

Upgrade your selling systems

The quantitative part

Glenn Guilfoyle

The Next Level

What we do and how we do it

- **Specialise in deploying proprietary Sales System to any B2B organisation**
 - **model,**
 - **map,**
 - **design,**
 - **plan,**
 - **measure maximum sales team productivity and RoI**
- **Work collaboratively, transferring tools, skills and knowledge to our clients**

The Next Level Sales System

- **Sales team optimisation and Sales exec effectiveness system**
 - tailored for any business-to-business sales organisation
- **End-to-end suite of modellers, designers, mappers**
 - review, challenge, renew salesteam utilisation, strategy, benchmarks
 - optimise sales process, system, team performance

What is Sales team optimisation? (StO)

40,000 B2B Sales organisations are sub-optimised

- **At least “a handful of road warriors”**
- **Large, heterogeneous collection of customers and prospects**
- **Repeat visits to align with repeat order consumable products or services**
- **Customer has switchable supplier choice**

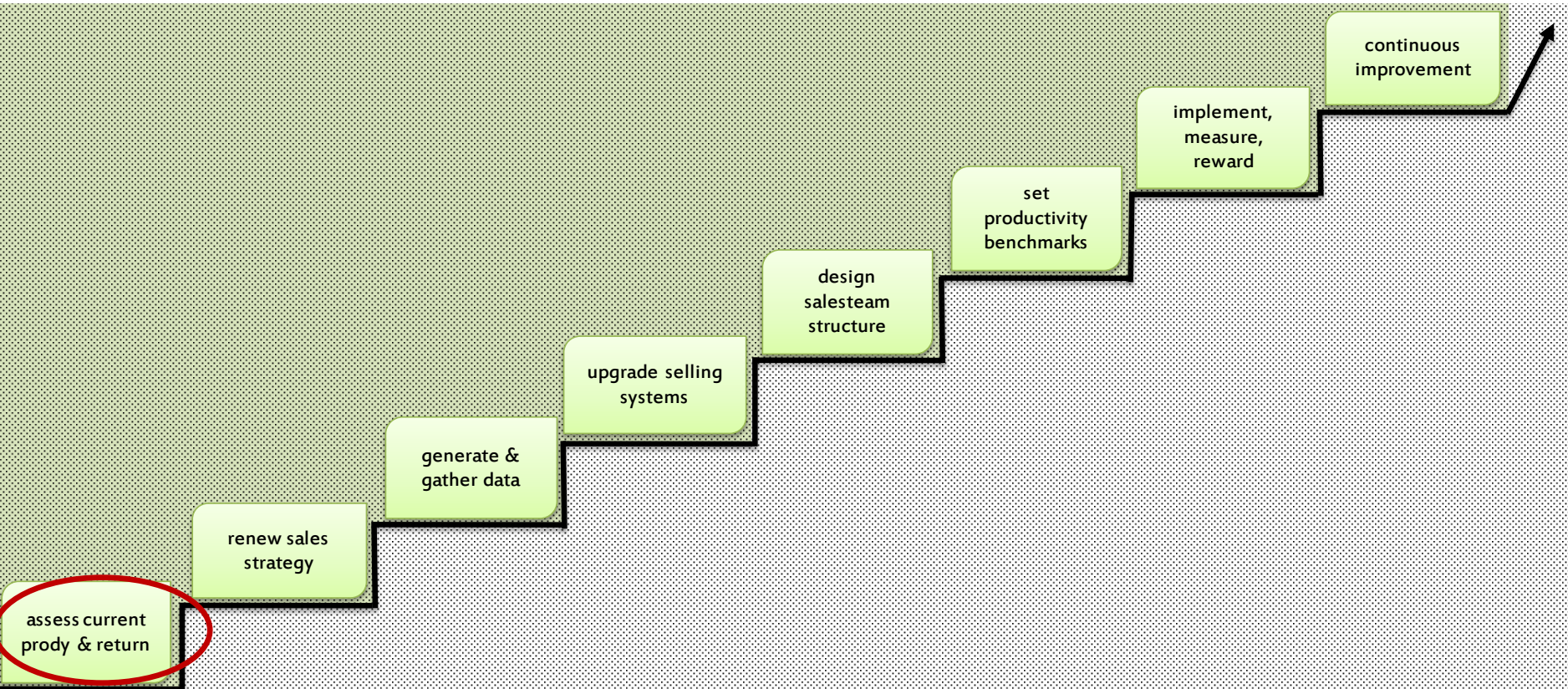
What is Sales team optimisation? (StO)

- **Analytics that align Sales team design and process to classified customer base and profiled prospect pool**
 - **Maximum productivity and RoI from resource available**
- **Science of engineering a sales team to a tailored system**
 - **Mobilise resource to best utilisation for maximum realisation**

What is Sales team optimisation? (StO)

- **Right person**
- **Right time**
- **Right frequency**
- **Right reason**
- **Right value**
- **Right partnership framework**

Assess current productivity and RoI



Eight productivity “levers” to increase RoI

RESOURCE LEVEL

x

VISIT CAPACITY

=

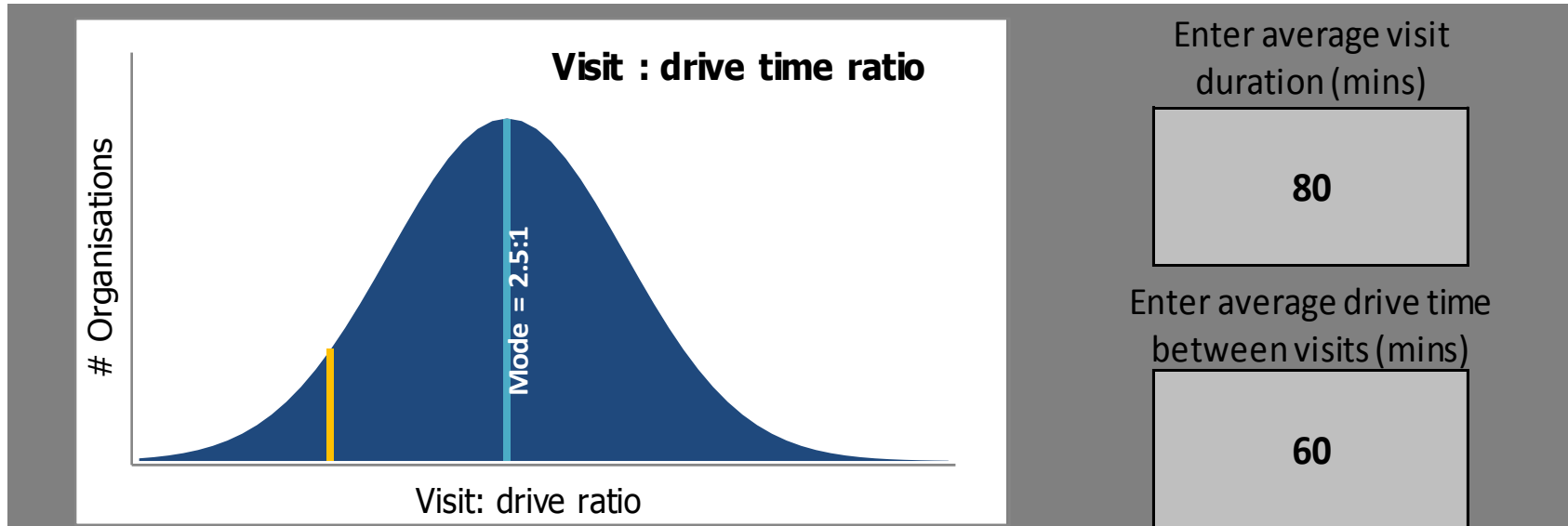
CUSTOMER COVERAGE

+

PROSPECT PENETRATION

$$\sum \left[\begin{array}{c} \text{*# heads in each role type} \\ \times \\ \text{*% dedication to front} \\ \text{line sales} \end{array} \right] \times \begin{array}{c} \text{*ave days per week on} \\ \text{territory (annualised)} \\ \times \\ \text{*ave visits per day} \\ \text{whilst on-territory} \end{array} = \sum \left[\begin{array}{c} \text{*# customers in each class} \\ \times \\ \text{*baseline min visit frequency} \\ \text{(annualised)} \end{array} \right] + \begin{array}{c} \text{*# targetable prospects} \\ \times \\ \text{*ave visits to convert/recycle} \end{array}$$

Visit : drive time ratio ripe for improvement



Ratio (visit/drive)	Improvement factor
1.33	27%
<i>B2B cross-industry best practice range is 2:1 - 3:1</i>	

Current cost of visit higher than B2B cross industry norms

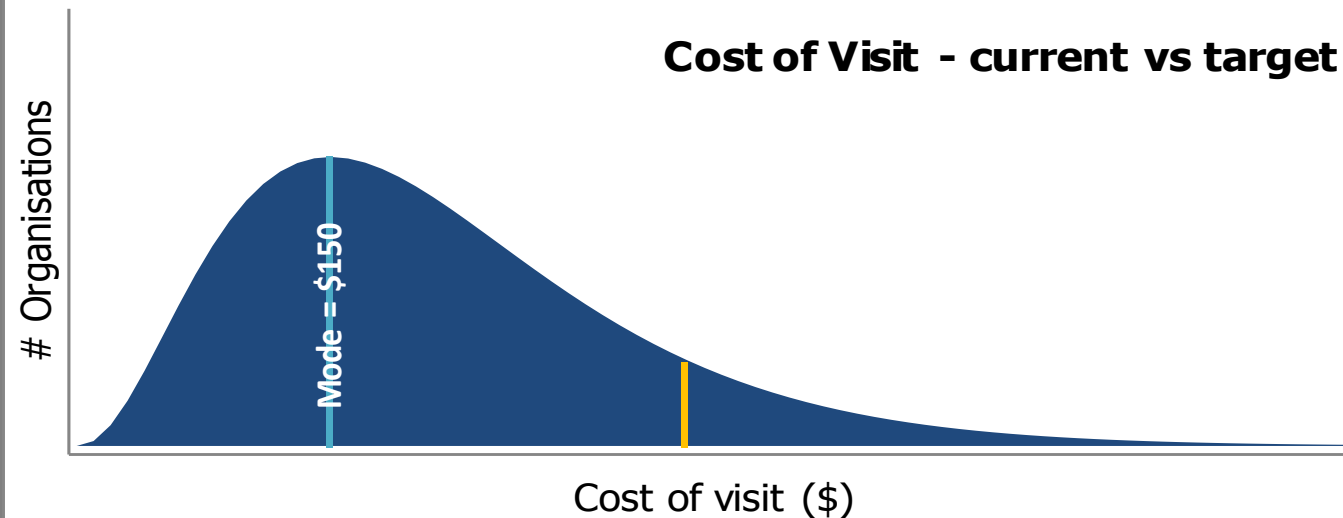
How does this translate to the cost of each visit?

Current Cost of Visit

\$354

Target Cost of Visit

Improvement factor



StO scenario priorities

Scenario 1

RESOURCE LEVEL x VISIT CAPACITY = CUSTOMER COVERAGE + PROSPECT PENETRATION

SET

OPTIMISE

MAXIMISE

N/A

The Next Level's StO modelling will work according to the following guidelines:

SET resource level, OPTIMISE visit capacity, MAXIMISE customer coverage and N/A prospect penetration

Productivity gains pitted against increased RoI expectations

\$ 5,665,000

:

\$ 240,000

\$

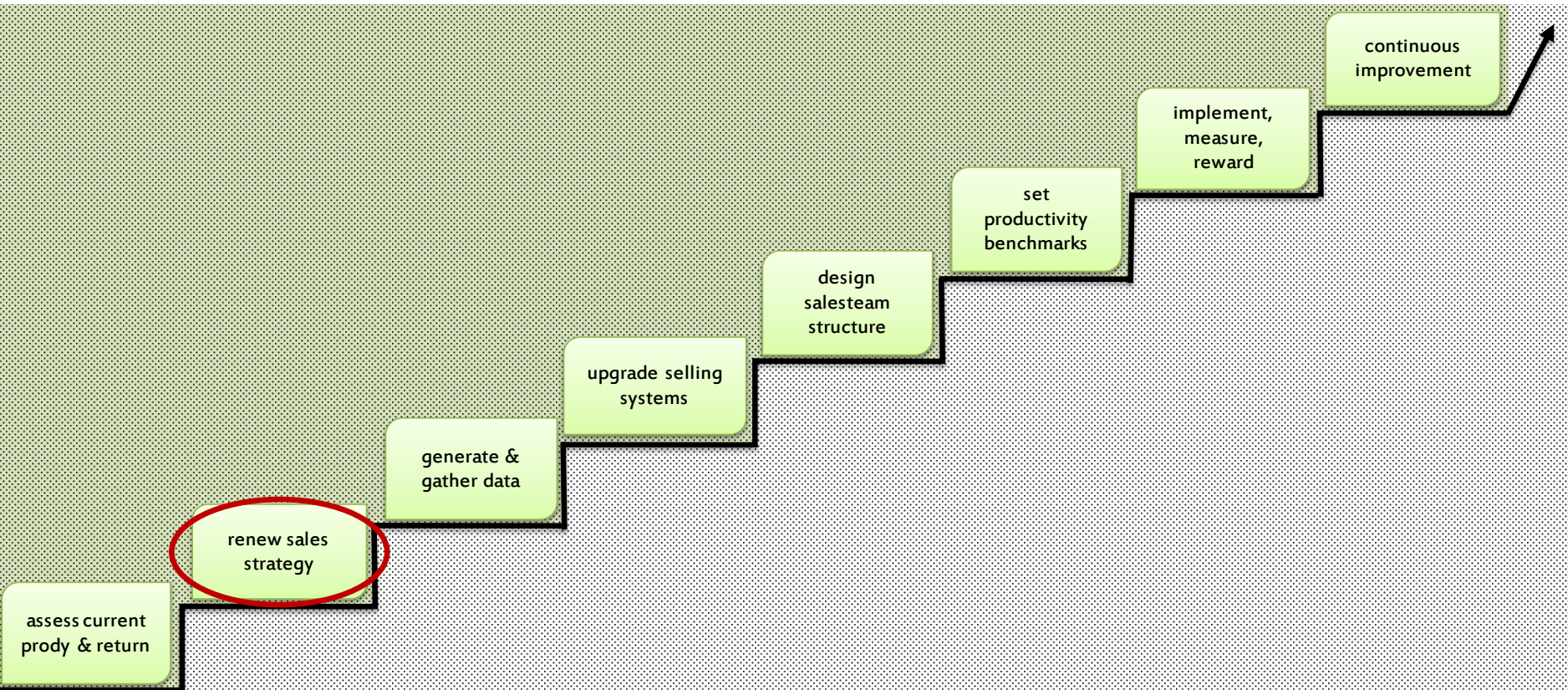
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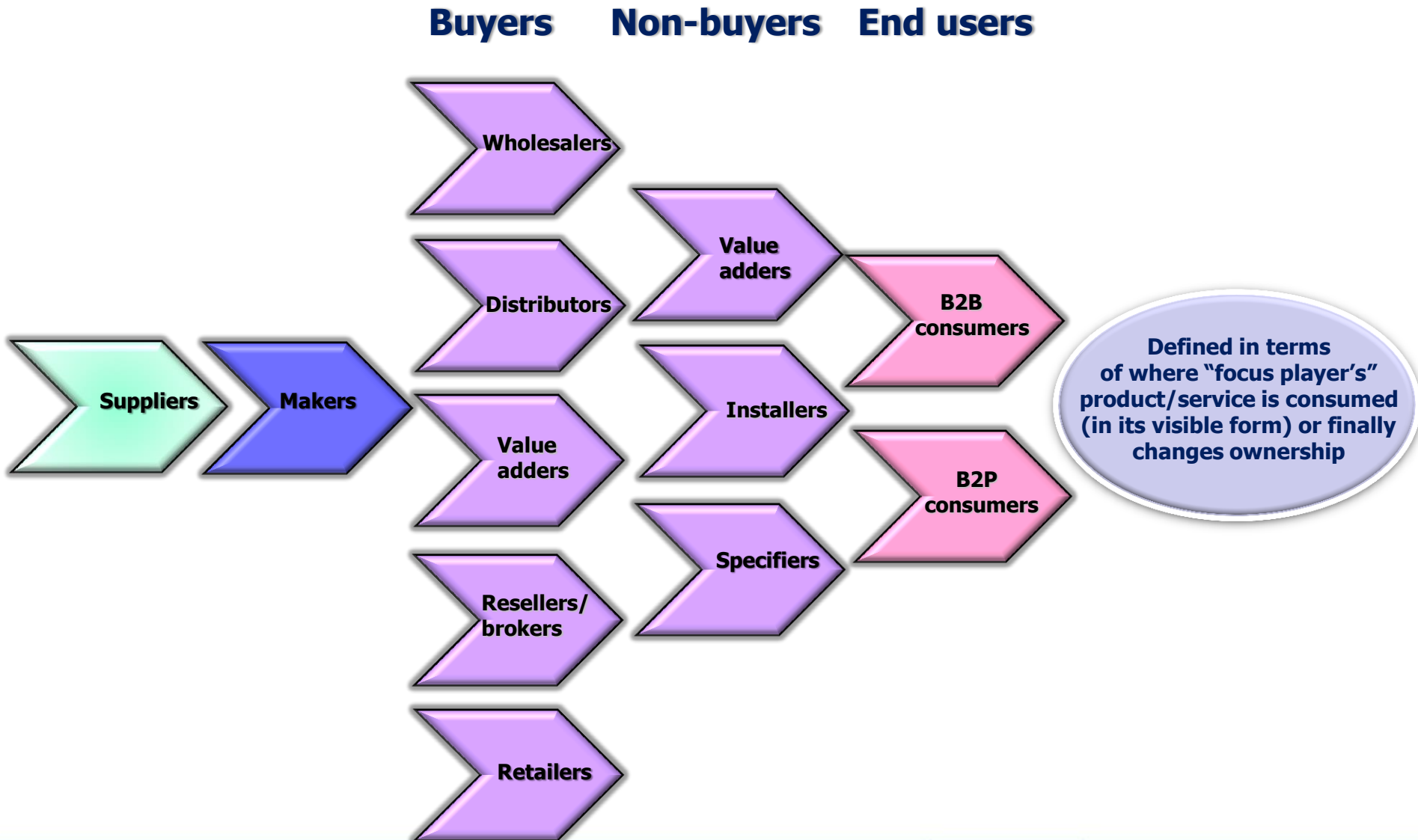
\$

1

Renew sales strategy



Value Chain structure model..... for each end user – end product



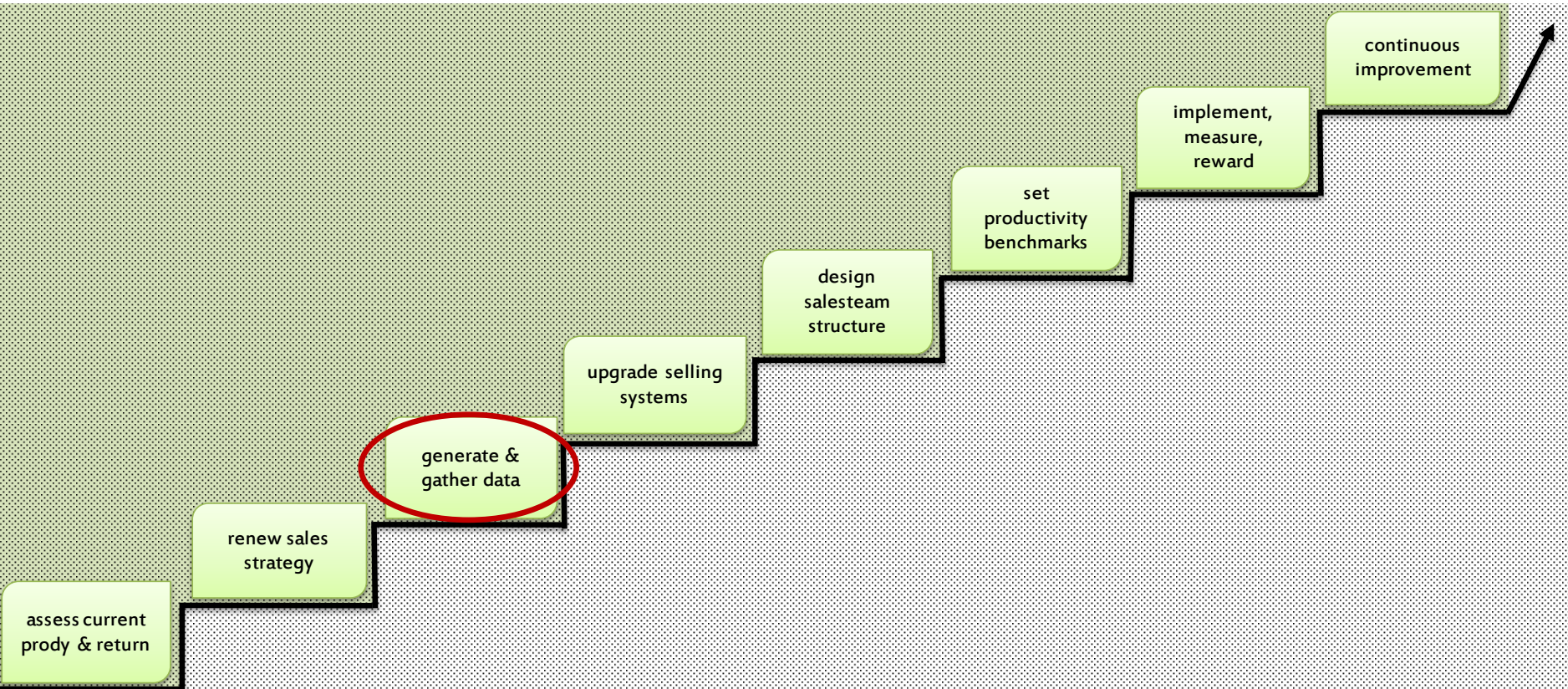
Chains and channels environment

	Segment Player/s								End User
Segment player:	Maker	Reseller/broker	Wholesaler	Reseller/broker	Reseller/broker	Specifier	Specifier	Specifier	growers
Company role:	Us								B2B(Bus-to-bus)
Buyer/Non-buyer:		Buyer	Buyer	Buyer	Buyer	Non-buyer	Non-buyer	Non-buyer	Buyer
Customer?:		We trade with them	We trade with them	We trade with them	We trade with them	We don't trade	We don't trade	We don't trade	We don't trade
Competitor?		Some compete	Some compete	Don't compete	Some compete	Don't compete	Don't compete	Don't compete	Don't compete
Descriptors:		H/O who act on beha	eg AIRR	grower groups;co-ops	Group branch places	independent FFS agro	KOLs	industry bodies; rese	ch bodies; supermarke
Commissioning:									
	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers
Populate number of customers (direct and indirect) for each segment		Landmark, Elders, CP	AIRR; Landmark	c20 grower groups (1	1,400	100	c30	c10	48,000
Extra detail				coops & major GG di	Direct & indirect CV d	predom WA			4-5 K engaged with
	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment
Input total population for each segment		5	2	c30	1,400				
Extra detail									
Indicate the sales team role type(s) and FTE of each type being aligned to each segment		Peter Close ; SAM	AIRR: CU Head, TSM	TSMs	TSMs; specialist see	TSM; solutions selling	Corp Affairs; Crop He	Corp Affairs; Crop He	TSMs; solutions ; spe

Sales team alignment in the chains and channels environment

Segment player:	Maker	Reseller/broker	Wholesaler	Reseller/broker	Reseller/broker	Specifier	Specifier	Specifier	growers
Company role:	Us								applied & consumed
Buyer/Non-buyer:		Buyer	Buyer	Buyer	Buyer	Non-buyer	Non-buyer	Non-buyer	Buyer
Customer?:		We trade with them	We trade with them	We trade with them	We trade with them	We don't trade	We don't trade	We don't trade	We don't trade
Competitor?									
Descriptors:		H/O who act on behalf of	eg AIRR	grower groups;co-ops	Group branch places on	independent FFS agrono	KOLs	industry bodies; research	
Commissioning:									
	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers	No. of Customers
		Landmark, Elders, CRT	AIRR; Landmark	c20 grower groups (1 m	1400	100	c30	c10	48000
				coops & major GG direc	Direct & indirect CV cap	predom WA			4-5 K engaged with
	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment	Total population of segment
		5	2	c30	1400				
Sales team role types:		Peter Close ; SAM	AIRR: CU Head, TSMLa	TSMs	TSMs; specialist seeds	TSM; solutions selling r	Corp Affairs; Crop Head	Corp Affairs; Crop Head	TSMs; solutions ; spec
Enter Se: Servicing and/or F: Farming and/or H: Hunting and/or Sp: Specifying. Upper or Lower case can be used to indicate predominance.		Se; f; sp	Se; f	Se ; f ; sp	F ; se	Sp	Sp	Sp	F ; se
Select Push, Pull, Push/pull, Pull/push or Specify from menu.		Push	Push	Pull	Push	Specify	Specify	Specify	Pull

Generate and gather the data



Six tranches of data

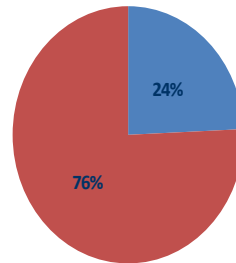
- **CV**
 - Direct and indirect
- **PV**
 - Direct and indirect
- **Cost-of-sale; cost-to-serve**
- **Basic internal sales team productivity and return data**
- **Basic external competitor sales team and market data**
- **Sales Exec activity:time allocation**

F2F time less than expected ...

Solo office time more than expected

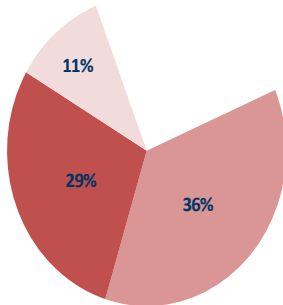
Breakdown of total time

■ Office time ■ Territory time



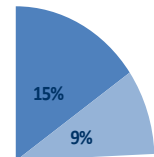
Breakdown of territory time (% of total)

■ F2F time
■ Drive time
■ Other territory time (eg admin, phone calls, emails)

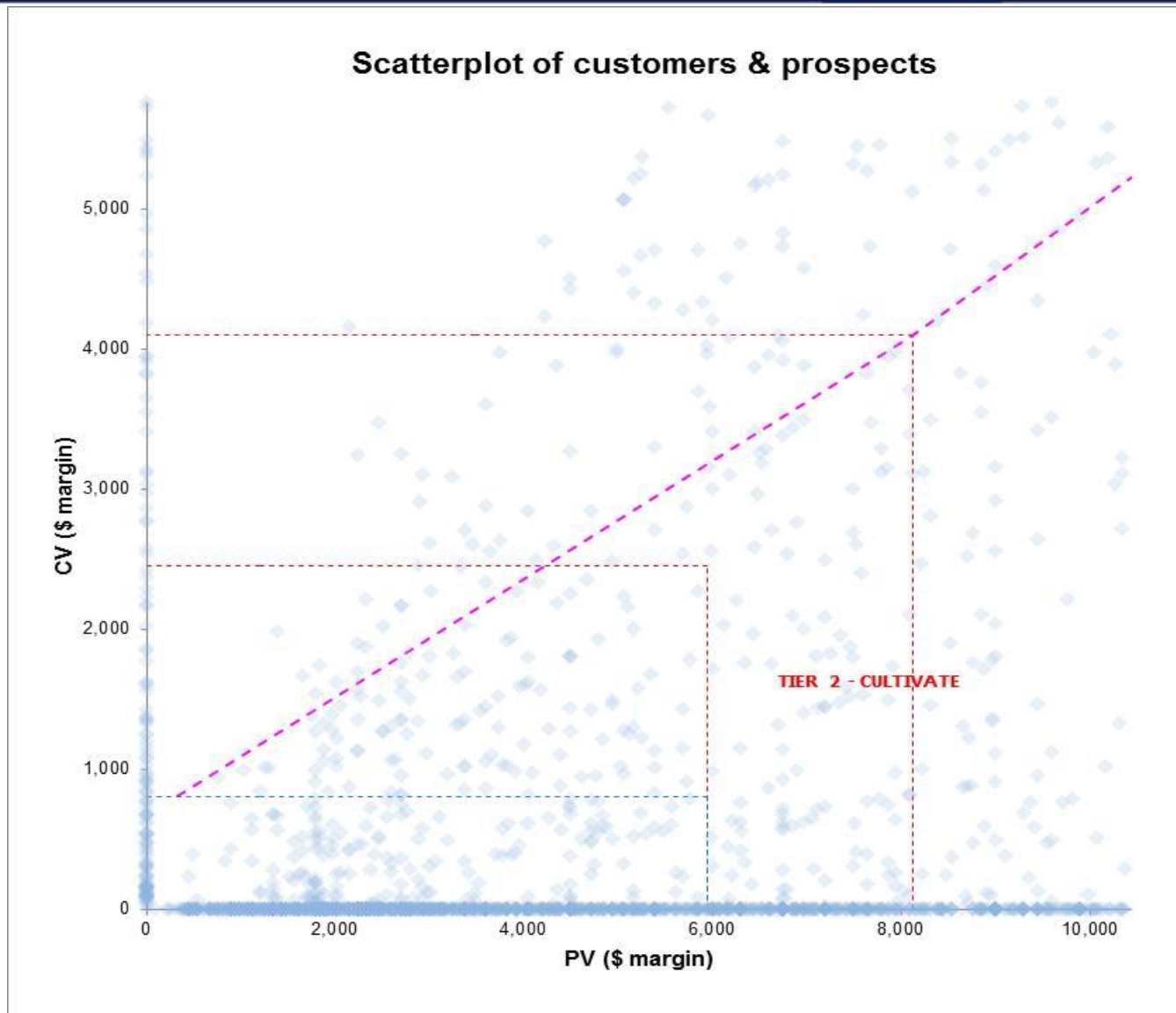


Breakdown of office time (% of total)

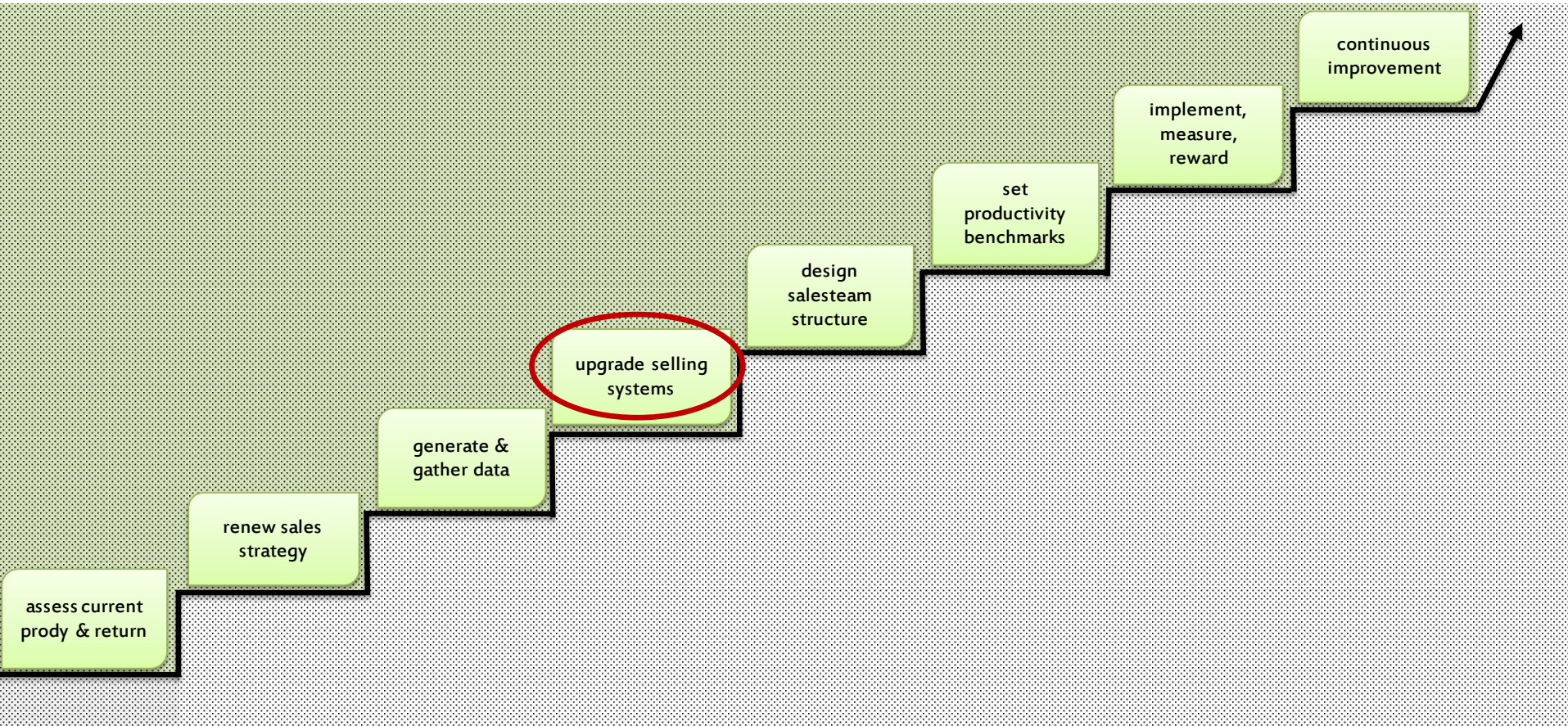
■ Solo office time
■ Non-solo office time (eg meetings)



The CV, PV, SoW, CoV inputs create classification scatterplot



Upgrade selling systems

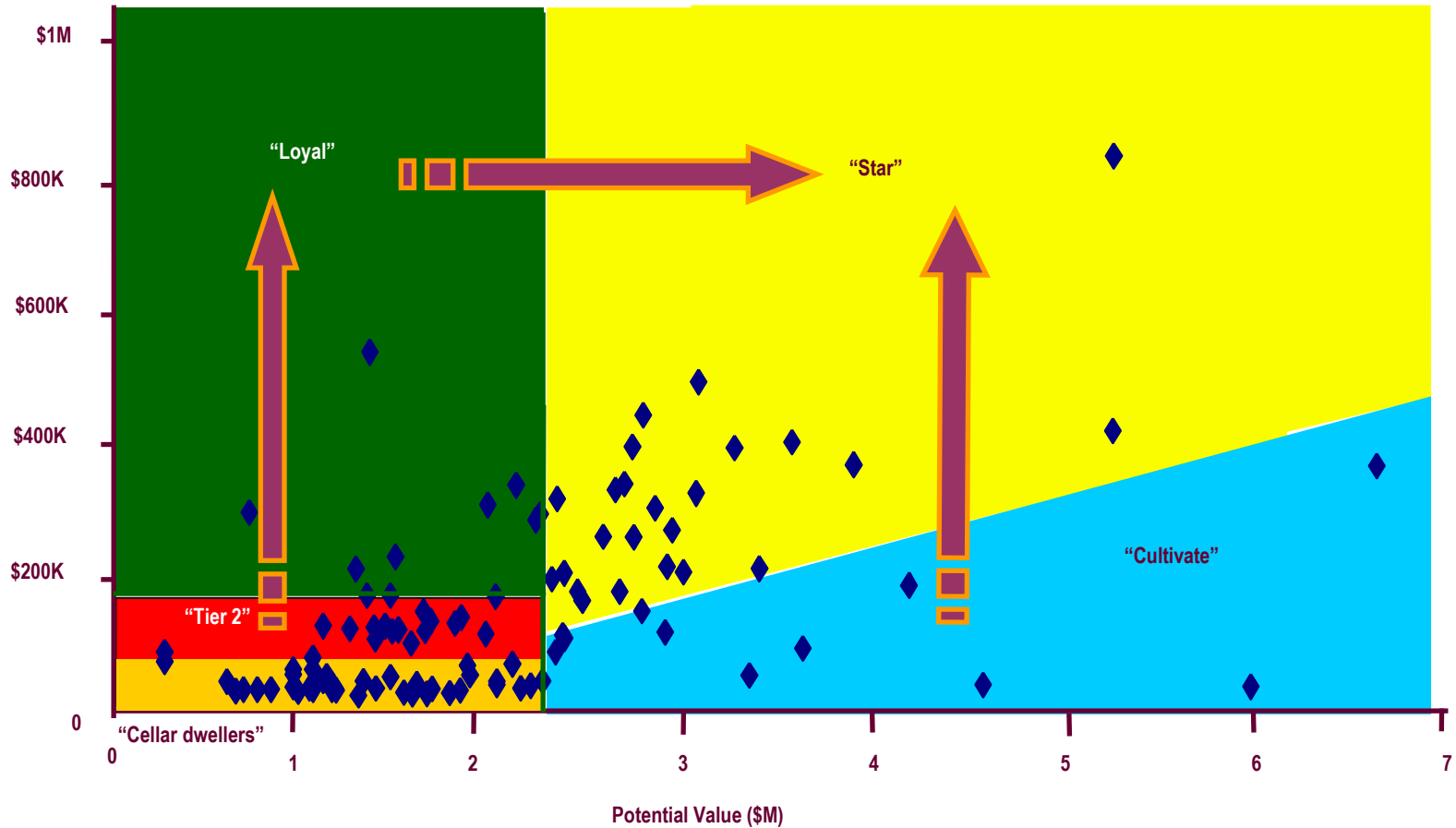


Principles underpinning customer classification to deliver competitive advantage

- 1. Customers are profiled on current AND potential value**
- 2. Process features objectivity/rigour in data /classes**
- 3. Sales Exec input subjectivity is minimised and restricted to case by case manual intervention at end of process**
- 4. Consistency in process and outcomes**
- 5. Refreshed and updated on an appropriate cycle (annual)**
- 6. Platform for in-field targeting activity benchmarks**
- 7. Outputs can support alternative resourcing level, deployment and structural modelling**

Classify customers via scatterplotting

Current Value (\$)

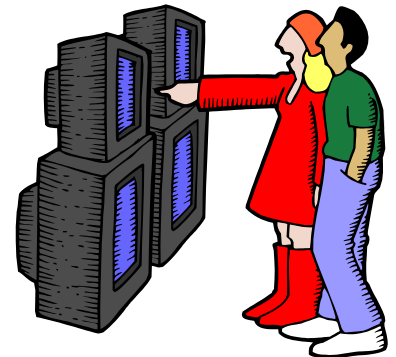


Cost of sales and cost to serve

Cost-of-Visit =

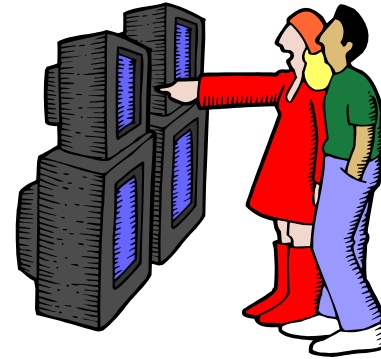
(Total Cost-of-Sales + Total Cost-to-Serve)

Total team visit capacity



Cost of sales and cost to serve

- **Allocate all direct costs to support sales people managing customer base**
- **Sales support**
 - Cost to company of sales person paid and fully equipped
 - Sales management
 - Internal sales/telesales
- **Service support**
 - Customer Service/Call centre
 - Quotation processing
 - Technical support
 - Any other functionary that *directly* serves same customer base

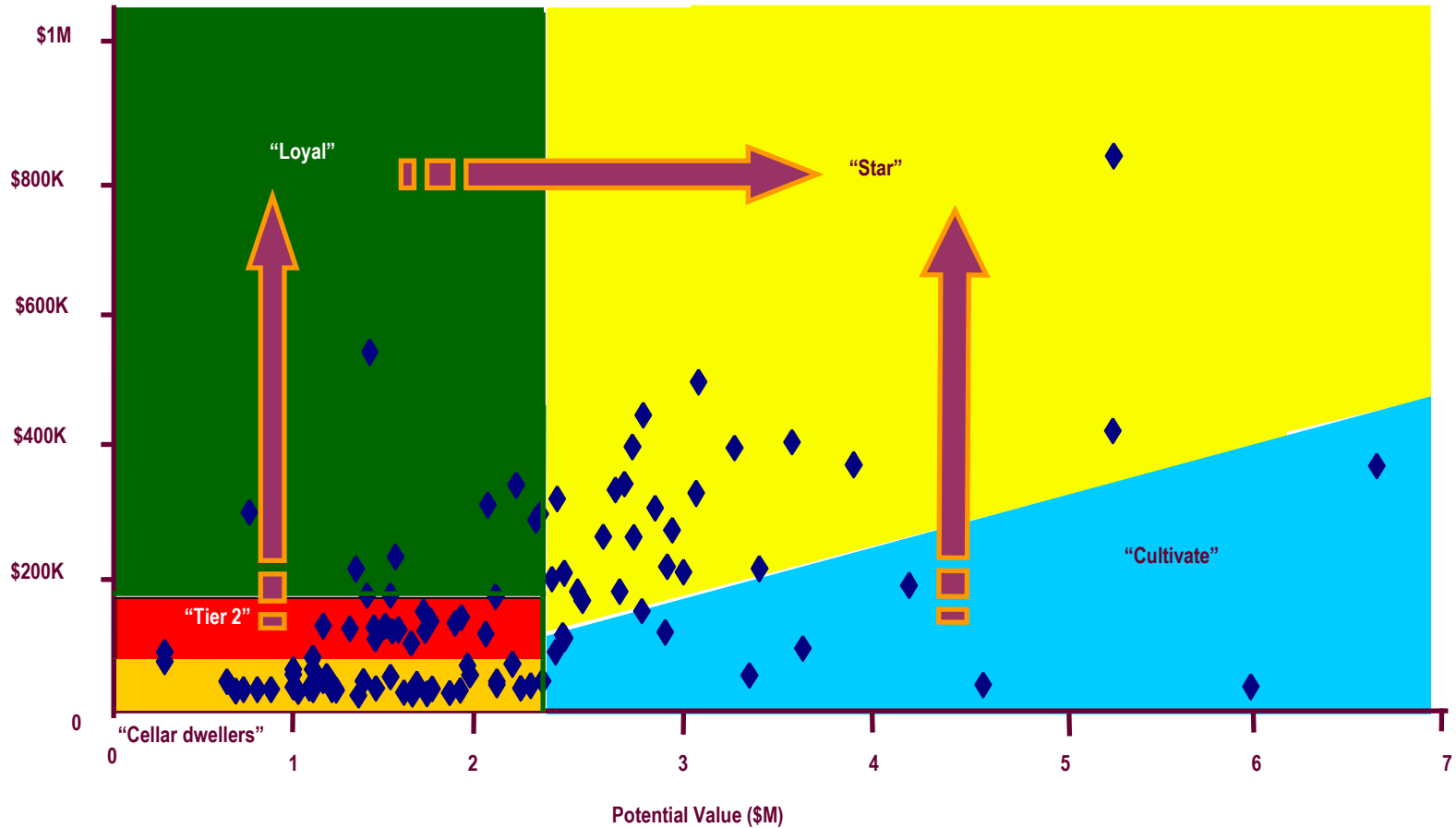


Cost-of-visit example

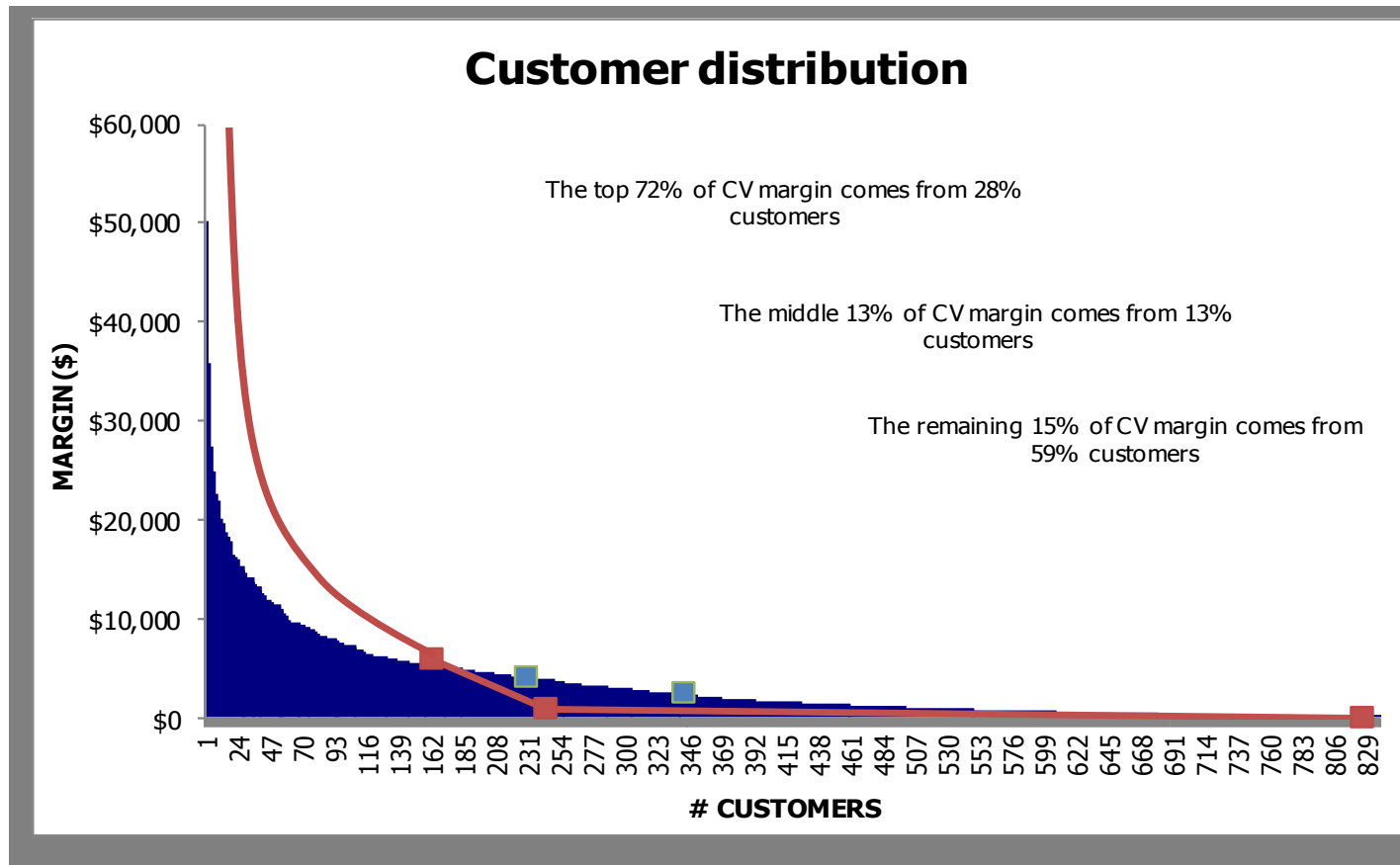
TOTAL: Cost of sales and cost to serve summary		
Cost per SE FTE	\$ 168,317	Cost allocated to sales/FTE sales exec
Cost per SM FTE	\$ 47,452	Cost allocated to sales/FTE sales exec
Cost customer service per SE FTE	\$ 1,154	Cost allocated to sales/FTE sales exec
Cost other team per SE FTE	\$ -	Cost allocated to sales/FTE sales exec
TOTAL cost of sales	\$ 216,923	Sum of cost per sales exec/manager/customer service/other team member
Total sales cost	\$ 2,256,000	Total cost of sales * FTE SE
Cost of one visit	\$ 201	Total sales cost /(FTE * visits per year)
Therefore, Cost of visit (\$ revenue)	\$ 201	
Tier 2 visit rate PA	5	
Cost of sales (\$ profit):	\$ 1,004	
Cost of sales (\$ revenue equivalent):	\$ 1,826	Apply gross profit % to Cost of sales (\$) to estimate customer revenue contribution "break even" point

Classify customers via scatterplotting

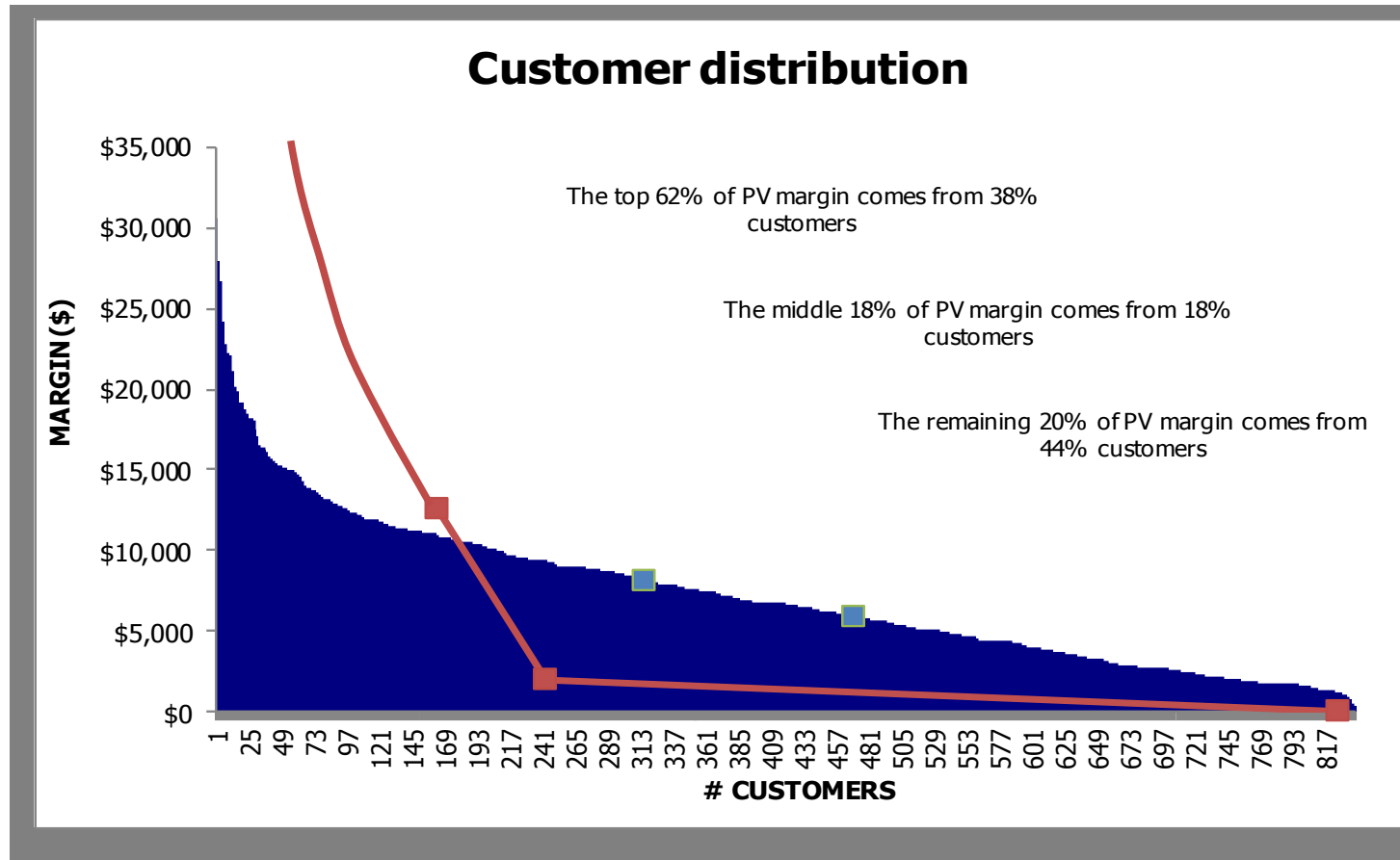
Current Value (\$)



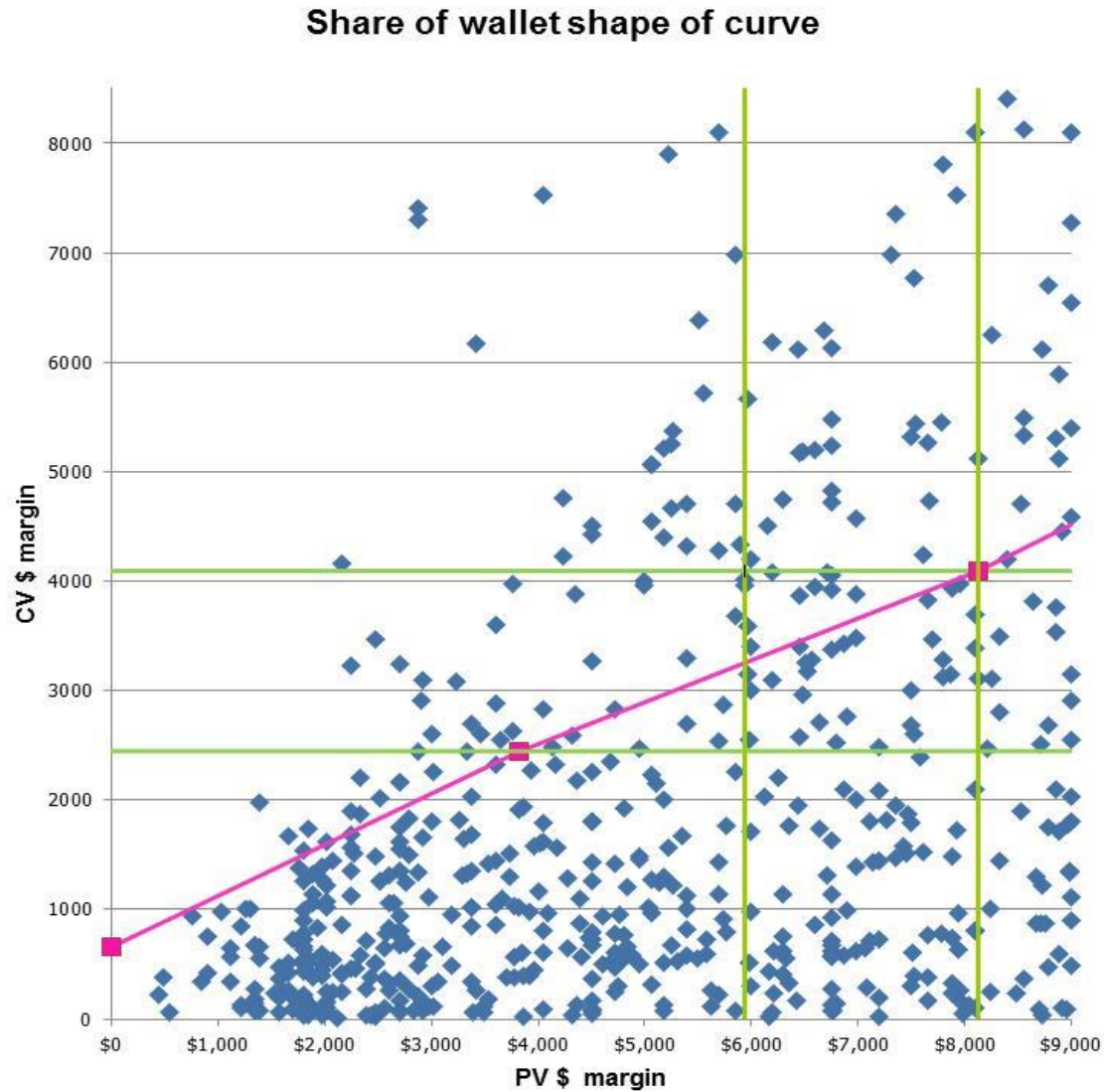
CV shape-of-curve



PV shape-of-curve



SoW shape-of-curve



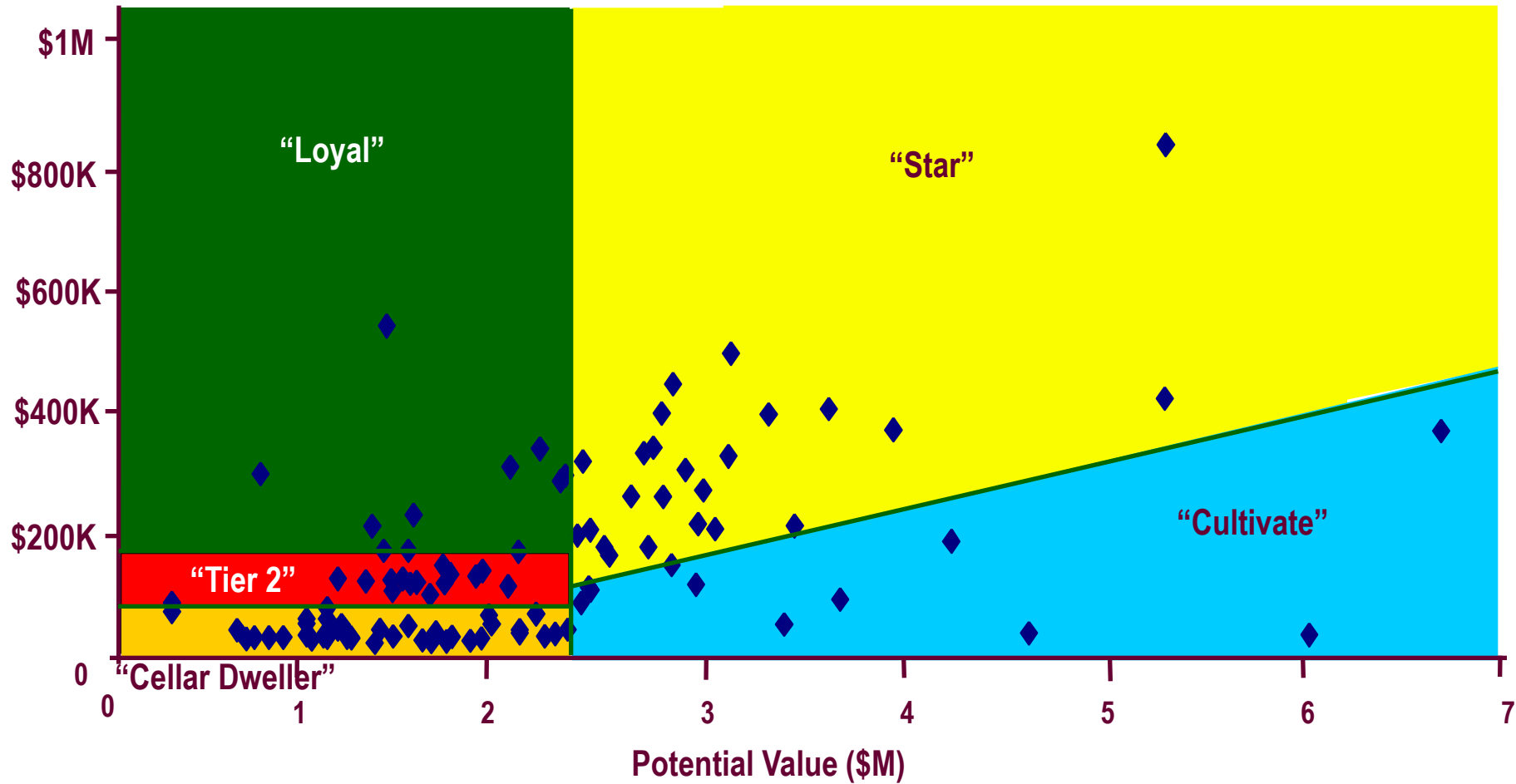
Customer classification by scatterplotting

- **Graphical representation of CV vs PV data points for all customers**
- **Scientifically, objectively, consistently assesses all customers relative to each other**
- **Assists classification into customer groupings based on similarity in CV and PV magnitude and ratio**
- **Graph is segmented into 5 different classifications...**
 - **loyal and cultivate classes**
 - Tier 1 and tier 2
 - **Cellar Dweller class separated by “picket fence”**

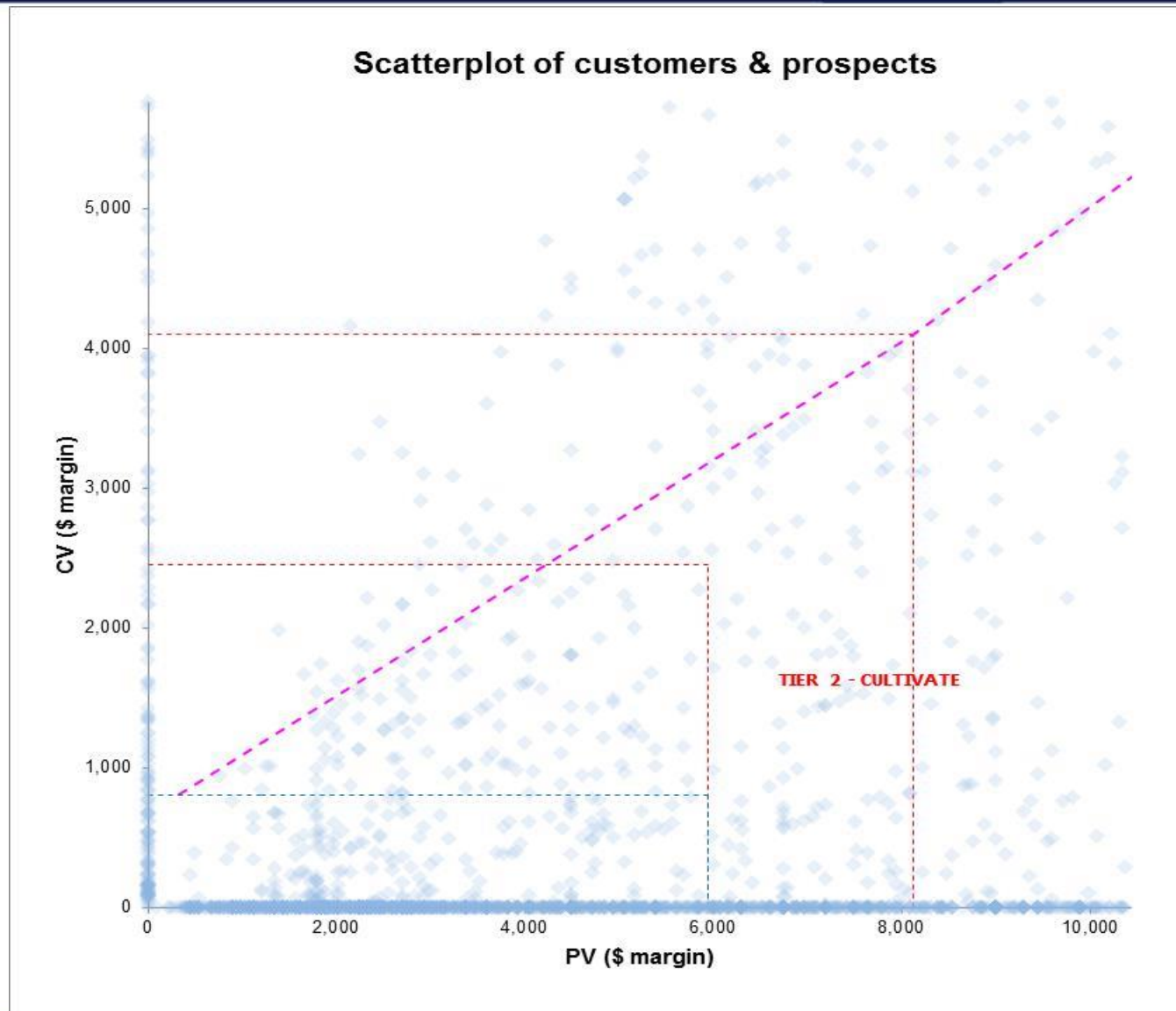


Customer Classification

Current Value (\$)



CV, PV, SoW, CoV inputs create classification scatterplot



Modelled outputs provide first cut class specifications for every customer and prospect

	Tier 1/2	Tier 2/CD	
CV Boundary	4800	1005	
PV Boundary	8700	4800	
Process Modelled Classification		Modelled Approach	
Tier 1	Loyal	195	20%
	Cultivate	182	18%
Total Tier 1		377	38%
Tier 2	Loyal	146	15%
	Cultivate	222	22%
Total Tier 2		368	37%
Cellar Dwellers		251	25%
Total Customers		996	100%
Prospect / Specifier	Tier 1	371	20%
	Tier2	403	21%
	CD	1127	59%
Total Prospect		1901	
Total All		2897	

StO scenario priorities

Scenario 1

RESOURCE LEVEL x VISIT CAPACITY = CUSTOMER COVERAGE + PROSPECT PENETRATION

SET

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Sales team productivity : RoI modelling

RESOURCE LEVEL

x

VISIT CAPACITY

=

CUSTOMER COVERAGE

+

PROSPECT PENETRATION

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Sales team productivity : RoI equation

RESOURCE LEVEL

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VISIT CAPACITY

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Cost base

Revenue base

Sales team productivity : RoI equation

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10

x 45w x 4.5d x 6vpd

Sales team productivity : RoI equation

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$$10 \times 45w \times 4.5d \times 6vpd = \begin{array}{ll} 130 \text{ loyals} & @ 6pa \\ 220 \text{ stars} & @ 10pa \\ 150 \text{ cultivates} & @ 6pa \\ 680 \text{ tier 2} & @ 3pa \\ 575 \text{ LCC} & @ 0pa \\ + 25\% \text{ unallocated} \end{array}$$

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$$12150 = 5920 \text{ allocated} + 1480 \text{ unallocated} + 1850 \text{ hunting}$$

Sales team productivity : RoI equation

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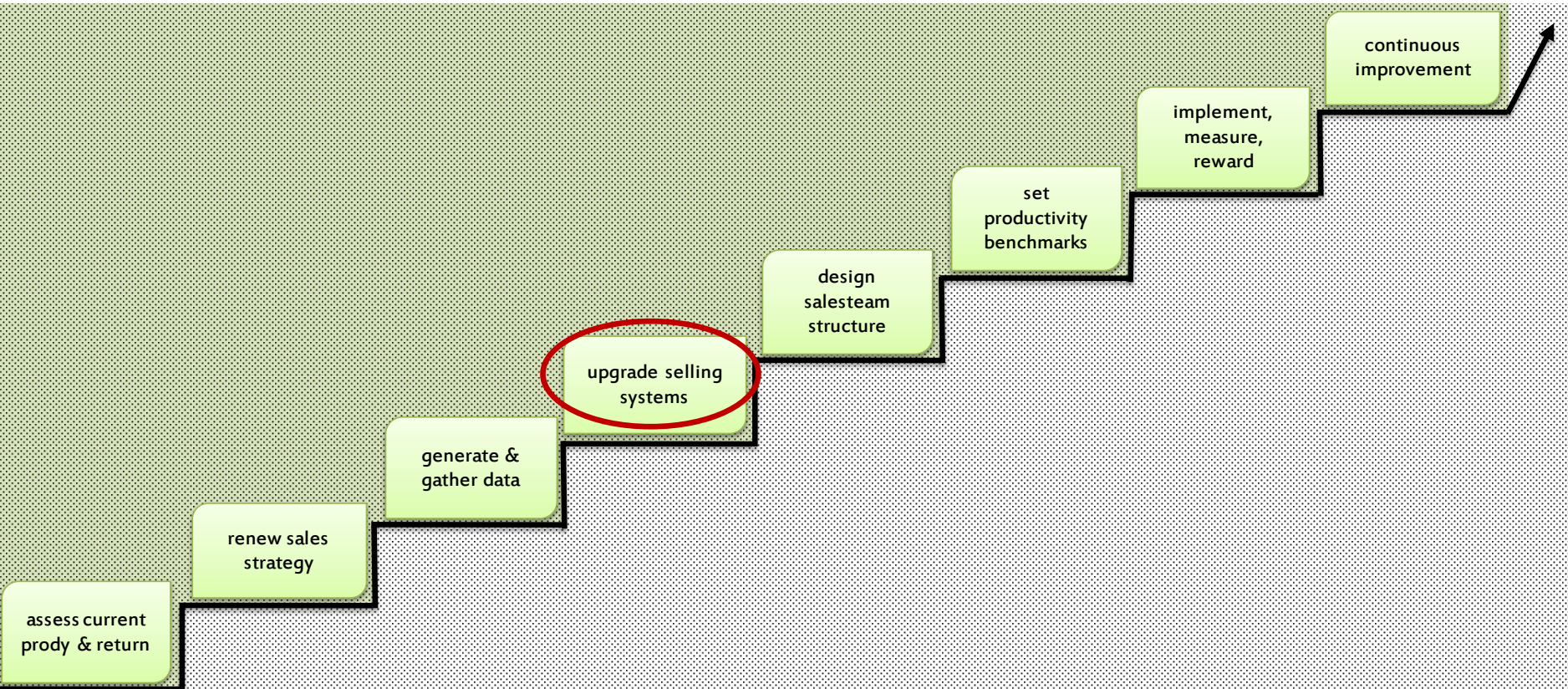
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$$12150 = 5920 \text{ allocated} + 1480 \text{ unallocated} + 1850 \text{ hunting} \\ \neq 9250$$

Upgrade selling systems





Upgrade your selling systems

The quantitative part

Glenn Guilfoyle

Criteria for robust scatterplot customer classification

- 1. Sound GtM, StA prosecution and modelling outcomes**
- 2. Optimal CV and PV**
- 3. Shape of curve**
 - 1. CV**
 - 2. PV**
 - 3. SoW**
- 4. Cost of sales & Cost to serve (CoV)**
- 5. Alignment to strategic StO direction**

Strategic StO direction

Scenario 1

RESOURCE LEVEL X VISIT CAPACITY = CUSTOMER COVERAGE + PROSPECT PENETRATION

SET

OPTIMISE

MAXIMISE

MAXIMISE

The Next Level's StO modelling will work according to the following guidelines:

Scenario 2

RESOURCE LEVEL X VISIT CAPACITY = CUSTOMER COVERAGE + PROSPECT PENETRATION

OPTIMISE

OPTIMISE

OPTIMISE

MAXIMISE

Customer Classification..... driving strategic account management

Current Value (\$)

