


# Optimising EMEA Enterprise sales and marketing resource allocation by country

How to choose which way to go

Celsius International
Les Cardoulines – B1 I 1360 Route des Dolines I Sophia Antipolis I 06560 Valbonne, France
T +33 (0)4 9294 4000 F +33 (0)4 9294 4001 W www.celsiusinternational.com E info@celsiusinternational.com

# Optimising EMEA Enterprise sales and marketing resource allocation by country

**This White Paper analyses the distribution of large corporations ("Enterprise" or "Major Accounts") across the European Union, Norway and Switzerland. Our intention is to help sales directors and heads of marketing deploy their sales forces and marketing budgets for this important market segment using an objective measure of market potential.**

We have used data taken from Celsius' "Enterprise Market Model" database.

## DISTRIBUTION OF LARGE CORPORATIONS BY COUNTRY

In the first part of this paper, we have defined 'large corporations' as those with more than 1,000 employees in one country (so a company with, say, 750 employees in Germany and 300 in the rest of Europe is excluded). We also include only decision making units, which means that as much as practically possible, we have excluded purely financial holding companies where purchasing decisions are made at subsidiary level.

We exclude public sector organisations and non-profit entities, but commercial corporations ultimately controlled by government (for example, many power utilities and public transport bodies and, even, in the current economic climate, a significant number of banks) are included.

Under this definition, Germany has by far the largest number of large corporations, followed by the UK:

| Country | Number of corporations | % of total | Rank |
|---|---|---|---|
| Germany | 2,462 | 24% | 1 |
| United Kingdom | 1,706 | 16% | 2 |
| France | 1,371 | 13% | 3 |
| Spain | 724 | 7% | 4 |
| Poland | 529 | 5% | 5 |
| Netherlands | 514 | 5% | 6 |
| Italy | 472 | 5% | 7 |
| Sweden | 365 | 4% | 8 |
| Austria | 302 | 3% | 9 |
| Switzerland | 287 | 3% | 10 |
| Czech Republic | 208 | 2% | 11 |
| Belgium | 207 | 2% | 12 |
| Denmark | 191 | 2% | 13 |
| Finland | 190 | 2% | 14 |
| Portugal | 186 | 2% | 15 |
| Norway | 170 | 2% | 16 |
| Ireland | 154 | 1% | 17 |
| Hungary | 136 | 1% | 18 |
| Greece | 129 | 1% | 19 |
| Slovakia | 78 | 1% | 20 |
| Luxembourg | 14 | 0% | 21 |
| All | 10,395 | | |

The 'big three' economies of Germany, UK and France account for over half of Enterprise accounts in Europe, or 53% in all. Italy's status as a country of SMBs, with large organisations principally in the public sector, also shows up starkly by comparison with Spain, Poland and even the Netherlands, with less than a third of its population. On the other hand, these seven countries together account for over two thirds (68%) of all qualifying corporations.

It is also notable that only Poland, of the newer EU members in central and eastern Europe, is a significant market when measured in this way.

## DISTRIBUTION BY BUYING POWER

Because the average size of large corporations is higher in the larger countries, the buying power of Enterprise accounts is even more concentrated in the 'top seven', if buying power is calculated purely by number of employees. However, France and the UK swap places,:

| Country | Number of corporations | % of total | Rank | Aggregate number of employees | % of total | Average number of employees per corporation |
|---|---|---|---|---|---|---|
| Germany | 2,462 | 24% | 1 | 13,109,437 | 26% | 5,325 |
| France | 1,371 | 13% | 3 | 9,604,809 | 19% | 7,006 |
| United Kingdom | 1,706 | 16% | 2 | 9,185,652 | 18% | 5,384 |
| Spain | 724 | 7% | 4 | 2,974,748 | 6% | 4,109 |
| Poland | 529 | 5% | 5 | 2,766,468 | 5% | 5,230 |
| Netherlands | 514 | 5% | 6 | 2,063,410 | 4% | 4,014 |
| Italy | 472 | 5% | 7 | 1,755,281 | 3% | 3,719 |
| Sweden | 365 | 4% | 8 | 1,366,408 | 3% | 3,744 |
| Austria | 302 | 3% | 9 | 1,163,857 | 2% | 3,854 |
| Switzerland | 287 | 3% | 10 | 1,010,049 | 2% | 3,519 |
| Belgium | 207 | 2% | 12 | 792,539 | 2% | 3,829 |
| Finland | 190 | 2% | 14 | 708,743 | 1% | 3,730 |
| Portugal | 186 | 2% | 15 | 629,340 | 1% | 3,384 |
| Czech Republic | 208 | 2% | 11 | 624,532 | 1% | 3,003 |
| Norway | 170 | 2% | 16 | 584,751 | 1% | 3,440 |
| Denmark | 191 | 2% | 13 | 514,056 | 1% | 2,691 |
| Hungary | 136 | 1% | 18 | 464,572 | 1% | 3,416 |
| Greece | 129 | 1% | 19 | 432,925 | 1% | 3,356 |
| Ireland | 154 | 1% | 17 | 374,497 | 1% | 2,432 |
| Slovakia | 78 | 1% | 20 | 207,618 | 0% | 2,662 |
| Luxembourg | 14 | 0% | 14 | 38,603 | 0% | 2,757 |
| All | 10,395 | | | 50,372,295 | | 4,846 |

France's corporations, while fewer in number, actually employ more than those of UK, with their average number of employees well above the EU figure. The top three countries, on this analysis, account for 63% of total buying power, and the top seven for 82%. Calculating buying power in this way also sees Czech Republic fall down the rankings.

## MORE SOPHISTICATED BUYING POWER CALCULATIONS

There are a number of industry specific methods of calculating purchasing power in a more sophisticated way than purely by number of employees, since the mix of a workforce between clerical, manual, professional and executive employees varies significantly by business activities. Examples are the purchase of telecommunications services, of the size of vehicle fleets and the supply of office equipment, furniture and stationery. We have used Celsius' own calculations of buying power for IT hardware and operating software to compile another comparative table, as follows:

| Country | Number of corporations | % of total | Rank | Aggregate purchasing power | % of total |
|---|---|---|---|---|---|
| Germany | 2462 | 24% | 1 | $5,502,724,300 | 26% |
| United Kingdom | 1706 | 16% | 2 | $4,781,821,101 | 23% |
| France | 1371 | 13% | 3 | $3,872,862,464 | 19% |
| Italy | 529 | 5% | 7 | $1,177,501,039 | 6% |
| Netherlands | 514 | 5% | 6 | $899,352,708 | 4% |
| Spain | 724 | 7% | 4 | $826,141,376 | 4% |
| Sweden | 365 | 4% | 8 | $720,411,011 | 3% |
| Switzerland | 302 | 3% | 10 | $656,155,796 | 3% |
| Austria | 287 | 3% | 9 | $410,409,454 | 2% |
| Norway | 170 | 2% | 16 | $323,596,762 | 2% |
| Belgium | 207 | 2% | 12 | $314,144,432 | 2% |
| Finland | 190 | 2% | 14 | $291,852,942 | 1% |
| Denmark | 191 | 2% | 13 | $291,415,953 | 1% |
| Poland | 472 | 5% | 5 | $244,621,787 | 1% |
| Ireland | 154 | 1% | 17 | $168,009,060 | 1% |
| Portugal | 186 | 2% | 15 | $119,383,415 | 1% |
| Czech Republic | 208 | 2% | 11 | $113,490,777 | 1% |
| Greece | 129 | 1% | 19 | $76,554,259 | 0% |
| Hungary | 136 | 1% | 18 | $75,556,114 | 0% |
| Luxembourg | 14 | 0% | 14 | $25,146,365 | 0% |
| Slovakia | 78 | 1% | 20 | $23,419,574 | 0% |
| All | 10395 | | | $20,914,570,690 | |

So, for the information technology sector, Germany remains the biggest potential market, but UK is larger than France, Italy ranks fourth, while Poland slips well down the list. The 'big three' comprise 68% of the market, but a 'top six', also including Italy, Netherlands and Spain, account for 82% of the potential.

## GLOBAL CORPORATIONS HEADQUARTERED IN THE EU, NORWAY & SWITZERLAND

While the distribution of buying power based on employee numbers, however calculated, strongly favours the 'big three ' economies and joins with the 'following pack' of Italy, Netherlands, Spain and on some calculations Poland to make up 80%+ of the enterprise market, some of the smaller countries deserve further consideration because of their global multi-nationals.

The table below excludes the subsidiaries of corporations which have head offices outside Europe, and includes all global employees of corporations headquartered in the EU, Norway and Switzerland. It therefore indicates the relative global buying power by country. A number of corporations excluded under the 'more than 1,000 employees in one country' rule used above are now included because they have more than 1,000 employees world wide, but in terms of total numbers of organisations in the analysis, these are well outweighed by the exclusion of organisations with head offices outside Europe.

| Country | Number of corporations | % of total | Aggregate global number of employees | % of total |
|---|---|---|---|---|
| Germany | 1,703 | 26% | 11,525,928 | 22% |
| United Kingdom | 1,114 | 17% | 10,886,336 | 21% |
| France | 637 | 10% | 9,526,064 | 18% |
| Netherlands | 319 | 5% | 2,641,078 | 5% |
| Switzerland | 273 | 4% | 2,514,251 | 5% |
| Italy | 331 | 5% | 2,472,557 | 5% |
| Spain | 407 | 6% | 2,391,888 | 5% |
| Sweden | 204 | 3% | 1,750,775 | 3% |
| Poland | 302 | 5% | 1,161,245 | 2% |
| Denmark | 141 | 2% | 1,147,230 | 2% |
| Belgium | 137 | 2% | 1,054,820 | 2% |
| Austria | 193 | 3% | 912,016 | 2% |
| Finland | 131 | 2% | 876,385 | 2% |
| Norway | 121 | 2% | 584,547 | 1% |
| Ireland | 104 | 2% | 512,746 | 1% |
| Portugal | 117 | 2% | 480,234 | 1% |
| Greece | 102 | 2% | 448,013 | 1% |
| Luxembourg | 19 | 0% | 390,834 | 1% |
| Czech Republic | 93 | 1% | 310,110 | 1% |
| Hungary | 50 | 1% | 241,479 | 0% |
| Slovakia | 23 | 0% | 66,964 | 0% |
| All | 6,521 | | 51,895,500 | |

It is not surprising that Germany, the UK and France continue to be the leaders, but there are some notable pointers to the relative importance of the smaller economies. We can see that France and particularly the UK are much closer to Germany when global corporations are included, and that Netherlands and especially Switzerland take on greater significance by comparison to Italy and Spain.

## SUGGESTED SALES RESOURCE DEPLOYMENT BY SUB-REGION

To deploy an enterprise sales force of, let us say, 100 salespeople, we suggest that the optimum distribution, based on sales potential, is as below. As you can see, we have put together some of the smaller countries into common recognised sub-regions.

| | Proposed allocation of Enterprise salespeople (Base=100) based on: | | |
|---|---|---|---|
| Region | Number of EMEA employees in Enterprise corporations | High tech buying power in Enterprise corporations | Number of global employees in Enterprise corporations |
| Germany | 26 | 26 | 22 |
| France | 19 | 19 | 18 |
| UK & Ireland | 19 | 24 | 22 |
| Iberia | 7 | 5 | 6 |
| Nordics | 6 | 8 | 8 |
| BeNeLux | 6 | 6 | 8 |
| Poland | 5 | 1 | 2 |
| Alpine (OS & CH) | 4 | 5 | 7 |
| Italy | 3 | 6 | 5 |
| Central Europe | 3 | 1 | 2 |
| Total | 100 | 100 | 100 |

## ABOUT CELSIUS

**Celsius helps our B2B multi-national customers to gain the best return on their marketing investment by increasing their prospect and customer value. Our direct marketing and database solutions enable them to understand better their target markets, improve sales performance and broaden market coverage throughout Europe and, in many cases, beyond.**

We cleanse, enhance, develop and manage customer and prospect databases for our customers and then help them to put them to work – using telemarketing and e- and postal-mailing. Our customers include SAP, Microsoft, Symantec, Continental AG, Cisco, Autodesk and outside the B2B sphere, BMW.

Our main office is in France's 'Silicon Valley' at Sophia Antipolis, not far from Nice, where our staff includes ten different nationalities and speaks thirteen languages.

**To learn more, go to www.celsiusinternational.com or call Coraline Sidney on +33 4 92 94 40 00.**