

**SIMON • KUCHER & PARTNERS**

Strategy & Marketing Consultants

30 years

## Boost TopLine and Profit with Sales Excellence

Success cases and approach



2016

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## Three success cases: Sales Excellence in action

### Branded spirits

I



▶ **Challenge:** Decide which market opportunities to pursue

▶ **Result:**

**1% ROS  
improvement**

### Industrial goods

II



▶ **Challenge:** Improve EBITDA margin within three years with Sales Excellence

▶ **Result:**

**30%  
bottom-up  
growth\***

### FMCG

III



▶ **Challenge:** Maximize growth and value with the right route-to-market (RTM) model

▶ **Result:**

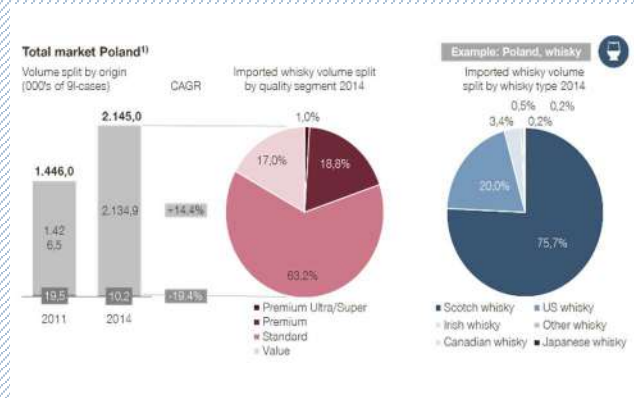
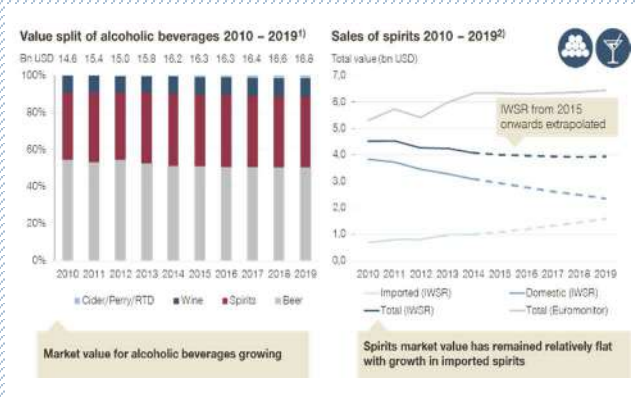
**+ €3,4M  
EBITDA**

# I Commercial strategy for a spirits brand

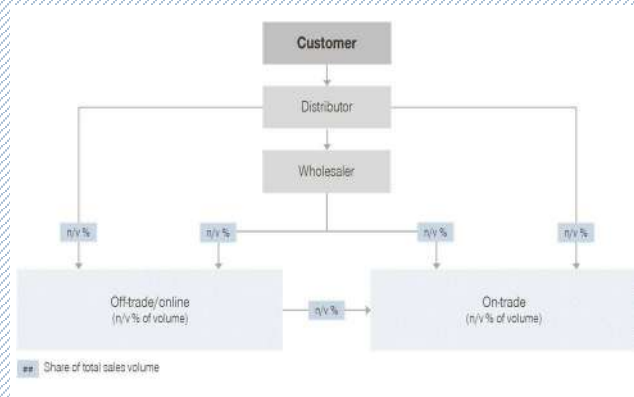
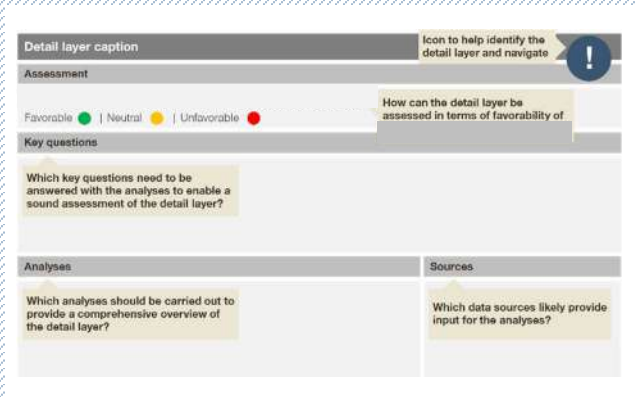
**Challenge:** Decide which market opportunities to pursue

**Solution and deliverables:**

**Overview of market environments    Deep-dive in opportunities**



**Opportunity assessment template    Break-down of supply chain**



## Project Example

- ✓ Measurement of overall market attractiveness and opportunity prioritization
- ✓ Fact-based opportunity assessment including deep-dives for 'big bets'
- ✓ Clear route-to-market strategy including channel development



# EBITDA improvements for industrial goods company

**Challenge:** Improve EBITDA margin within three years via Sales

**Solution and deliverables:**

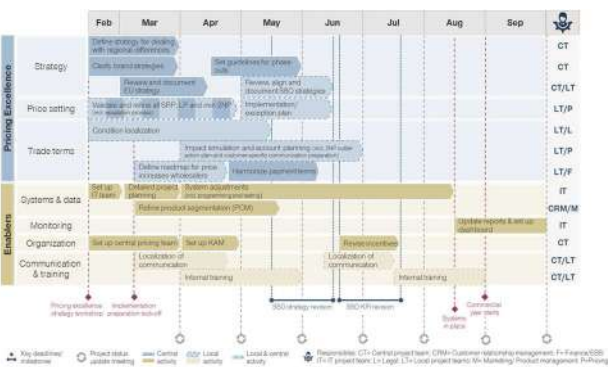
**Opportunity map**

Segment	Libraries		Museum	Government	Healthcare	Commercial organizations		
Sub segment	Univ.	Public	Museum	Government	Hospital	Retail (storage)	Industry	Professional services industry
Belgium	€ 80**	€ 25	€ 250	€ 6.500	€ 100	€ 10	€ 800	€ 1.950
Denmark	€ 51	€ 5	€ 421	€ 1.950	€ 300	€ 240	€ 750	€ 200
France	€ 1.100	€ 500	€ 2.500	€ 4.000	€ 200	€ 500	€ 2.250	€ 3.250
Germany	€ 231	€ 10	€ 1.200	€ 1.995	€ 180	€ 200	€ 222	€ 500
Netherlands	€ 400	€ 100	€ 1.800	€ 1.575	€ 10	€ 60	€ 240	€ 1.300
Norway	€ 231	€ 10	€ 1.200	€ 1.995	€ 240	€ 200	€ 100	€ 500
Sweden	€ 280	€ 500	€ 2.800	€ 3.750	€ 325	€ 200	€ 100	€ 765
Switzerland	€ 1.200	€ 500	€ 2.400	€ 1.470	€ 130	€ 200	€ 3.000	€ 1.500
United Kingdom	€ 1.680	€ 120	€ 1.500	€ 3.000	€ 130	€ 10	€ 191	€ 516

**Clear business case**



**Detailed roadmaps**



**KPI's and reporting**



**Project Example**

- ✓ Clearly defined commercial market focus and approach for nine European countries based on opportunity mapping
- ✓ Structured account planning approach developed
- ✓ Improvement secured in KPI's, processes, systems and reporting

**30% bottom-up growth\***

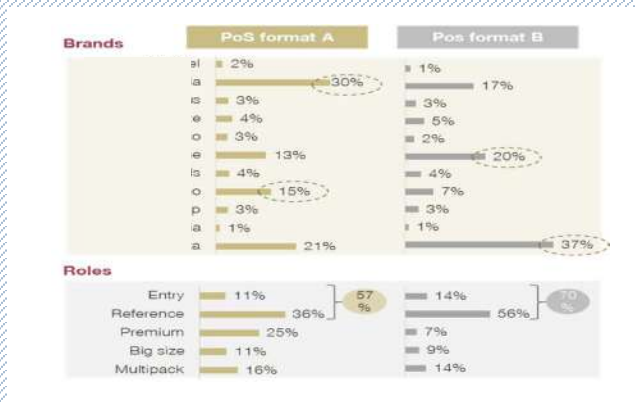
Source: Simon-Kucher & Partners Project Database; \* growth ambition resulting from bottom-up estimation of client's sales reps in various countries  
2016-11-15\_Boost TopLine and Profit with Sales Excellence.pptx

# III Route-to-market (RTM) strategy for FMCG

**Challenge:** Maximize growth and value with the right RTM model

**Solution and deliverables:**

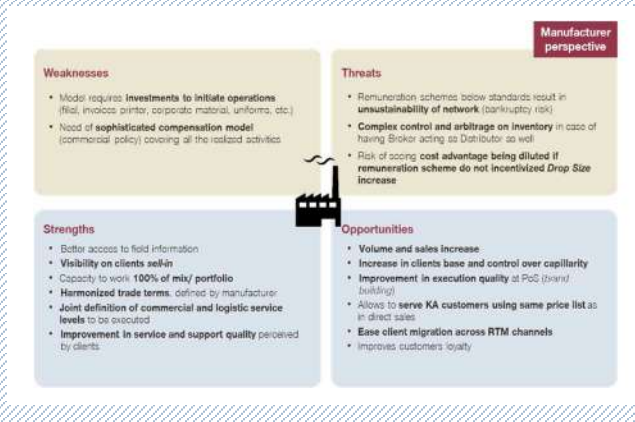
**Category brands and roles**



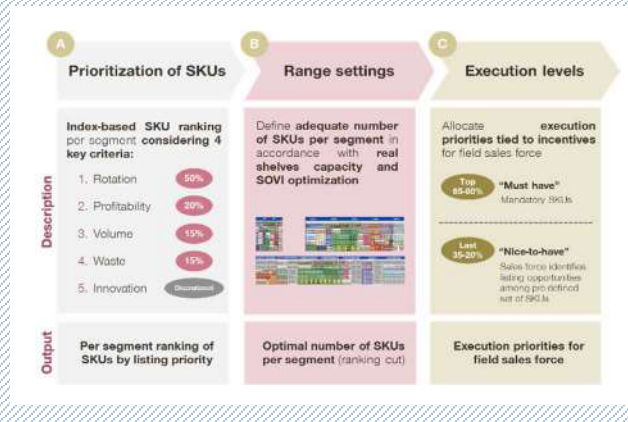
**Distribution set-up choice**



**Broker involvement**



**Optimal portfolio per segment**



## Project Example

- ✓ Growth plan for increased distribution by penetrating new PoS
- ✓ Defined operating model to balance between indirect and direct sales
- ✓ Differentiated RTM service levels per PoS segment, based on criteria of profitability and potential

**+ €3,4M EBITDA**

# Our view on Sales Excellence: Companies must act on three topics – strategy, set-up, execution

## Strategy



<b>1</b>	<b>Markets</b>	Prioritize target markets
<b>2</b>	<b>Customers</b>	Define target customers
<b>3</b>	<b>Channels</b>	Optimize channel mix

## Set-Up



<b>4</b>	<b>Structure</b>	Align structure to strategy
<b>5</b>	<b>Processes</b>	Ensure systematic and consistent execution
<b>6</b>	<b>Resources</b>	Optimize resource allocation

## Execution



<b>7</b>	<b>Planning</b>	Enhance customer engagement
<b>8</b>	<b>Capabilities</b>	Develop the sales team further
<b>9</b>	<b>Governance</b>	Provide effective guidance

# Strategy: Know where and how to win

Create a clear and shared view on growth priorities...

**1 Develop segmented market focus**

**Opportunity map**

Segment	Libraries		Museum	Commercial organizations		
	Univ.	Public	Museum	Retail (storage)	Industry	Professional services
Belgium	€ 80**	€ 25				
Denmark	€ 53	€ 5				
France	€ 1.300	€ 700				
Germany	€ 231	€ 10				
Netherlands	€ 400	€ 100				
Norway	€ 231	€ 10				
Sweden	€ 280	€ 100				
Switzerland	€ 1.200	€ 100				
United Kingdom	€ 1.680	€ 100				

Source: Simon-Kucher & Partners  
Binding Sales Power - Sales Excellence presentation - August 2016

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**2 Segment your customer base using value drivers**

Value Driver	38%	10%	27%	16%
Size				
Family situation	Mainly couples without children	Families		
Top 5 value drivers	1. Opening times 2. Quiet zones 3. Vacation atmosphere 4. Waiting times 5. Water attractions	1. Attract 2. Water 3. Vacatio 4. Waiting 5. Advert		
Budget	€47			
Value perception of park	High			

Source: Simon-Kucher & Partners  
Binding Sales Power - Sales Excellence presentation - August 2016

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**3 Develop contact model per customer segment**

	A customers	B customers	C customers	Potential customers
<b>Description</b>	• Big volumes in high frequencies • Existential for branch X • Initiator for R&D activities	• Regular volumes, medium size • Significant revenue impact	• Small, irregular customers with limited volumes • Service has limited importance to customer	• Prospects/"comebackers" with significant business potential and high likelihood to win the deal
<b>Frequency of contacts</b>	1x per month via phone 1x per quarter in person	1x per quarter via phone 1x per half year in person	1x per year via phone	1x per week via phone/in person during acquisition
<b>Duration of visit</b>	Upon requirement	Max. 2h	Ø 15min per call	Upon requirement
<b>Customized solutions</b>	"Everything is possible"	"Only if well paid"	"Not doable"	"Everything is possible"
<b>Quality of care</b>	Quick, direct contact to account manager	Account manager contact only via indoor sales	Indoor sales contact only	Approached by hunter
<b>Service level</b>	Lead time: 2h Complaint handling: 1h	Lead time: 1 day Complaint handling: 1 day	Lead time: 3 days Complaint handling: 3 days	Request handling: <1h

Source: Simon-Kucher & Partners  
Binding Sales Power - Sales Excellence presentation - August 2016

...leading to explicit sales ambitions and targets per customer segment

## Questions you need to answer:

- What are relevant markets and growth opportunities, now and in the future?
- What are competitive advantages and winning sales concepts?
- What are needs and value drivers for customers, and how do these differ per market and customer segment?
- What segments should be best addressed based on customer needs and own strengths?
- What are winning sales concepts/propositions?
- What are the most effective routes to market?

# Set-Up: Define the right structure, processes and resources

## Align structure to strategy...

**4 Map your sales force to align with company goals**

**Role Mapping of sales force**

Leadership potential: high to low  
New custom potential: low to high

Administrative leader ("key account manager")  
Market developer  
Existing customer administrator ("farmer")

**Insights**

- According to leadership and new customer acquisition

**6 Assign ownership and competences along the process**

**RACI: Current sales and pricing process**

Function	Lead generation	Collect customer info	Cost negotiation	Decision on selling price	Offer/quota development	Negotiation	Customer service/ after sales
Station manager							
Product head/ regional pricing/ gateway							
Operations (Support/ Import Agents, CS)							
Pricing (local)							
Sales	R, A	R	R	R	R	R	R
Trade Lane Mgr.	R	R	R	R	R	R	R

**6 Use benchmarks to optimize sales force size per region**

**Resource allocation of sales by sales region**

Competitor	Region						Overall	Market share
	Canada	Midwest	Central	North-west	West	South		
1 Arburg	1	8	4	3	7	11	34	6.4%
2 Micron	1	6	6	3	5	7	28	7.7%
3 KM	3	3	4	2	2	3	17	1.9%
4 Toshiba	2	7	6	3	4	2	24	9.5%
5 Haitian	1	5	7	3	3	2	21	9.9%
Average*	1.9	5.2	4.3	2.6	3.4	3.8		
<b>CLIENT</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>4.5</b>	<b>4</b>	<b>9</b>	<b>34.5</b>	<b>9.2%</b>

**Key takeaways**

- Sales capacities of CLIENT overall similar to COMPETITOR, but well above the average FTE count of competitors in most regions, except Canada
- Market share compared to other competitors suggest lack of sales effectiveness

**...to ensure consistent execution and to optimize resource allocation**

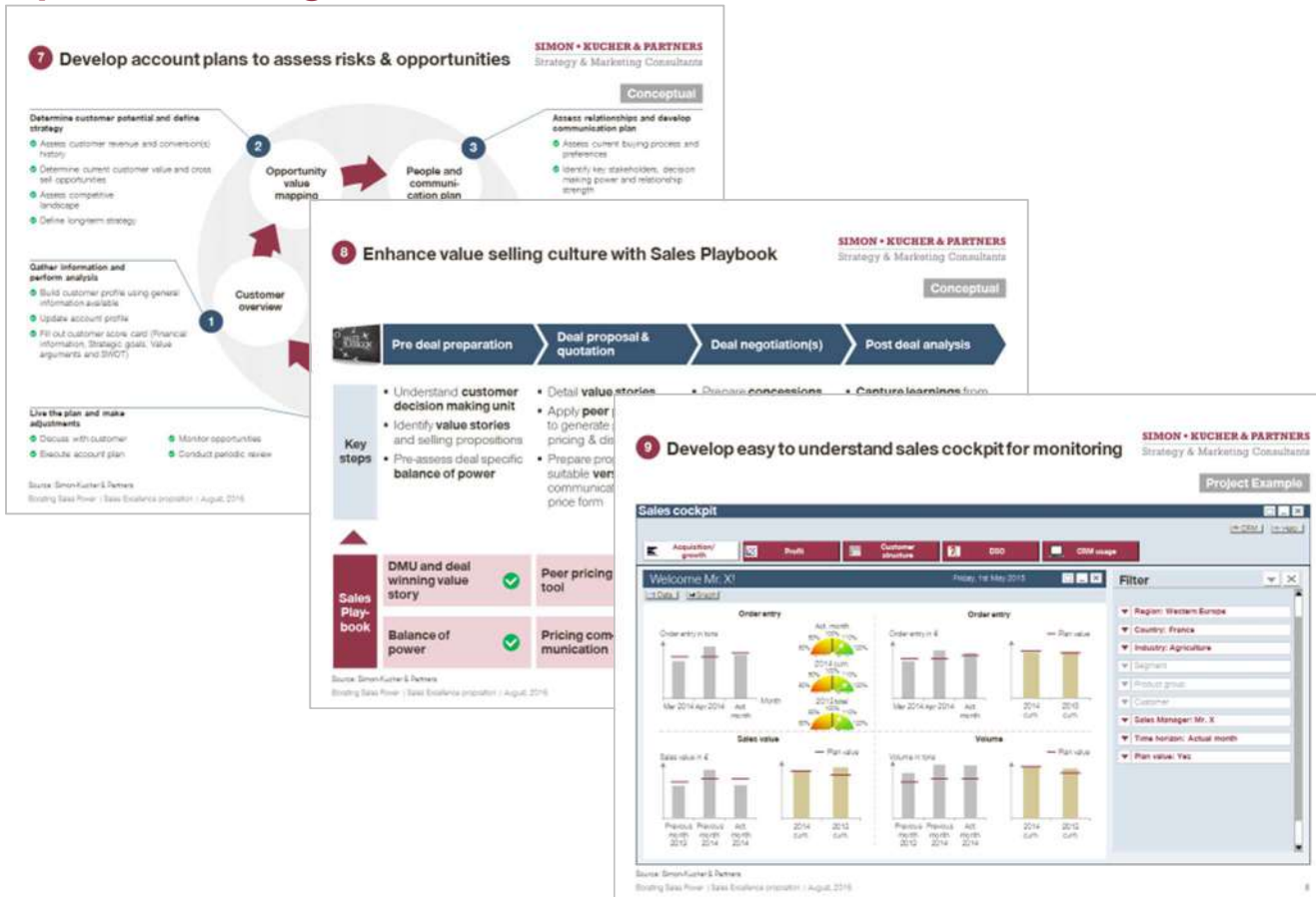
## Questions you need to answer:

- What is the optimal sales organization structure?
- What kind of sales employees are required, and how to create a growth path?
- What are commercial roles & responsibilities?
- How to organize state-of-the-art sales processes from quote to cash?
- What are commercial resource needs?
- How to optimize resource allocation by territory / customer
- How to develop teams that enhance selling?
- How to enable people commercially?



# Execution: Realize, develop and monitor sales excellence

## Develop a pragmatic approach towards operationalizing market choices...



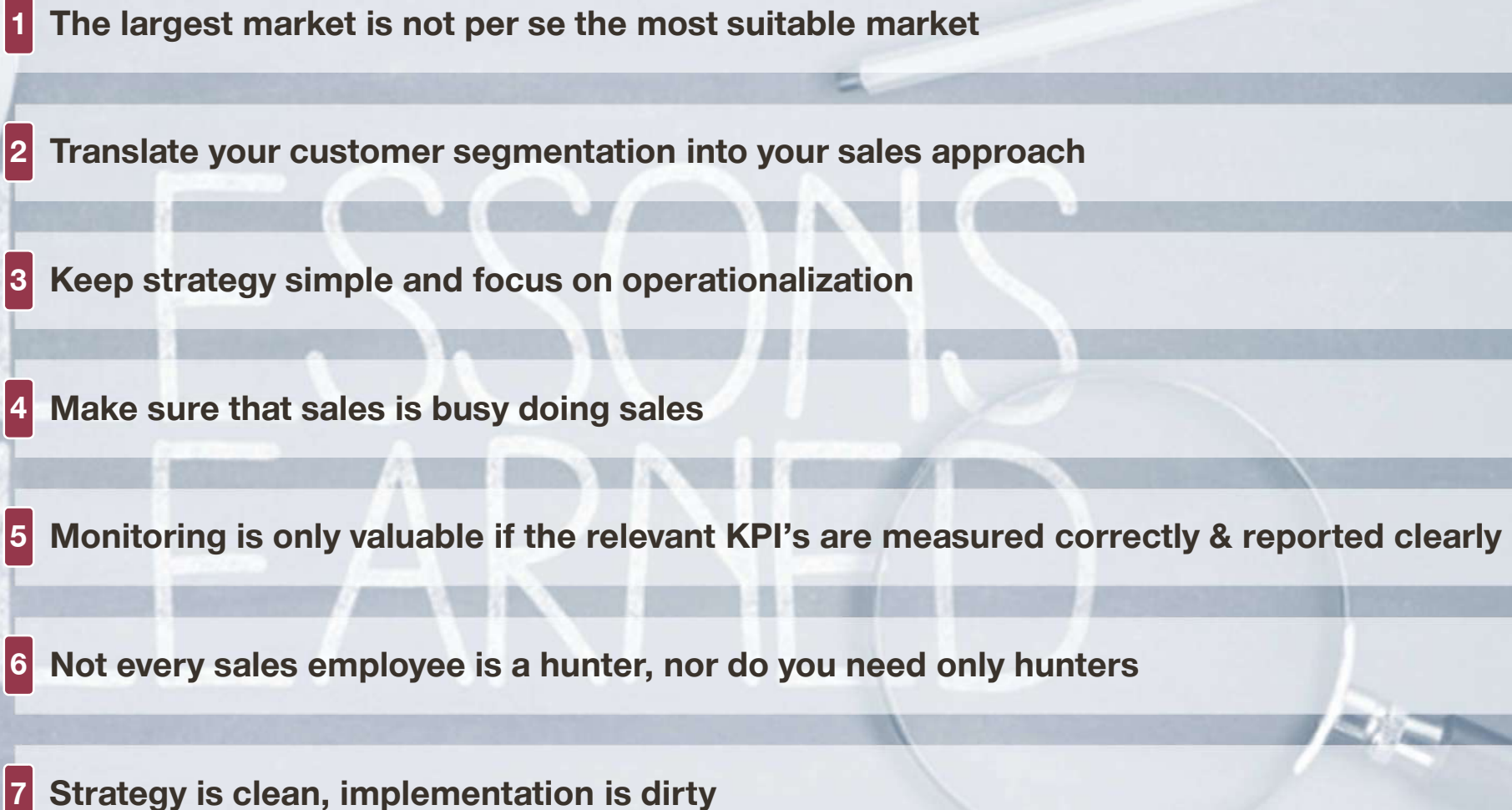
## Questions you need to answer:

- How to enhance customer engagement?
- How to systematically develop accounts using account planning and cross- and up-selling?
- How to build and leverage customer intelligence, incl. CRM tools?
- How to ensure that the sales force is able to sell and defend added value?
- What are relevant commercial KPI's and targets?
- How to establish meaningful sales controlling and reporting?
- What are effective compensation schemes?

...and develop & guide the sales force in increasing effectiveness

# From our experience: Seven key insights on how to achieve Sales Excellence

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Strategy & Marketing Consultants

- 
- 1 The largest market is not per se the most suitable market**
  - 2 Translate your customer segmentation into your sales approach**
  - 3 Keep strategy simple and focus on operationalization**
  - 4 Make sure that sales is busy doing sales**
  - 5 Monitoring is only valuable if the relevant KPI's are measured correctly & reported clearly**
  - 6 Not every sales employee is a hunter, nor do you need only hunters**
  - 7 Strategy is clean, implementation is dirty**

A background image showing a close-up of a handshake between two people in business attire. One person is wearing a brown suit jacket, and the other is wearing a dark blue suit jacket. The handshake is the central focus, with hands clasped together. In the background, there are blurred figures of other people and what appears to be a meeting table with documents.

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**Get in touch with our sales experts!**

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