Generate and gather the data

The balance between purity and practicality

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, teams performance
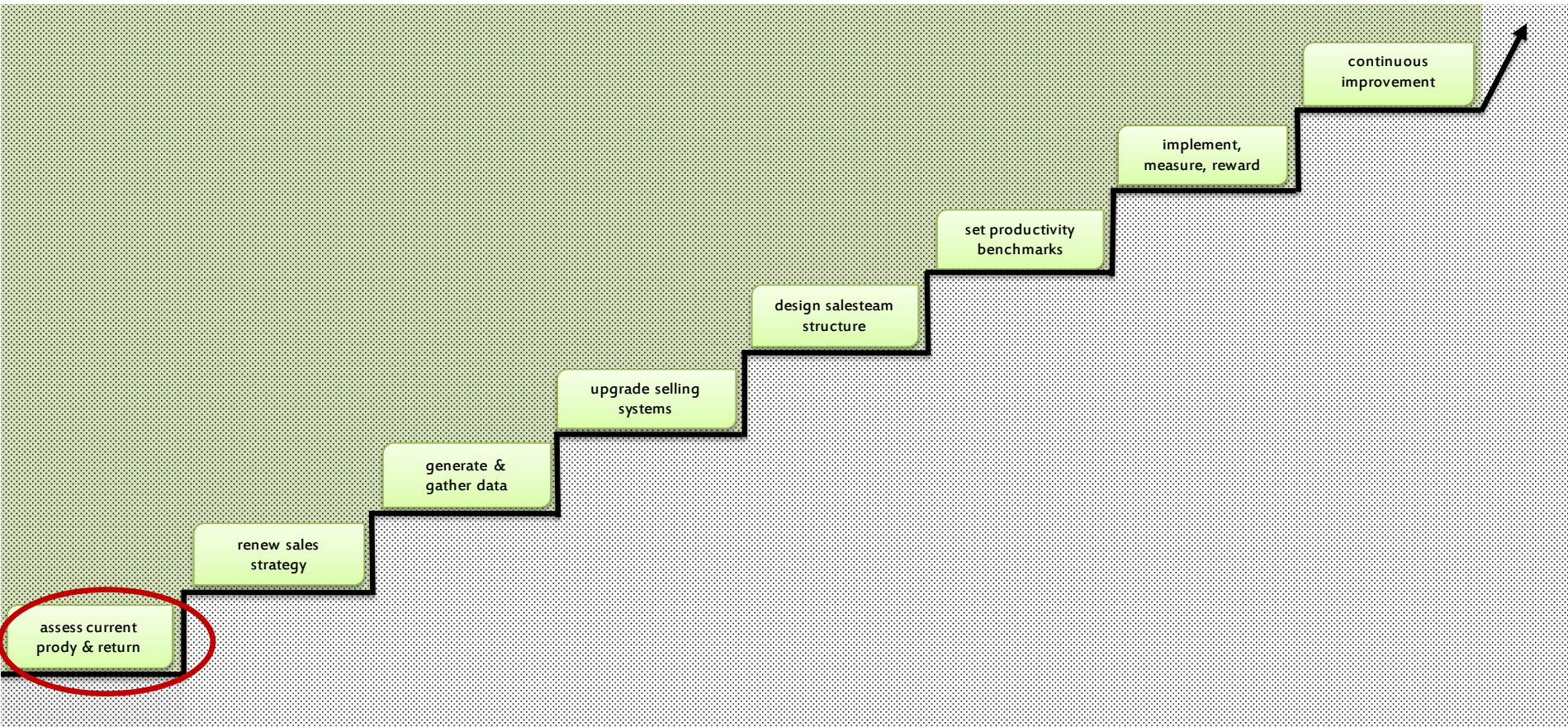
What is Sales team optimisation?

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?

- **Right person**

- **Right time**

- **Right frequency**

- **Right reason**

- **Right value**

- **Right partnership framework**

Assess current productivity and RoI

continuous improvement

implement, measure, reward

set productivity benchmarks

design salesteam structure

upgrade selling systems

generate & gather data

renew sales strategy

assess current prody & return

Eight productivity "levers" to increase RoI

RESOURCE LEVEL	X	VISIT CAPACITY	=	CUSTOMER COVERAGE	+	PROSPECT PENETRATION

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

Slightly higher than average cost to mobilise

Total average cost to fully recruit, induct, train, equip, remunerate and mobilise each sales executive

Organisations

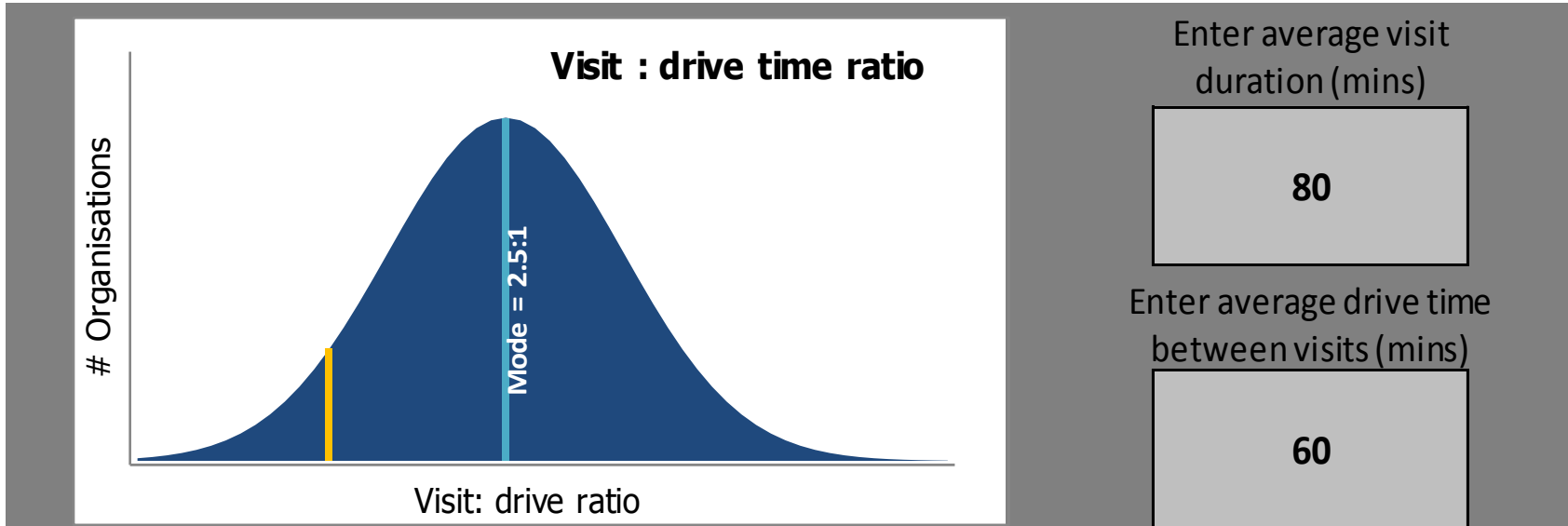Mode =150,000

$ per sales exec
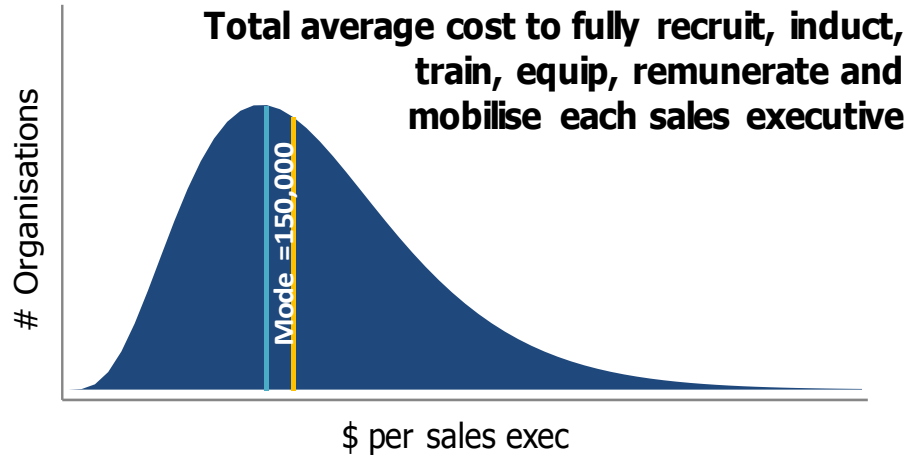
Enter the TOTAL cost of each full time equivalent head in the sales team

$170,000

Total cost to mobilise sales team

$4,760,000

Visit : drive time ratio ripe for improvement

Visit : drive time ratio

Organisations

Mode = 2.5:1

Visit: drive ratio

Enter average visit duration (mins)

80

Enter average drive time between visits (mins)

60

Ratio (visit/drive)

1.33

Improvement factor

27%

B2B cross-industry best practice range is 2:1 - 3:1

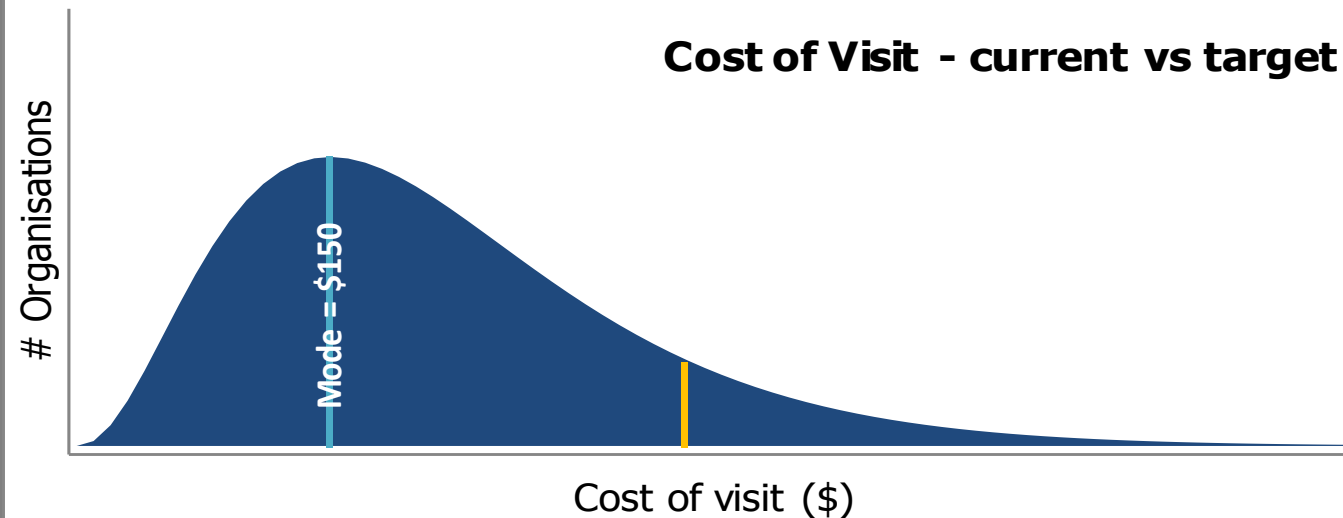# Current cost of visit higher than B2B cross industry norms

How does this translate to the cost of each visit?

Current Cost of Visit	Target Cost of Visit	Improvement factor
$354		

Cost of Visit - current vs target

Organisations

Mode = $150

Cost of visit ($)

Productivity gains pitted against increased RoI expectations

$ 5,665,000	:	$ 240,000
$ 24	:	$ 1

StO scenario priorities

Scenario 1

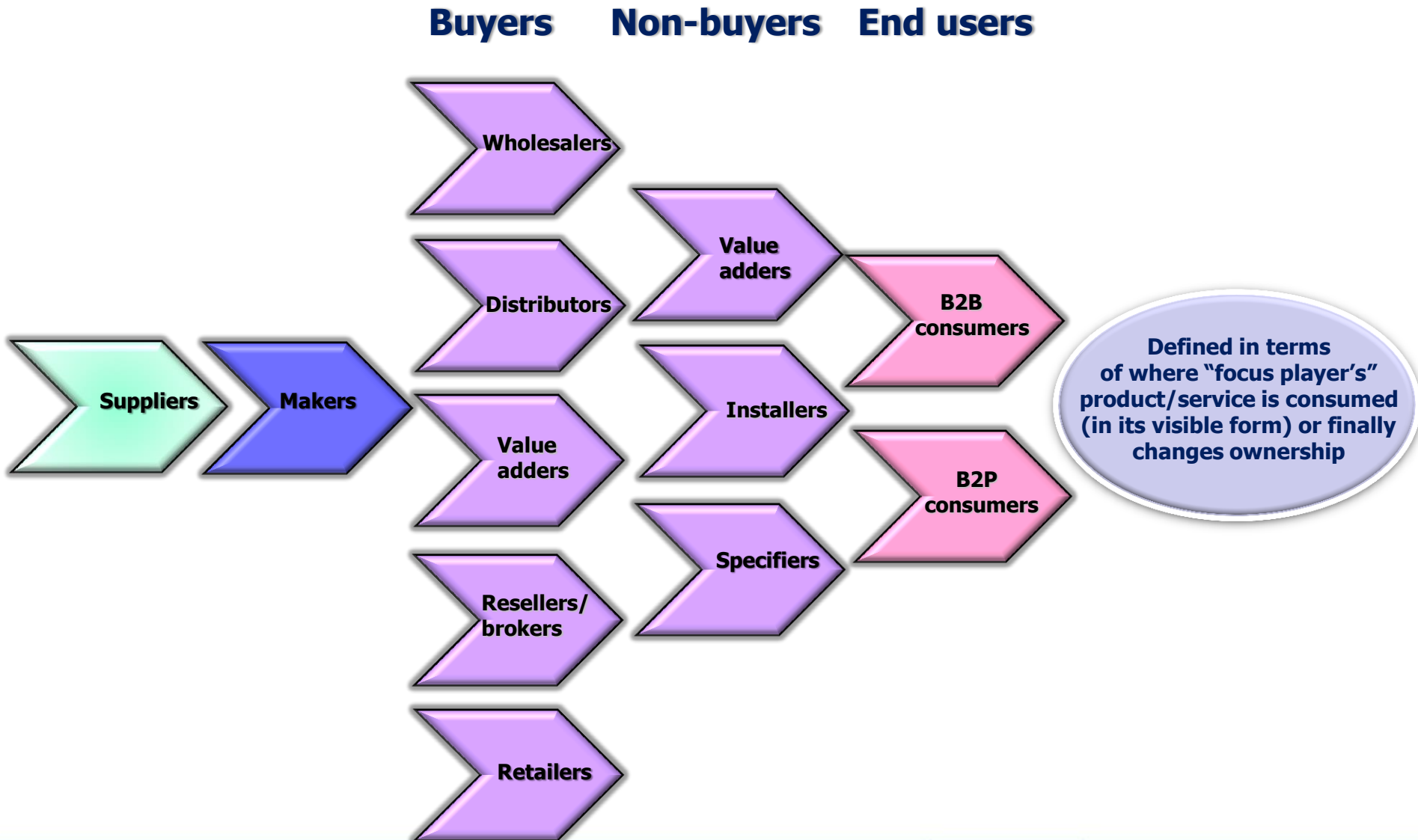| RESOURCE LEVEL	X	VISIT CAPACITY	=	CUSTOMER COVERAGE	+	PROSPECT PENETRATION
SET		OPTIMISE		MAXIMISE		N/A

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 penetratio

Renew sales strategy
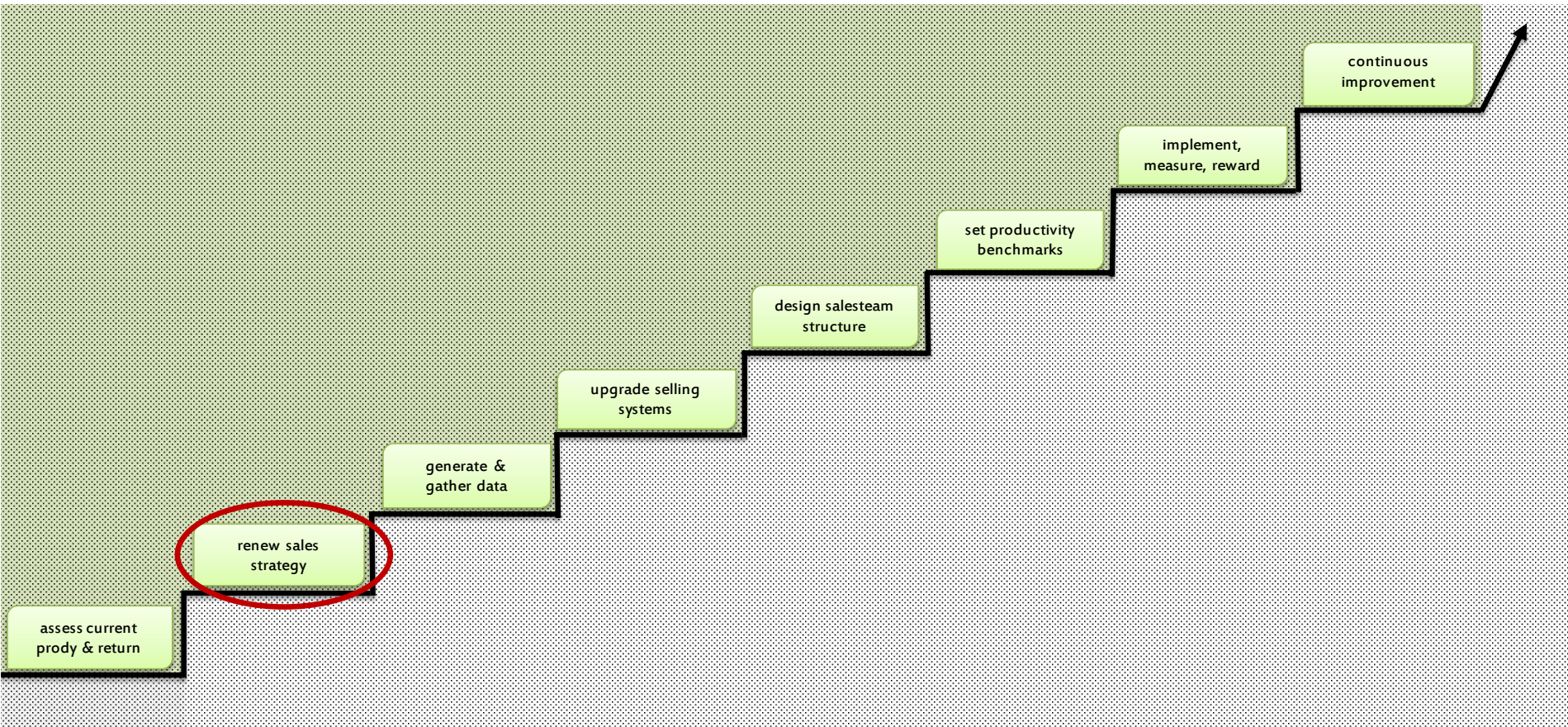
Value Chain structure model…..
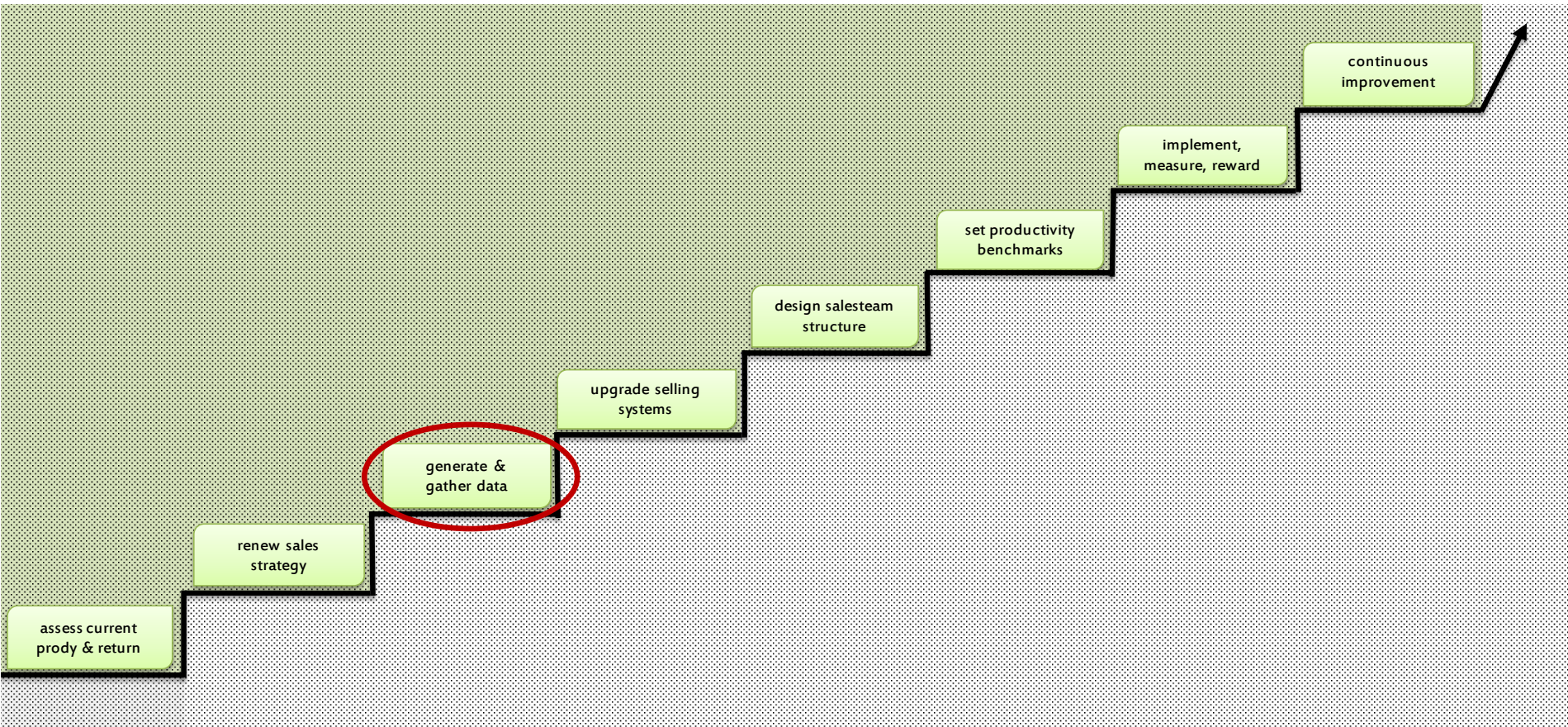## for each end user – end product

Buyers   **Non-buyers**   **End users**

Suppliers → Makers →

Wholesalers

Distributors → Value adders → B2B consumers

Value adders → Installers

Resellers/ brokers → Specifiers → B2P consumers

Retailers

Defined in terms of where "focus player's" product/service is consumed (in its visible form) or finally changes ownership

Chains and channels environment

	Segment Player/s								End User
Segment player:	Maker	Reseller/broker	Wholesaler	Reseller/broker	Reseller/broker	Specifier	Specifier	Specifier	growers B2B(Bus-to-bus) applied & consumed
Company role:	Us								
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 behal	eg AIRR	grower groups;co-ops	Group branch places	independent FFS agro	KOLs	industry bodies; resea	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, CR	AIRR; Landmark	c20 grower groups (1	1,400	100	c30	c10	48,000
Extra detail				coops & major GG di	Direct & indirect CV	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 o	eg AIRR	grower groups;co-ops	Group branch places or	independent FFS agron	KOLs	industry bodies; researc	
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 dire	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	Corp Affairs; Crop Head	Corp Affairs; Crop Head	TSMs; solutions ; speci
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

continuous improvement

implement, measure, reward

set productivity benchmarks

design salesteam structure

upgrade selling systems

generate & gather data

renew sales strategy

assess current prody & return

Six tranches of data

- **CV**

- **PV**

Current Value

- **Value of all products/services purchased by each customer**
  - **direct**
  - **indirect**

- **Ideally calculated and expressed in terms of customer margin contribution**

- **Currency of CV needs to be determined in terms of finance system practicalities**

Current Value

- **Method and period of data collection**

- **Snapshot – does not attempt to account for growth/trend at point in time**

- **Data should be attained for every customer over defined period**

- **Analytics of listing ALL customers top to bottom provides useful insight to spread of business**

CV shape-of-curve

Customer distribution
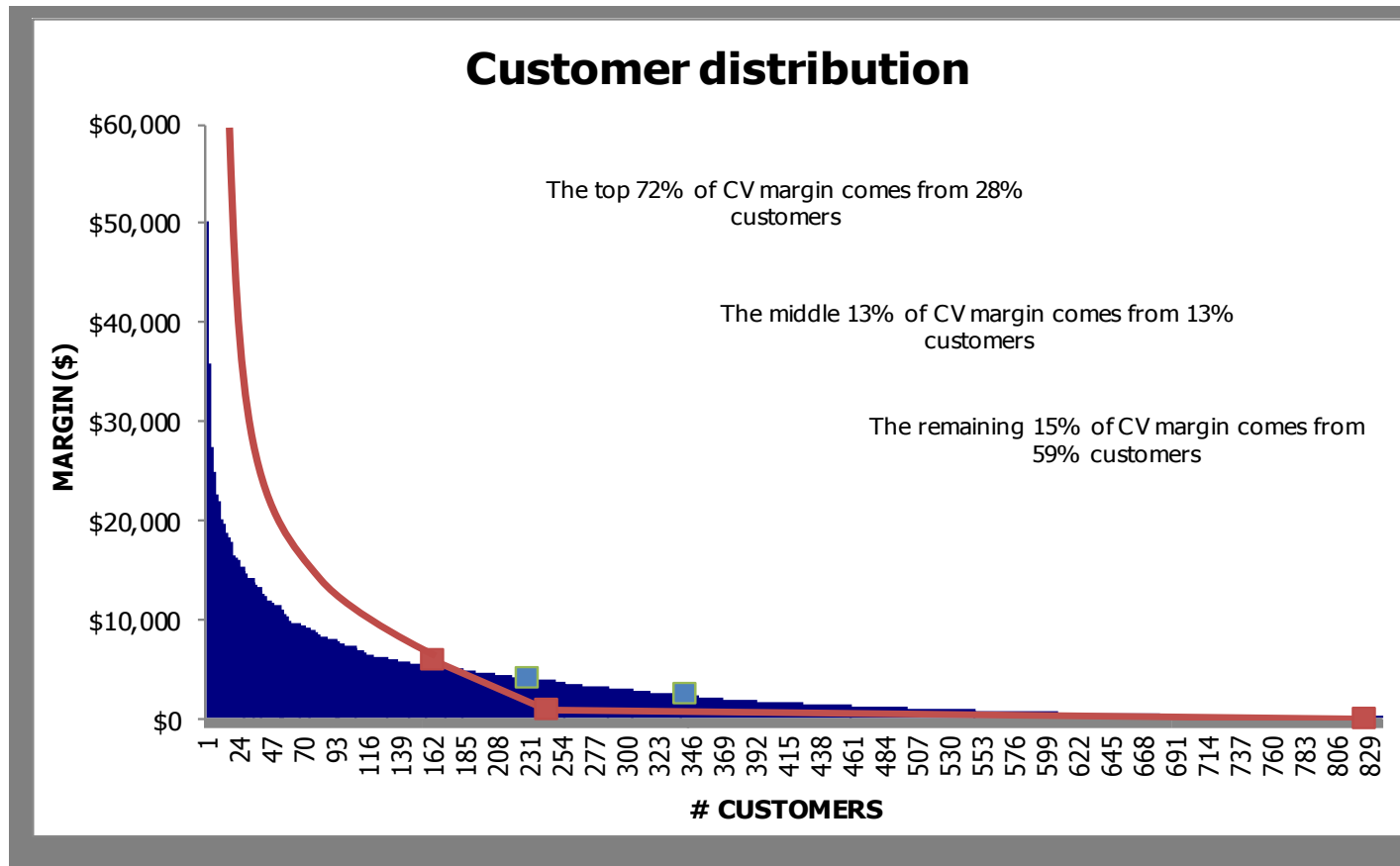
The top 72% of CV margin comes from 28% customers

The middle 13% of CV margin comes from 13% customers

The remaining 15% of CV margin comes from 59% customers

MARGIN ($)

$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0

CUSTOMERS

1 24 47 70 93 116 139 162 185 208 231 254 277 300 323 346 369 392 415 438 461 484 507 530 553 576 599 622 645 668 691 714 737 760 783 806 829

Current Value ... the typical realities and pitfalls

- **If you trade directly**

- **If you trade indirectly**

- **If you trade conditionally**

Current Value … the typical realities and pitfalls

- **If you trade directly**

- *If you trade indirectly*

- *If you trade conditionally*

- **If you can access "line of sight" data**

Potential Value

- **Value of all products/services in categories in which organisation competes**
  - direct
  - indirect

- **PV data is ideally calculated and expressed in same "currency" as CV data**

- **Method and period of data collection should then be set and implemented**
  - PV collection on all customers
  - PV collection on all prospects

Potential Value

- **Best selection of PV currency is nearly always a trade-off**
  - **Readily available vs needs to be generated**
  - **Sales team involvement vs industry data**
  - **Proxy vs "real" data**

- **Snapshot – does not attempt to account for growth/trend at point in time**

- **PV SoC**

PV shape-of-curve

Customer distribution

The top 62% of PV margin comes from 38% customers

The middle 18% of PV margin comes from 18% customers

The remaining 20% of PV margin comes from 44% customers

MARGIN ($)

$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0

1 25 49 73 97 121 145 169 193 217 241 265 289 313 337 361 385 409 433 457 481 505 529 553 577 601 625 649 673 697 721 745 769 793 817

CUSTOMERS
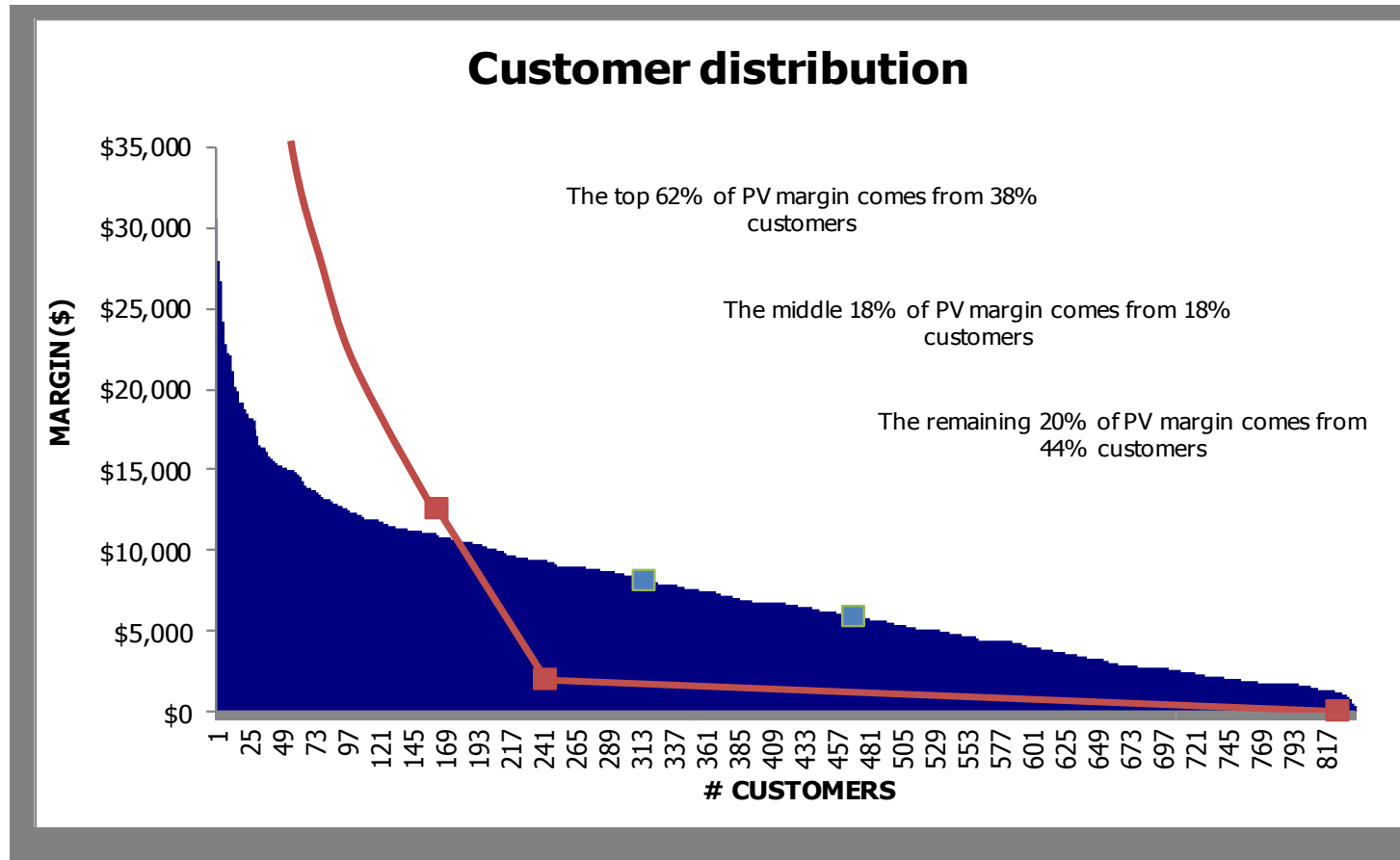
Potential Value … typical realities and pitfalls will be just as relevant

- **If you trade directly**

- **If you trade indirectly**

- **If you trade conditionally**

Potential Value …
the typical realities and pitfalls

- **If you can access industry/channel data**
  - **At individual customer/prospect level**
    - **"gold"**

- **If you have the customer base and prospect pool profiled**
  - **Design a "weight and rate" proxy model**
    - **"silver"**

- **If you have market size data**
  - **Create assumed shape-of-curve and brief sales team on "forced distribution"**
    - **"bronze"**

The roadmap

Interrogate in sequence designated	**Data available** **vs** **Needs to be generated**	**Sales team involvement needed** **vs** **Independent of sales team**	**Real data** **vs** **Proxy data**
Industry/channel data at single customer level	1	N/A	2
Profiling data at single customer level	3	4	5
Overall market data	6	N/A	N/A

These principles apply to the CV problem when you don't have line of sight

- **If you can access industry/channel data**
  - **At individual customer/prospect level**
    - **"gold"**

- **If you have the customer base and prospect pool profiled**
  - **Design a "weight and rate" proxy model**
    - **"silver"**

- **If you have market size data**
  - **Create assumed shape-of-curve and brief sales team on "forced distribution"**
    - **"bronze"**

CV and/or PV challenged? ...
there is always a way

- **If you can access industry/channel data**
  - **At individual customer/prospect level**

- **If you have the customer base and prospect pool profiled**
  - **Design a "weight and rate" proxy model**

- **BTW – you might have a mixed scenario**
  - **Create assumed shape-of-curve and brief sales team on "forced distribution"**

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**

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**
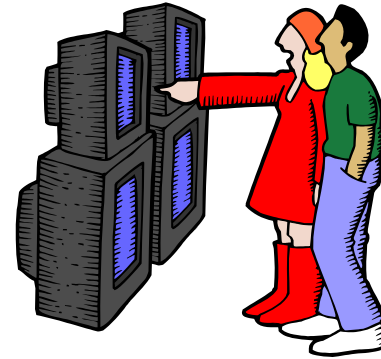
Cost of visit reality can be used to recalibrate

Current Cost of Visit	Target Cost of Visit	Improvement factor
$354	**$316**	**11%**

Cost of Visit - current vs target

Organisations

Mode = $150

Cost of visit ($)
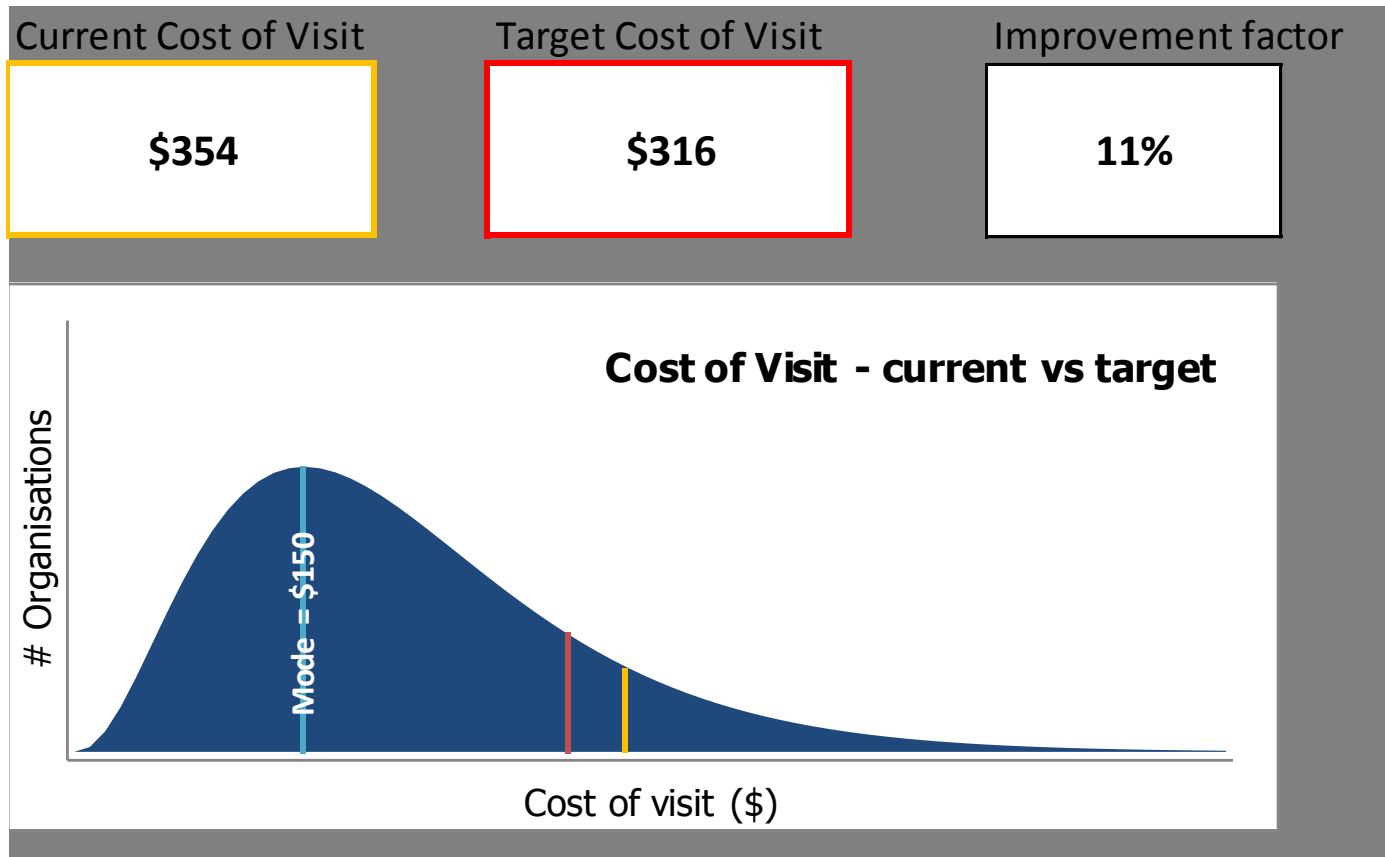
Internal sales team productivity & return data

Organisation or Division
Full time equivalent sales executives

Organisations

Mode =20

sales execs

Visit capacity: on-territory days per week

Organisations

Mode = 4

Days per week

Visit capacity: visits per on-territory day

Organisations

Mode = 4

Visits per Day
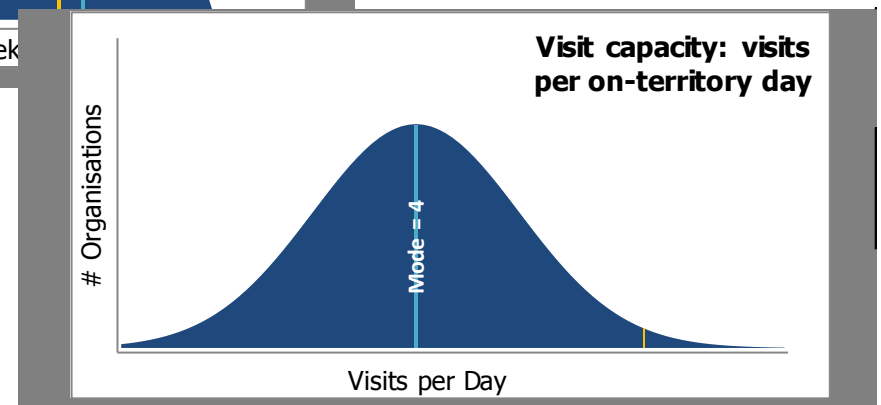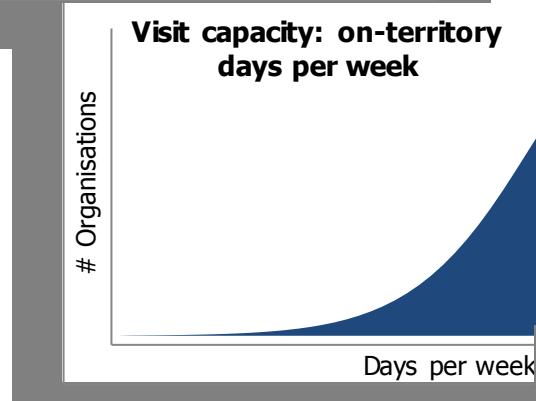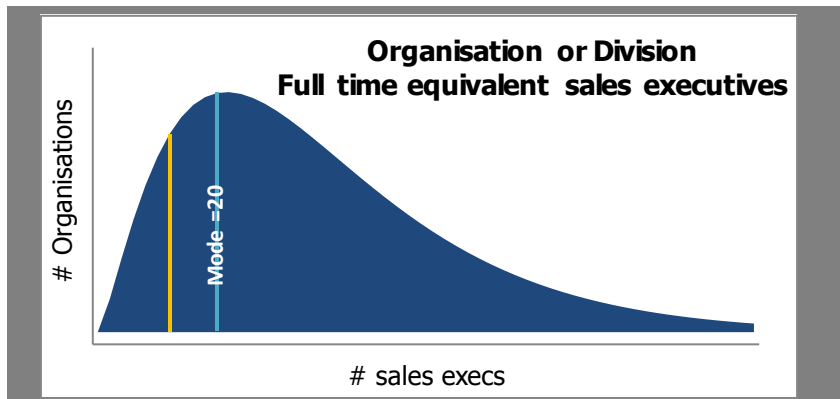
External market & competitor data

Name	Market Size
Malnourished geriatrics within ACFs	31,000,000
	31,000,000

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**

Time : activity data

Total time = 164 hours per month

Office time higher than expected

Breakdown of total time

■ Office time   ■ Territory time

24%

76%
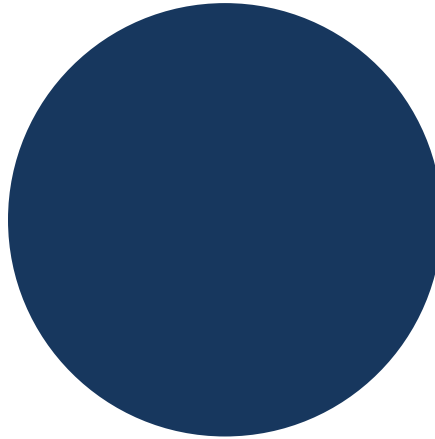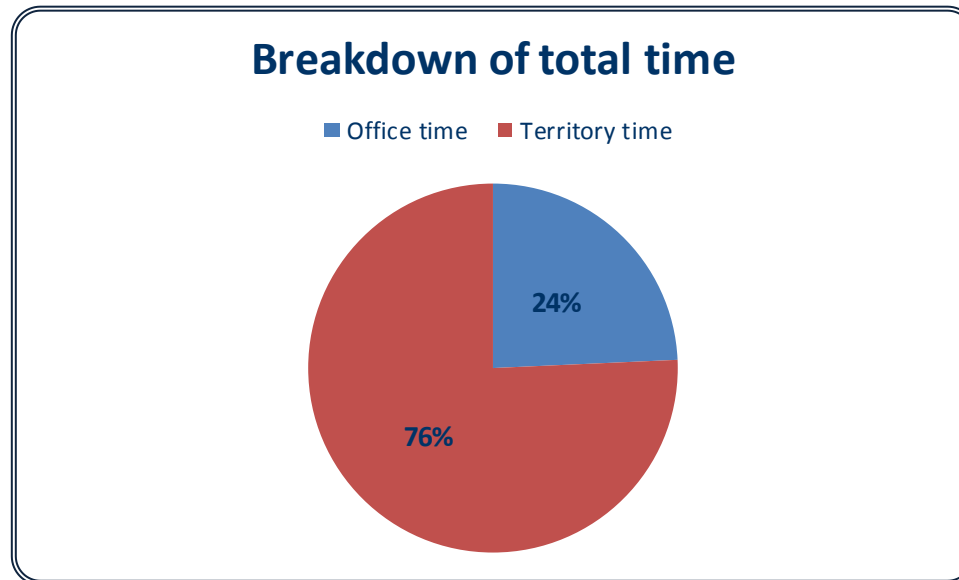
F2F time less than expected …
Solo office time more than expected

Breakdown of total time
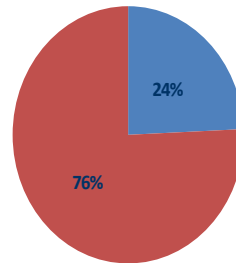
■ Office time ■ Territory time

24%

76%

Breakdown of territory time (% of total)

■ F2F time

■ Drive time

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

11%

29%

36%

Breakdown of office time (% of total)

■ Solo office time

■ Non-solo office time (eg meetings)

15%

9%
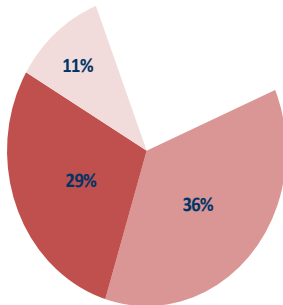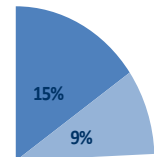
Responsive and reactive visit time higher than expected

Breakdown of territory time (% of total)

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

11%
29%
36%

Proactivity of F2F time

- Proactive
- Responsive
- Reactive

15%
27%
58%

Productivity of Drive time

- Productive
- Unproductive

29%
71%
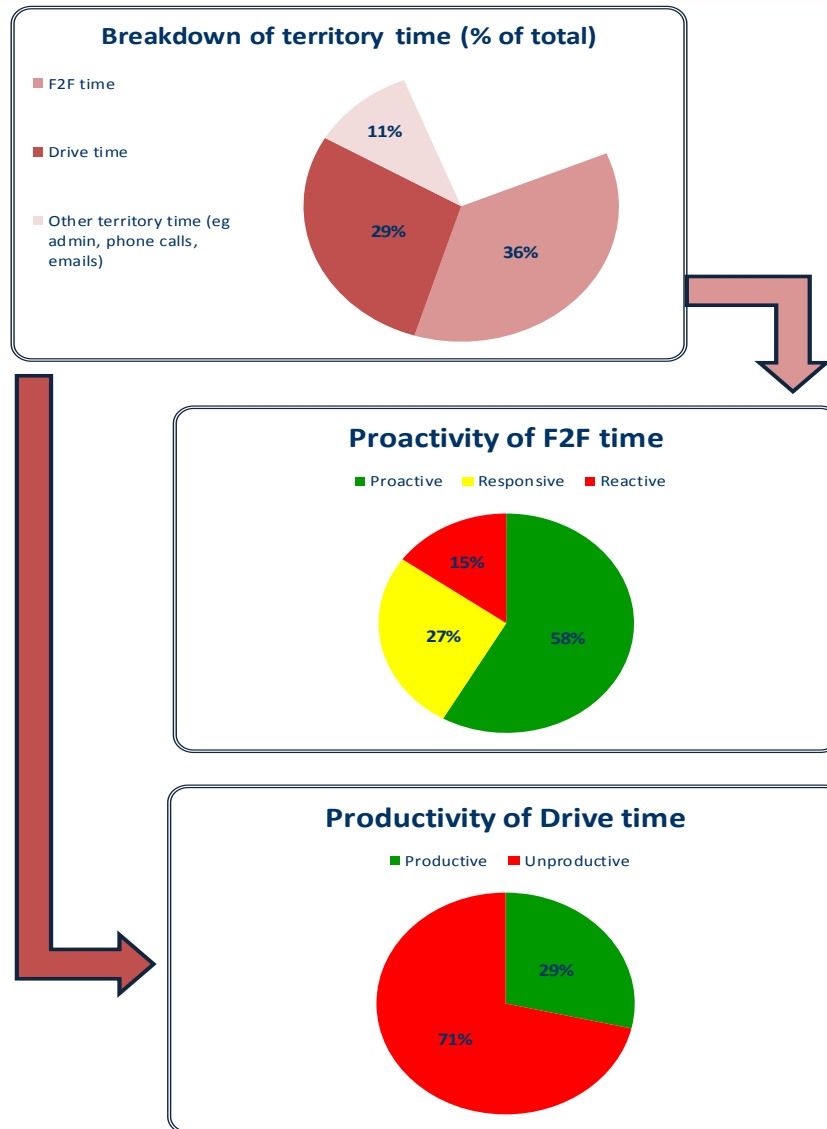
Value neutral and value destroying office time higher than expected

Breakdown of office time (% of total)

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

15%

9%
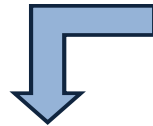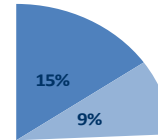
Value of solo office time

- Value adding
- Value neutral
- Value destroying

10%

31%

59%
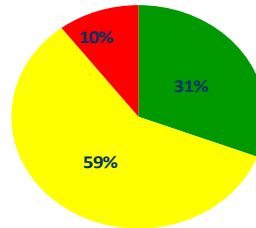
Value of other office time

- Value adding
- Value neutral
- Value destroying

3%

48%

49%
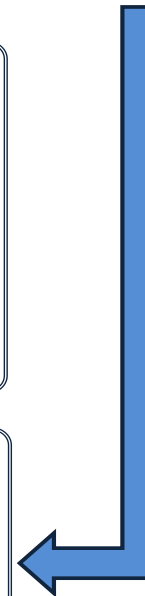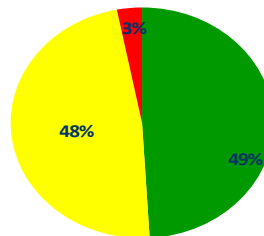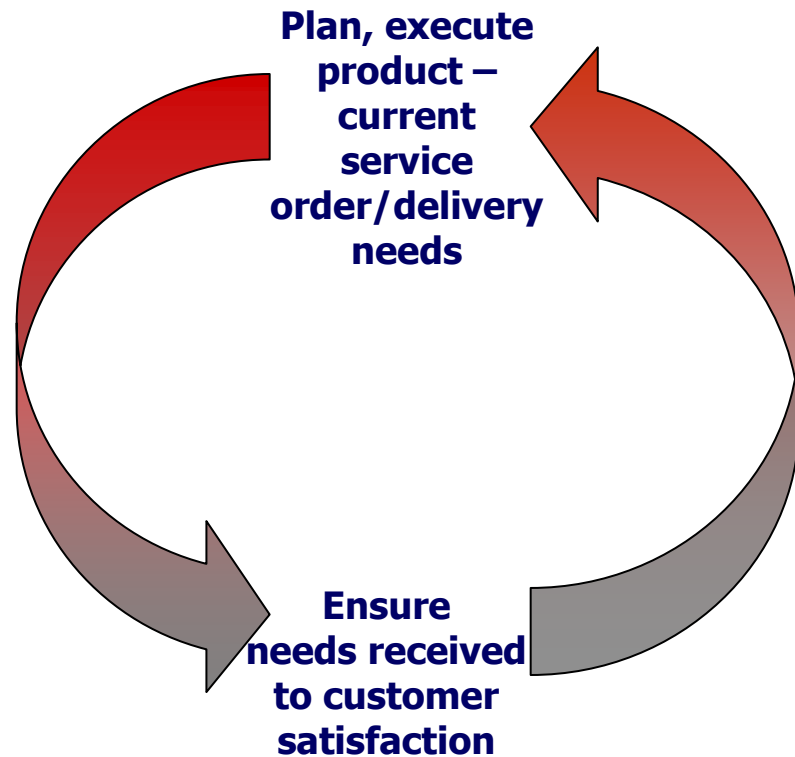
Visit : drive time ratio – opportunity for improvement

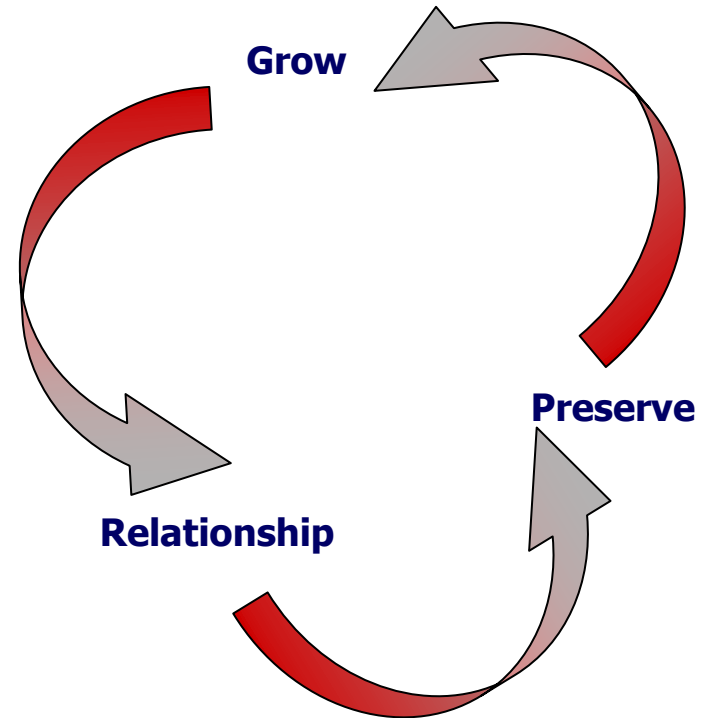## Sales representative visit:drive matrix

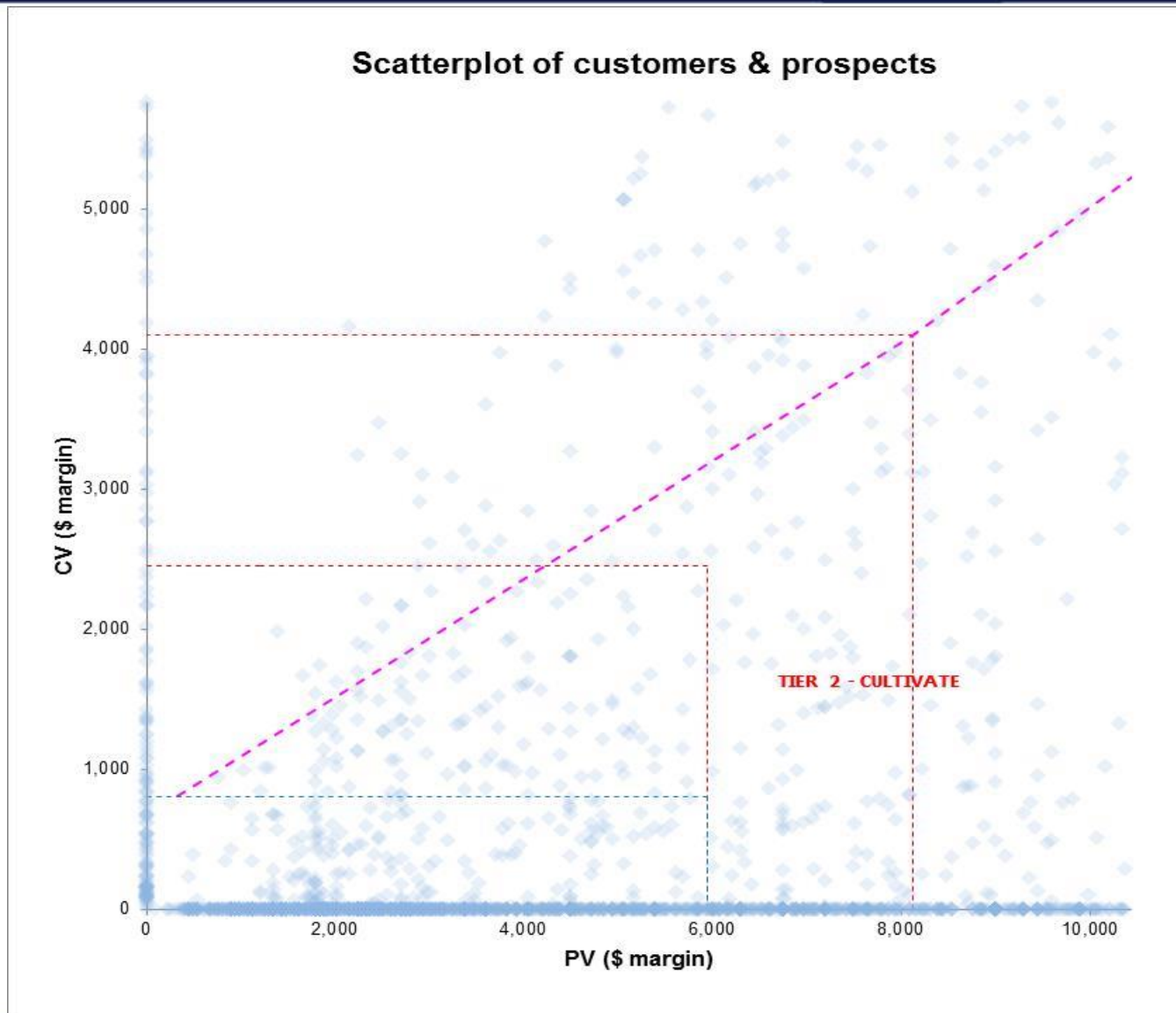| Participants	State	Hours per week (assume 4 wpm)	Hours per day (assume 5 dpw)	On territory dpw	On territory hpw	Visit: drive ratio	Drive time hpw (assume 4 wpm)	Visit time hpw	Ave visits pw (from STP&R)	Minutes per visit/drive pairing	Visit time per visit (min)	Drive time per visit (min)	So each on-territory hour is composed of	
													Selling minutes	Driving minutes
2	NSW	38	7.5	4.1	31	1.4	13	18	27	68	40	28	35	25
3	Vic	45	8.9	3.6	32	1.1	15	17	27	71	38	33	32	28
1	WA	38	7.5											
6	Weighted Average	41	8	3.8	31	1.3	14	17	27	70	39	31	33	27

Sales and Service cycles

Service Cycle

Plan, execute product – current service order/delivery needs

Ensure needs received to customer satisfaction

Sales Cycle

Grow

Preserve

Relationship

Data sourcing

- **CV**

- **PV**

- **CoS/CtS**

- **Internal StP & R**

- **External market data**

- **S/E time:allocation data**

- **Finance system -> channel partners -> proxy scores**

- **CRM -> Industry databases -> proxy scores**

- **Finance system**

- **S & M Management**

- **S & M Management**

- **Sales Execs 1 hr on-line survey**

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

Renew sales strategy