

How to Increase Sales Force Efficiency and Effectiveness

A proven approach leading to better manufacturer-retailer collaboration

Written by David Zahn



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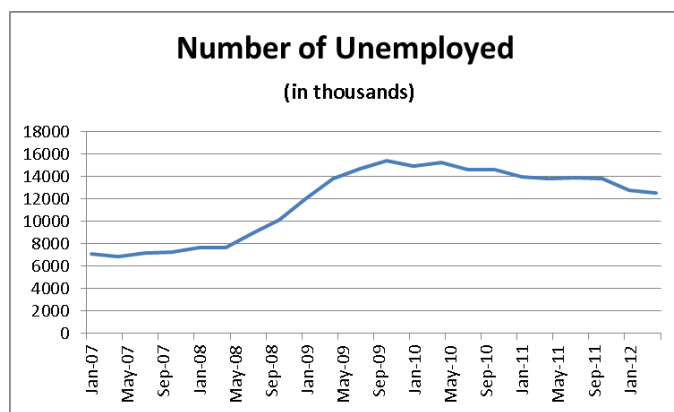
Executive Summary

The requirements to succeed have changed. Current challenges include an uncertain economic climate, decreased consumer/shopper loyalty to both brands and outlets, the ubiquity of internet options available to shoppers encroaching upon the conventional “path to purchase” through brick and mortar stores and the overwhelming amount of data that is now available to be collected and expected to be analyzed and interpreted. All of which leads to a perplexing problem: **How can we identify and measure what counts if we can’t get it collected, formatted and ready for analysis?**

The constant pressure many manufacturers and retailers face to focus on increasing efficiency while maintaining effectiveness and increasing performance has reached a fevered pitch. Budgets are often frozen and expenditures closely analyzed, so help cannot be found by adding headcount. With pressure being applied on both ends of the managerial equation – reduce costs while increasing revenue and/or profit - it has truly become a new reality confronting the industry and only those prepared to address the new demands will succeed.

In this new reality people are expected to work both harder and smarter; therefore a deeper understanding and leveraging of the power of agile Business Intelligence tools that offer real-time analytic capabilities can bridge the gap between doing business as usual and floundering.

The Realities of “Doing More with Less”



The U.S. economy has not recovered from the recessionary environment of the last few years. Many companies reduced staffing levels and spending on employee training. The remaining personnel are expected to perform as if they were still surrounded by additional support staff with access to the latest training and skill development. The reality is

far different. According to the Bureau of Labor Statistics, as of April 6, 2012, the non-farm unemployment rate is 8.2 percent, or 12.7 million people¹. While the unemployed are confronted with tremendously difficult situations, the remaining employees are often required to meet not only the expectations of their original job but also absorb the responsibilities of those colleagues no longer employed. Employees are being asked to increase their productivity and output - and to do so faster, with less cost and more accuracy.

Need for a Plan

However, doing more with less requires a focused plan to deliver results. Just expecting or demanding that people do more will not successfully meet the demands of the new marketplace. What is required is an engine or tool that can reduce time-intensive analysis and free up the expertise to appropriately implement business-building ideas and seize opportunities to leverage

the insights to develop better relationships between trading partners, improve results and provide tangible benefits to the organization.

You Can’t Do More with Less Unless You Understand What More Means

“More” is often defined as providing clarity and rationale and not simply additional data. Employees are overwhelmed by the increase in data available, having to report on it and provide it to fellow employees or customers more quickly than ever before. In what may seem counter-intuitive, the challenge is not to produce more insights, more analysis or more data; but to produce fewer. However, they must be better targeted and relevant insights that directly lead to improved business results. Reducing the extraneous many facts down to those essential few nuggets is the task that continuously trips many in the industry.

A recent study by Dechert-Hampe² brought this into sharp focus when among their findings, they found that there is still a lack of uniformity between what retailers rank as important versus what manufacturers perceive as important. Manufacturers value Strategic Thinking as the most important – yet Retailers scored that as being the tenth most important priority.

Manufacturers felt that Understand/Use Data is a very important current attribute. Creating and understanding trends is a very important task, and one that manufacturers spend a lot of money on, via the syndicated data companies. But turning such data into category knowledge that can be shared is very important to retailers as indicated by the #2 Retailer ranking.

-Dechert-Hampe “Sales Force of the Future 2012,” 2012.

Manufacturers vs. Retailers Current Importance Ranking

Manufacturers’ Top 10	Retailers’ Top 10
1. Strategic Thinking	1. Planning Skills
2. Planning Skills	2. Category Knowledge
3. Understand/Use Data	3. Shopper Insights
4. Consumer Knowledge	4. Own Company Knowledge
5. Communication Skills	5. Retail Merchandising
6. Own Company Knowledge	7. Financial Literacy
6. C/M/C Specific Programs (cat/mkt/cust)	7. Operations Literacy
8. Networking Skills	8. Communication Skills
9. Analytical Skills	9. In-Store Marketing
10. Financial Literacy	10. Strategic Thinking

Source: Dechert-Hampe “Sales Force of the Future 2012,” 2012.

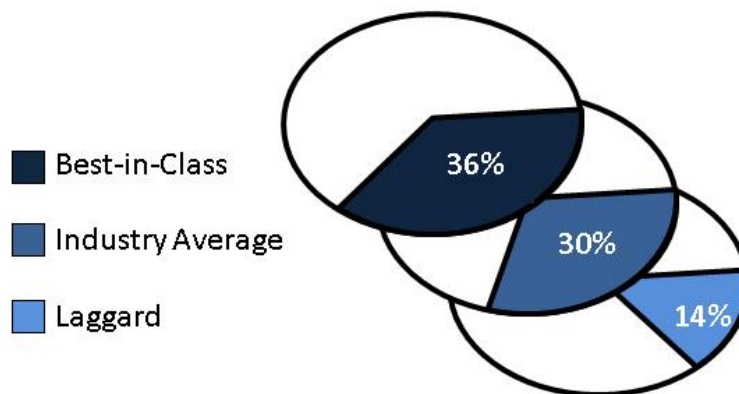
The dichotomy between what each perceives as a priority and the ability to provide/receive it is very telling. The industry is awash in data but the need to be able to aggregate and consolidate data to identify trends, opportunities, insights, etc. has never been greater. The study further points out the need for “softer skills” (selling skills, networking skills, communication skills and planning skills) as being of critical importance. However, much of those skills are dependent on having the ability to access the right insights that are relevant to the organization and the

function/person being addressed. Softer skills are judged by the significance of the sales person's ability to offer value that is appropriate to the situation. It is essential that the sales person have the ability to quickly and accurately identify critical points about the business trends, competitive actions, intra-company performance, etc. Often this requires looking across vastly different data sources and breaking down the information silos that exist between functions, departments and organizations.

Finding the Right Focus

Consequently, the need to be more detailed and provide more comprehensive analysis also means that there is a need to quickly isolate and highlight areas of strength, weakness, opportunity and threats.

Percentage of organizations that can **always** access the information they need, in the timeframe required:



Source: Aberdeen Group: Agile BI: Three Steps to Analytic Heaven, April, 2011, page6

Focus is placed on those situations with a higher priority than the business as usual. In order to effectively achieve this there needs to be processes in place, agile BI tools available and properly trained employees to quickly assess business performance to identify those exceptions, both positive and negative, that require attention.

David White of Aberdeen Group published a study in April, 2011³ that points out only a third of Best-in-Class firms can access the information they need, in the time dictated by decisions, 100% of the time. The need to engage and manipulate data management information was viewed as essential by these companies to allow them to respond to changing business needs.

Progressive companies recognize that there needs to be a narrowing of opportunities to pursue based on legitimacy of opportunity, payback, strategic importance or fit, etc. Rather than attempt to dive deeply into every potential opportunity it is advisable to:

- Establish performance standards or benchmarks
- Analyze the situations where performance is significantly higher or significantly lower than expected
- Direct time and attention to where it will provide the most utility to leverage positive opportunities or reduce the impact of negative consequences

Time spent inefficiently on non-revenue producing/low payback scenarios, redundant tasks or on tasks that have been successfully completed by others within the organization, increases the impact of negative outcomes given that resources are already taxed and stretched. Employees will be de-motivated when their time and energy is spent on busy work that does not incrementally improve the business performance. In the flurry of activity and misdirected initiatives that are not strategically relevant, the company develops a corporate ADD where few assignments are completed to the necessary depth and understanding before the next priority surfaces and supersedes the initial project. This leads to a spiraling of poor execution. Agile BI tools that allow for rapid insight development and ease of sharing across multiple users can be used to quickly identify priorities, provide focus and clarity and communicate to all stakeholders within the organization and beyond.

Innovation with Agile BI Tools

With the competitive environment increasing the need to stand out from others in order to remain viable, it is all the more necessary for companies to provide innovative thinking. That is not easily done when significant resources are muddling through large amount of data in an effort to spot a trend or building simple compare and contrast analyses versus competitors. Rather, by allowing the agile BI tools to perform the arduous and rigorous tasks of number crunching automatically, and far more quickly than any human could, it frees up time for the experts to leverage their experience to develop innovative solutions for mission-critical performance building opportunities.

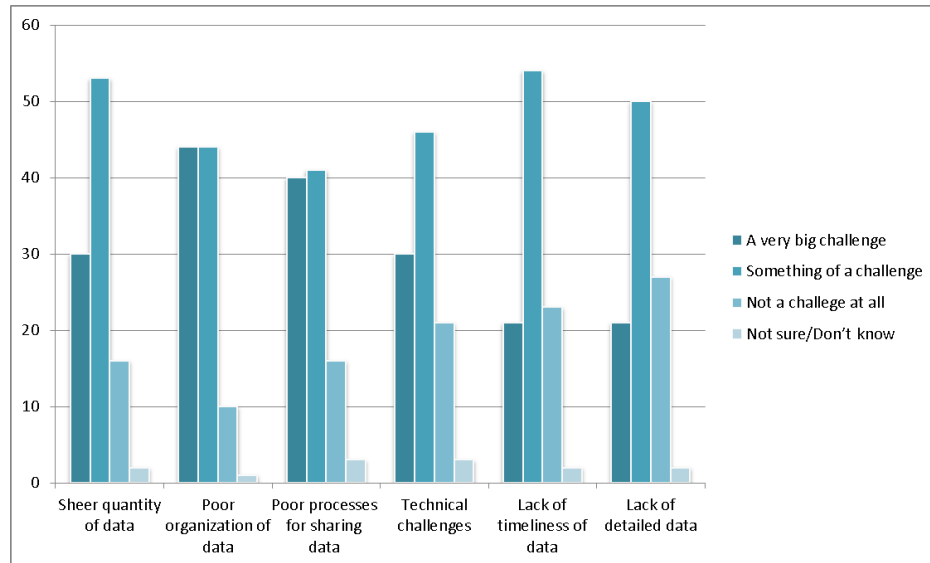
Case Study

A beverage company focuses on one of their core strengths: space management. Through the use of agile BI tools, the company noted that the space allocation on the shelf was incorporating space to accommodate purchases that were being made from shelf displays. In effect, the retailer was over-stocking the shelf as if sales were occurring there, when in fact the end result was that the shelf-stocked product that was non-productive was using space that could have opportunistically used to usefully increase variety. The company was able to quickly point out that a "simple "days of supply" (DOS) measure for determining shelf stock levels was introducing an error and variance that could have been avoided if secondary location sales could be estimated, and the shelf set be adjusted to reflect only what sells from that location (or the best estimate of it). The retailers that implemented this suggestion saw immediate returns and positive outcomes without any increase of out of stocks on the brands sold heavily off of secondary locations during those weeks of promotion.

This insight also opened up the door for much more significant partnership opportunities for this supplier.

BI Tools or Strategic Weapons

Operational Necessity



Source "Economist Intelligence Unit: Leveling the Playing Field: How companies use data for competitive advantage,"

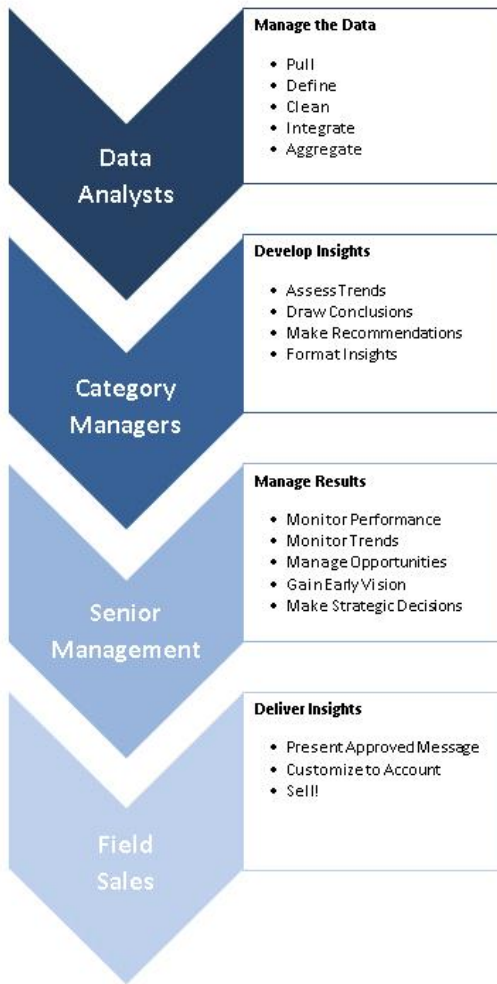
Being able to quickly disseminate information and share key findings is a differentiator between competitors. Those companies that are cohesive and reliable to work with across different geographies and able to offer consistent insights, innovation and business building ideas will see more opportunities to participate in the strategically important initiatives with their customers. Businesses that have not learned the importance of sharing information often have silos or pockets of expertise where the knowledge and insight is hoarded. That leads to the company having to forever recreate the wheel in each account. They lose ground to the competitors that have learned how to leverage the agile BI tools that permit almost instantaneous refreshes, updates and sharing of best practices across the entire sales, marketing or analytic teams.

Tip 1: Empower the People

Agile BI tools also permit core users to create the majority of a presentation/report and allow the local account handler to be more effective through:

- Focusing on building the relationship and uncovering insights rather than presentation/report creation
- Providing best in class caliber insights that can more effectively be created by HQ personnel with exposure to multiple account situations

By allowing the core users (typically HQ-based personnel in functions like Category Management, Shopper Insights or Trade Development) to leverage the BI tools, 80% of the presentation/report can be developed for sales personnel and still allow for local tailoring or customization to be done by the field team based on unique needs of the account, retailer's Category Manager, etc. In this way, there is a consistency of message, easier maintenance and control of standards and a reduction in the versions of any one presentation/report.



Role: Data Analyst

Responsibility: Manage Data

Let people with data expertise manage data by creating and maintaining systems to pull, define, clean, integrate and aggregate data into a format that business personnel can use.

Role: Category Manager

Responsibility: Develop Insights

Business personnel such as Category and Marketing Managers are best qualified to assess trends, draw conclusions, make recommendations and put insights into a format that sales personnel and customers can understand.

Role: Senior Management

Responsibility: Manage Results

Senior Management requires the ability to manage and monitor performance, trends, opportunities and gain “early vision” into the status of the business by different views (brand, account, region, channel, etc.) to allow for strategic decision-making.

Role: Field Sales

Responsibility: Deliver Insights

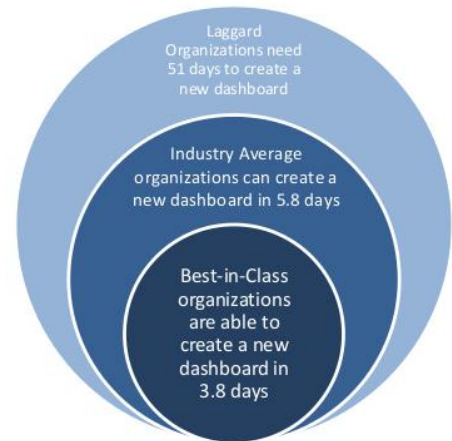
Sales representatives need customer presentations that are ready to go but can also be easily customized for their own accounts or markets. Let sales people do what they do best - sell!

Tip 2: Remove the Guesswork

One progressive manufacturer created a series of standard presentation/reports designed to handle the majority of scenarios that a salesperson was likely to confront under normal selling conditions. They identified that most sales presentations/reports fell under one of the following classifications:

- New Item Introductions
- Category Review
- Space Management (SKU Optimizations/SKU Rationalizations)
- New Category Manager
- Promotional Idea

By developing “shell” presentations/reports that contained the templates, marketing messages and even the suggested narrative to use when speaking to each slide for each of the presentation/reports, they were able to upgrade the quality of presentations/reports being made to accounts. Additionally, it has freed up internal resources to truly focus on the exception-based presentation/reports that required greater depth of research, insight or were beyond the capabilities of a field-based resource to address easily.



Source: Aberdeen Group: Agile BI: Three Steps to Analytic Heaven, April, 2011, page 6

Tip 3: Ensure Consistency, Allow for Customization

Provide presentations/reports that represent the best thinking - agile BI tools should not lock the presenter into delivering the presentation/report as provided. The flexibility of the tools should allow for the local salesperson or others to edit presentations/reports received through:

- Editing text as they would in Microsoft PowerPoint
- Integrating data from other sources (customer, proprietary or other)
- Adding/deleting slides
- Changing the appearance of slides (formatting, logos, fonts, etc.)
- Modifying the competitive sets or timeframes of any given analysis

These changes are simple to execute, even in the field, and are saved as files small enough to allow for easy emailing and updating of presentations/reports with newly provided data. At the same time, there is uniformity within the presentation that provides consistency and prompts to guide the presenter through the construction and delivery of the uniquely developed presentation.

Manufacturers mentioned Consumer Knowledge while retailers mentioned Shopper Insights. Retailers have moved from thinking about “consumers” to thinking about “shoppers.” Retailers are interested in the application of this learning to their organization, not the acquisition of data. They need Shopper Insights to be brought down to the market, and even store level. Understanding and Using Data effectively – including having the right Business Intelligence tools – is key to a sales person’s ability to bring this information to the retailer.

-Dechert-Hampe “Sales Force of the Future 2012,” 2012.

The dynamic nature of the latest generation agile BI tools permit “*on the fly*” edits without long delays for upload or download, struggles to access data and learning a new user interface. These tools allow users to work within Microsoft Excel, PowerPoint and other already familiar tools. The need for dedicated support staff to work on presentation/report development, editing and maintenance is removed as the salesperson can now assume that responsibility and do so more effectively and efficiently than ever before.

Addressing Competitive Threats

Previously, when a salesperson was asked to respond to an immediate competitive threat it would require many long hours and multiple people to contribute to the analysis. The process often included; compromises to be made, concessions to what was able to be done and who was available to do it vs. what was needed and having to weigh what was feasible to do in short timeframes. With agile BI tools removing the difficulty of identifying and incorporating the information required to address competitive threats, the standard presentation/report typically used can be marginally modified or completely redone as needs dictate.

No longer at the mercy of time running short or lack of resources available to perform number-crunching tasks, agile BI tools can provide opportunities for ad-hoc, what-if scenarios with the account while presenting in the field. New challenges can be addressed with the appropriate data to explore the implications of decisions or even the idle curiosity of a customer seeking additional information.

Lastly, when competitive threats do become known, standard presentations/reports can be easily updated to reflect the company’s best response. Slides can be modified to incorporate the latest thinking about the competitive threat and successfully turn it into an opportunity for the company, rather than letting the company be caught flat-footed and surprised by a competitor. Through planned or as-needed updates to presentations/reports located in intranet libraries, emailed presentation/report updates to users located remotely or single slide creations in response to a local need – agile BI tools can provide recommendations to succeed based on insights, perspectives or competitive analysis.

Conclusion

The impact of agile BI tools on future success cannot be overstated. In the current economic environment companies must consistently perform at optimal levels or risk losing ground. Agile BI tools can make the difference between distinguishing between opportunity and threat, profit and loss, and failure and success. Asking employees to sift through increasing amounts of data to develop actionable insights, and to do so quicker and more accurately than the competition, can only be accomplished by working with better resources that provide the analytic assistance possible and only through agile BI tools. With fewer employees being asked to perform at higher levels, the strategic imperative of real time analytics is not only an operational necessity - it is a mission critical function. In fact, your on-going success depends on it. You can get started today by evaluating agile BI tools that offer real-time analytic capabilities from companies such as Interactive Edge. Their solution, XP3, is a component based end-to-end data analysis application that helps organizations transform internal and external sales and marketing data into actionable insights conveyed through interactive Microsoft PowerPoint presentations and Excel Reports.

XP3 provides an easy-to-use interface for business users to analyze and present multidimensional data in an already familiar environment. XP3 optimizes Category Management and related initiatives by organizing strategic intelligence, reducing effort and enabling speed to insight. Full integration with Microsoft Office eliminates workflow redundancy while uniquely enhancing the creation of customized dynamic reports and presentations.

Endnotes

¹<http://www.bls.gov/cps/>

² Dechert-Hampe “Sales Force of the Future 2012,” 2012.

³Aberdeen Group “Agile BI: Three Steps to Analytic Heaven,” April 2011

About ZAHN Consulting, LLC

ZAHN Consulting, LLC was created to serve the training and performance enhancement needs of our clients in their pursuit of improved bottom-line results. Our goal is to assist our clients in ensuring that THEIR clients, employees and associates, are able to align their skills and abilities to meet the expanding challenges of an increasingly complex business environment.

About Interactive Edge, LLC

Interactive Edge is an industry leader in data analysis and presentation software for streamlining the retail selling process, Category Management and related disciplines. The award-winning XP3 platform is a set of agile BI tools that are integrated with Microsoft Office and provide Category Managers and other business users the ability to quickly, efficiently and effectively leverage multiple data sources to create, distribute and apply best practice analytics in persuasive PowerPoint presentations and Excel reports. Because of its ease-of-use, open technology and powerful analytics capabilities, XP3 has become the standard for presenting any data, anytime, anywhere at some of the largest Consumer Goods companies in the world.

To learn more visit www.interactiveedge.com.