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Success Story

Profile COO/Managing Director
Manager CEO Europe Id # : 9382

Iiyama is a Japanese constructor of computer monitors present throughout the world with distribution subsidiaries across Europe, the United States and Asia. When I joined Iiyama in February 1997 as Managing Director of their French subsidiary, the company had been trading for two years and had a turnover of €6.5 million (approximately 10000 monitors pa.) but was making losses. At that time the company had only six employees, and the structure and strategy were not clearly defined. The company had only a very small market share in France, but the products already enjoyed a good reputation as high quality products.

After an initial appraisal of the company, I implemented plans to build a properly structured sales and marketing team and also reinforce the after sales service activity. This consisted of dedicating sales resources to the major sales channels which were at that time the hardware distributors and resellers. As we had a limited operational marketing budget, I chose to work with medium sized national and local distributors to ensure optimal national coverage of the smaller resellers. At the same time we recruited medium and large resellers who were encouraged to buy directly from Iiyama. The pricing structure was carefully constructed and monitored to ensure that the distributors and resellers were able to purchase at prices appropriate to their level of activity whilst conserving overall market harmony. This was accompanied by a communication campaign aimed at end users via the IT specialist press and regular contact with journalists to ensure that our products always featured when launched and in comparative tests. The strong and active cooperation from the parent company who were dedicated to offering the best performance levels and meeting the most demanding quality criteria, at some of the most competitive prices, helped to ensure regular glowing reviews of our products and a growing public awareness and increasing demand for our products.

When the 19" and 22" CRT monitors were first launched in 1998 and 1999, Iiyama quickly established itself as the number one brand in France in these sectors with over 20% market shares. At the same time I decided to increase our market coverage to include the corporate sector covered by a small number of very large corporate resellers and also enter the retail channel which was beginning to increase very significantly and take market share away from the smaller more fragmented resellers. After initially referencing with FNAC (Pinault Printemps Redoute group), Iiyama quickly established lasting partnerships with most of the major retail groups in France. Again a coherent and strictly monitored pricing policy ensured that sales in all channels were maintained without conflict.

Between 1997 and 2001 sales volumes doubled year on year and despite constantly falling prices, turnover increased dramatically to €93 millions in 2002. This represented a volume of 285 000 monitors. The total staff was now 44 employees covering sales, marketing, after sales service, customer administration and finance.

From 2000 onwards, the introduction of flat panel LCD monitors posed a new challenge to Iiyama. Clearly these models were destined to gradually take over the market and eventually eliminate their older and bulkier CRT rivals despite their initially much higher prices. As the prices fell very rapidly, careful inventory planning was very important to ensure that there were no losses due to price reductions on existing acquired inventory. In 2002 Iiyama was the number one brand in LCD sales in France with 100 000 units sold. This represented a 12% market share and included a single order for over 22 000 units for a major retail group, which at the time was the largest single order for LCD's ever placed in Europe.

By the end of 2002 Iiyama France was the second largest subsidiary in the group beaten only by Japan with a much larger potential market. At this time, the activity in France represented 25% of the groups turnover.

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