



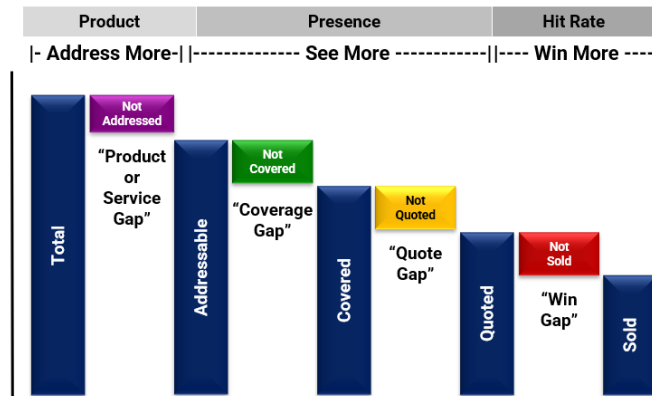
## Generate Profitable Growth by Managing Market Share With PPH®<sup>1</sup>

Market share is the measure of a company’s performance that puts sales and profit into context. Companies with the highest market share are market leaders and reliably generate price premiums, customer loyalty, and higher earnings than their competitors.

Frank Lynn & Associates, Inc. (FL&A) has used a proven market share management tool, PPH®, for over 40 years to help clients maximize the effectiveness of their sales and marketing initiatives and investments. This framework has never been more relevant than it is today.

Organizations need to make choices for their investments and different investments in market strategy-related initiatives generate very different returns. Would expanding a company’s Product offering, increasing its market Presence, or improving its Hit Rate generate a higher return?

The PPH® analysis defines how a company captures its market share and, importantly, what limits it. Through the analysis, a company can identify the investments that generate the greatest profitable growth.



### Winning a Sale and the PPH® Formula

To win a sale, a company must ensure that all the elements required to meet the customer’s needs are present and aligned:

- **Product or Service**– must be fit for purpose, meet specification requirements, and be priced equivalently relative to the customers’ acceptable alternatives.
- **Presence** – the product must be present in the sales channel from which the customer buys and offered and available for purchase when the customer decides to buy.
- **Hit Rate** – the customer must select the company’s brand when they make the purchase.

If any of these elements are missing, then the company does not win the sale. A perfect product or service cannot win a sale when it is not available for purchase, and the best sales process cannot overcome a product or service that does not meet the customers’ needs.

*Using the PPH® analysis, FL&A focused a European company on developing its Product range rather than removing its sales leader. The European sales team had the same Hit Rate as the company's best global sales teams, but the existing products had a much lower addressable opportunity in Europe.*

*FL&A discovered that a leading manufacturer of infrastructure products did not have significant growth potential in public utilities where they have a dominant Presence, but it could generate profitable growth in adjacent segments where it had lower Presence and could leverage its brand.*

The discipline and analytics inherent in a PPH® analysis enable management teams to identify and take actions to increase market share and generate profitable growth.

If your organization would benefit from systematically evaluating its market share to identify the investments it can make to grow profitably, then you are welcome to contact FL&A at [info@franklynn.com](mailto:info@franklynn.com).

<sup>1</sup> For an overview of FL&A's PPH® market share diagnostic framework, see this article:  
<https://franklynn.com/wp-content/uploads/2022/05/FLAPPH-Framework-Enables-an-Obj.-Structured-R.pdf>