKETING FUNCTION IN THE COMPANY

In its managerial dimension, marketing has often been equated with the "art of selling". As a result, people are often surprised to know that the essential aspect is not selling. As Peter Drucker explains, "the goal of marketing is to know and understand the customer to such an extent that the product or service suits him or her perfectly and sells on their own. Ideally, the customer wants to buy the product because it was designed to meet their expectations. All that is needed is to make the product or service available. In fact, the term marketing clearly explains the basic concept that it means to come back to the consumer and study the market well before making any decision and taking any marketing action. Some authors regard it as a victory of the market economy over the economy of production. Production is trivialized as a simple tool for developing products or services that meet the needs of consumers. This definition shows the breadth of the scope of marketing that is not limited to marketing firms [1].

RESEARCH ISSUES

The Companies must continually face the consequences of small and large day-to-day events, breaks and more structural shocks that disrupt their ecosystem in a sustainable way. Economic and political news also reminds us that the pace, the magnitude and the complexity of these changes are increasing day by day. [8] The Marketing function, which has become strategic for the company, is at the forefront. Resisting better or being the first to take advantage of events are major assets in the economic war.

The interest of Lean Management, both in industrial circles, has increased steadily in recent decades. Part of this interest is justified by the significant results that Lean generates in relation to the reduction of costs and the improvement of quality standards in the organization [9].

WHY INTEGRATING THE LEAN APPROACH INTO THE MARKETING FUNCTION?

The integration of the Lean approach in the marketing function has positive repercussions for the company and its employees. This is due to the analogies that exist between the management methods of these systems such as: The relationship between the Lean approach and the objectives of the Lean approach, the elimination of problems and waste at the source, the accountability of all staff, the involvement of senior management, the requirements for customer satisfaction

RESULTS OF A QUESTIONNAIRE

In this part, we will carry out a survey by means of a

questionnaire with large companies located in Morocco, and more particularly in the north and west of the country.

The questionnaire was submitted to the heads of marketing departments in the companies concerned at the level: Strategic, Tactical and Operational. The analysis of the answers to this questionnaire will make it possible to analyze and assess the needs in terms of axis most relevant for companies in Morocco at the Operational, Tactical and Strategic level in the three main regions of the country.

Our questionnaire was submitted to 20 Moroccan companies in different fields of activity. For reasons of confidentiality, these hospitals will be called C1 to C20.

We have developed a structured questionnaire to assess the needs for the following seven axes:

- ✚ **Axis 1:** Human Resources
- ✚ **Axis 2:** Cost
- ✚ **Axis 3:** Lean
- ✚ **Axis 4:** Quality
- ✚ **Axis 5:** Environment
- ✚ **Axis 6:** Information System
- ✚ **Axis 7:** Technical skills

With each question asked, we associated a grid of answers which contains four columns corresponding to the following evaluations: "true", "rather true", "rather false" and "false". Each response is assigned respectively a weighting coefficient: 1 - 0.7 - 0.3 - 0. The evaluation of the level of performance according to each axis consists in calculating the average of the points obtained according to the four coefficients.

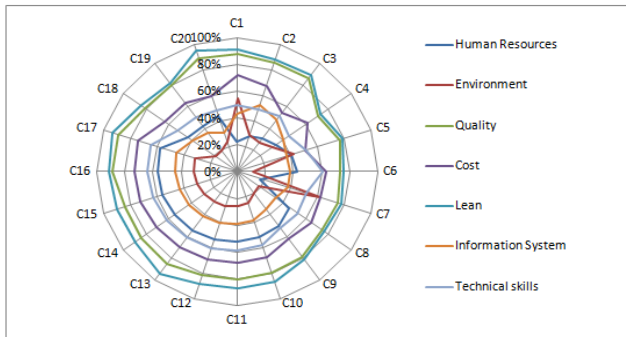


Figure 3: Results of the questionnaire

▪ **ORIENTATION OF OUR RESEARCH WORK:**

According to the results (Figure 3) of this questionnaire we find that the level of performance of the two Lean axes and the quality is higher at the level of the 20 companies. Yet, we found that the Lean approach is the focus for marketers.

However, as already demonstrated in several studies, the results generated by the implementation of Lean Management alone are not sufficient to ensure a competitive advantage. The Marketing function must be linked to the application of Lean Management in the capital market.



Figure 4: Relationship between Marketing Function and Lean Management

In this work, we have relied on the latest studies in this field, to highlight the relationship between the Marketing function and Lean Management in terms of reducing costs, eliminating waste and improving added value. Then we highlight the impact of Lean Management on the agility and robustness of the Marketing function through a new approach aimed at customer satisfaction and the response to customer expectations in the context of the merger of Lean Management and the Marketing function.

PROPOSED METHODOLOGY

Many studies have addressed Lean Management topics and the Marketing function. However, there is an absence in a rigorous and structured approach to improve marketing performance via the Lean Management approach. In order to meet this need, we propose in this work to focus on increasing the performance of the Marketing function based on the Lean approach.

The proposed approach is based on the principle of integrating Lean into the Marketing function. This strategy is an approach that consists of organizing and improving the Marketing function. Indeed, as we have already explained, all the functions of a company are closely linked and contribute to the overall performance of the company. Hence the need for a strategy that sets consistent objectives for all of the company's functions. This is particularly the case for the Marketing function.

Description And Originality Of The Proposed Methodology:

❖ **Porter Method:** Michael Porter identified five forces that collectively influence the intensity of competition in a market. They each correspond to a particular threat for the company in place:



Figure 5: Pillars of the Porter Method [10]

❖ **SWOT method:** The interest of the SWOT model is based on the combination of these analyzes conditioned by four criteria [13]:



Figure 6: Pillars of the SWOT Method [10]

Description Of The New Porter-Lean Swot Model

Our new approach is based on a hybrid approach (SWOT Porter–Lean). We propose a model adapted to the needs of companies in Morocco in the external environment:

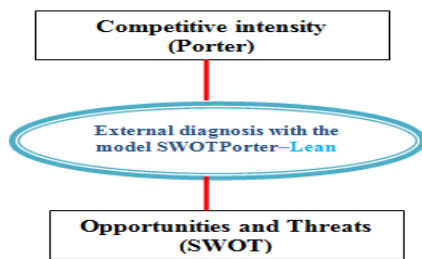


Figure 7: The Proposed model

Stages Of The Proposed Methodology

The proposed approach has three main phases:

- ✓ **The analysis phase is a preparatory phase.** It collects the necessary data concerning the business environment and the existing system.
- ✓ **The integration phase** of the Porter-based approach allows to define the integration strategy translated into integration plans, to model the state of the existing and the target state, to evolve the model of existing to set goals and integrate production and maintenance schedules by synchronizing their tasks.
- ✓ **The monitoring phase** is based on the integration of performance indicators via a dashboard and enrichment through feedback.

CASE STUDY :

• Presentation of the company CTM

The Moroccan transport company (CTM) which was privatized in 2013, continues to know important developments affecting all levels, both functional and organizational. Indeed, this

company is considered the leader of a market where the competition is more and more difficult with the cyclical demand. The CTM has two activities: passenger transport (long-distance, international and touristic) and freight transport (messenger), in which it is characterized by competitive advantages, but also suffers from weaknesses that are nevertheless surmountable, especially its high and fixed prices. The ambitious development strategy that the CTM has achieved over the last few years is starting to pay off in terms of market share and profitability. The net profit for the CTM rose from 16 million dirhams to 29 million dirhams, an increase of 83%, while the turnover has only improved by 8, 4% and the result of 'exploitation fell by 51%. This means that the restructuring of the company will be rewarded even more in the years to come. Wafa Bourse's forecast is nearly 31 million dirhams, as a net result for the year 2010 and 30 million for 2011 with an improvement in turnover around 7%. These results bear the brunt of the short-term investment effort initiated by the CTM as part of the modernization that will have to be finalized in 2014. Growth estimates for 2016 and 2017, according to Wafa Bourse, are 5% for intercity transport, 18% for the messaging hub and 5% for international transport. For investments, 37% were realized in 1999 by self-financing, while the rest was financed by medium-term credit, and by leasing, with the same investment plans for the year 2000. The debt capacity of CTM was largely started in 1999, which negatively affected the outcome.

• Work team

The working group consists of three people: the marketing director, the sales manager and the foreman of the marketing unit. The duration of the study is six months.

Phase 1: Analysis of The Marketing Function

During the phase of analysis of the existing that we made in the services of the marketing function of the company, we were able to carry out interviews and discussions with the different managers (Directors, Salesmen ..) which led us to understand the marketing department's problems at the strategic, tactical and operational levels. This collection of knowledge shows the importance that must be given to the marketing function. Among the malfunctions and findings exist at the level of the marketing department:

- ❖ Difficulties in planning actual client needs and monitoring;
- ❖ Lack of coordination between the marketing activities and the sales department;
- ❖ Attractive markets for the company's competitors;
- ❖ Absence of a marketing training plan and absence of decision-making information system in this function;
- ❖ Lack of analysis of wastes related to the marketing function;
- ❖ Absence of a relevant dashboard to measure the performance of the marketing function.

PHASE 2: INTEGRATION OF THE SWOT_{Porter-Lean}

In this part we have integrated our new SWOT_{Porter-Lean} model into the marketing function of the CTM on the external environment of the company:

Table 1 : Result of the application of the diagnosis by the model SWOT_{Porter-Lean}

External Diagnosis SWOT _{Porter-Lean}	
Opportunities	Menaces (Lean)
- Favorable growth of the transport market for the years 2016 and 2017.	Wastes : <ul style="list-style-type: none"> • Losses related to hard competition; • Cyclist of demand; • Waste caused by advertising; • Lack of service development; • Lack of value added services.
Threat of new entrants (Lean) <ul style="list-style-type: none"> • Numerous barriers to entry; • High entry costs (initial investment) • high fixed costs, importance of economies of scale; • Strong capacity of response of the actors present on the sector. 	Threat of Substitute Products (Lean)) Wastes : <ul style="list-style-type: none"> • Low risk of a serious substitute in the transport sector • High permeability between the segments

PHASE 3: MONITORING THE PERFORMANCE OF THE MARKETING FUNCTION

In this first study, we compare the benefits of improving the marketing function before and after applying the SWOT_{Porter-Lean} model. The results obtained are as follows:

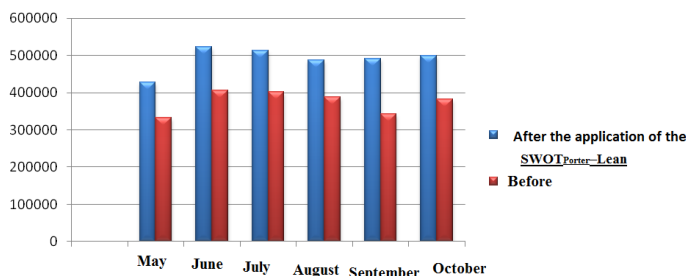


Figure 8. Evolution of benefits in DH of the CTM.

From the results, we noticed that the benefits after the integration of the business model evolved during the 6 months. This improvement is due to the integration of the new SWOT_{Porter-Lean} model.

• INTEGRATION OF PERFORMANCE INDICATORS:

The ultimate goal for marketing is to sell. To sell, he must have the right tools, the right arguments and good management.

Without indicators, without analysis, a Marketing Director cannot guide his team or give him the pace. Below are some indicators proposed in order to improve the marketing function of the CTM:

- **Sales Force Indicators:**
- **Number of signed cases;**
- **Valorization of signed business;**
- **Valuation of lost business with motive and competition;**
- **Business Valuation Ratio In Progress/ Objective;**
- **Signed business ratio / lost business;**
- **Duration of the sales cycle;**
- **Valuation of lost business with motive and competition.**

Conclusion

This article has shed light on marketing function, we have shown the importance of the proposed model (SWOT_{Porter-Lean}).

Also, the goal of this work was to lay the groundwork for a more global thinking about

measures of the performance of the marketing function.

Our main contribution consists in proposing an approach that maximizes the performance of the marketing function and reducing waste associated with the Lean approach. This approach therefore presents a decision support tool that guides decision-makers towards continuous improvement this function.

As a perspective of this work, we are currently working on another development that aims to introduce the LEAN approach in the financial strategies of the company. tests are done on them. In fact this is what the actual aim of Green concrete that to use the locally available products for construction neglecting the conventional practices that generate huge pollution while they are manufactured. There is still ample of scope to research regarding the application of this technique in different conditions.

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