Company Logo

April 10, 2012

Mr. B. Igwig
President and Chief Executive Officer
Big Company.
1 Big Street
Bigtown BI 10001

Dear Mr. Igwig,

What would you and your team do differently if you knew that your profitability was so highly concentrated that only:

- 20-25% of AA generate 100% of your profits (and 40% is unprofitable)
- 25-30% of your BB customers generate 100% of your CC profits -- and can generate 2x or 3x more -- while most DD are unprofitable given current cost to serve
- 15-20% of your EE generate 100% of your commercial profits -- while the organization is focused on growing and serving FF who are unprofitable given current cost to serve

In a recently completed study of GG best practices, we have found this type of profit concentration exists in almost all HHs. The more successful management teams have used this information to refocus client acquisition and relationship development to grow share of profitable JJ while realigning sales and service models to improve the profitability of the KK customers. This study describes how these teams have made these changes.

We have admired LL for some time and believe this study may help you and your team. Over the past 20 years, the Partners of MM have worked with a number of NNs and their management teams to deliver superior shareholder returns, most recently including OO and PP.

We welcome the opportunity to share these findings with you or other members of your team. If you would like a copy of the report, please give us a call at nnn nnn nnn.

Best regards,

Our names