

Bouleau & Huntley: Cross-selling Professional Services

Jochen Wirtz and Suzanne Lowe

A professional firm specializing in pension fund audits seeks to extend the firm's relationships with existing clients in the Philippines by offering consulting services. But the first attempt at cross-selling is a flop. What has gone wrong and why?

Juan Miguel Duavit, a new partner and co-director in the Manila office of Bouleau & Huntley, pondered over what had gone wrong earlier in the day at his meeting with National Metals Corporation, a Philippines-based major metals manufacturer, where his carefully prepared consulting presentation had been greeted with a bewildered silence.

THE FIRM

Duavit, 42, had joined Bouleau & Huntley three months earlier, in January 2015. Bouleau & Huntley was a multinational corporation with headquarters in New York that specialized in pension funds auditing and human resources management. Its Manila office had been serving clients in the Philippines for the past 17 years.

The firm was founded in 1923 by Robert Bouleau, a New York actuary, and William Huntley, an insurance executive, who had noted that American corporations were rapidly creating new pension funds for their

executives. The two men recognized this trend would create vast new opportunities for a professional firm that could advise firms properly and audit their plans every year, as required by US laws at the time.

Within 10 years, Bouleau & Huntley had become the leader of a new profession, with a well-established presence in the US. Subsequently, it began opening offices overseas. By 2015, Bouleau & Huntley was a worldwide firm with 45 offices, 335 partners, and revenues in excess of \$1.6 billion. The firm continued to flourish with its combination of high-quality professionalism and aggressive marketing. New divisions had been launched in four areas closely related to pension funds: executive compensation, personnel management, insurance consulting, and re-insurance consulting.

Expansion into the Philippines

The Philippines had a Retirement Act, the Republic Act No. 7641, which required that an employee facing compulsory retirement at age 65 must receive from his employer a retirement benefit based on his final monthly salary and the number of years worked with the firm. Most companies turned to the private insurance industry for pension schemes.

Having repeatedly been sought out by various prestigious clients in the Philippines, Bouleau & Huntley opened its Manila office in 1998. By 2015, the office had 13 partners and 130 employees in the Philippines, operating from its headquarters in Metro Manila, with small satellite offices in Cebu and Luzon. The firm's total revenues in the Philippines were 552 million peso (approximately \$12.2 million)¹.

© 2016 by Jochen Wirtz and Suzanne Lowe; Jochen Wirtz is Professor of Marketing, National University of Singapore. Suzanne Lowe is President, Expertise Marketing LLC.

The authors gratefully acknowledge the Professor Christopher Lovelock for his contribution to earlier versions of this case. Furthermore, the authors thank Professor Leonardo R. Perez Jr., Chairman, Marketing Management Department, College of Business & Economics, De La Salle University; Tom Sablak, FSA, MAAA, EA, FCA, Principal at Buck Consultants LLC; Debbie Smith, Partner, National Professional Standards; Anna Dourdourekas, National Partner in Charge, Ethical Standards, Grant Thornton LLP; and to Pressy Santos-Rowe (a former fellow student at the London Business School of the first author) for their feedback and assistance with the writing of this case.

¹ The peso is the Philippine currency. The exchange rate in July 2015 was 100 peso = US \$2.21

Study Questions

1. What do you see as the key differences between pension fund auditing and management consulting? How good is the fit between the two?
2. Evaluate the visit to National Metals Corporation. What happened?
3. What are the lessons of this experience?
4. What actions should Bouleau & Huntley take now?

This file contains sample pages only. The full case is available in:

Jochen Wirtz and Christopher Lovelock (2016), *Services Marketing: People, Technology, Strategy*, 8th edition, World Scientific.

[Click here for link to Amazon.com](#)

