

Sales Force Effectiveness

The company's guiding principle was operational excellence. But what would that look like for Sales?

“When products were sold through a direct sales force and you controlled all of the touch points with the customer, getting the most from your selling resources was straightforward. In a more competitive world, where sales also come through ‘partners,’ independents and the Web, sales force effectiveness becomes highly complex. Changes in sales structure and go-to-market strategy are fraught with risk. Hands-on experience and feedback are critical to effective restructuring; Best Practices alone are not the answer.”

Business Issue

After consolidating divisions, a manufacturer's executive team wanted direct sales to be more supportive of a multichannel environment. Consolidation had vastly increased the products available through all channels, but the cost of sales via direct reps was too high compared to wholesalers and distributors. Sales reps also competed against their channel partners; customers were often confused by the differing sales pitches.

Despite a well-managed e-commerce channel, the field reps were reluctant to drive business to the Web because of their compensation structure. Over time, many of the reps had fallen into a fulfillment mentality rather than aggressively selling new accounts. Those who serviced the dealer channel were dependent on their channel counterparts and, to some extent, had to take direction from them. Consolidation also meant that there were overlapping sales territories. Quotas in many cases were low, and too much attention was given to a multitude of small-volume accounts. The company got revenue no matter which channel the consumer used, but the role of the sales rep needed a clearer strategy. Our client also wanted to assess whether moving towards a 100-percent distribution model was the right solution.

Adroit's Role

The executive team engaged Adroit to help them answer strategic questions and implement pieces of the answers:

- The feasibility of the 100-percent distribution model
- How to improve sales force productivity
- How to integrate the field sales strategy with simultaneous global changes in go-to-market strategy
- Integrate any changes with the customer care function

Channels: We assessed the skills of the channel sales team, their ability to assume added responsibility and the scalability of their function. We also conducted channel partner interviews and observed sales interactions with dealers; and end customers purchasing through dealer channels.

Sales Team: We assessed their skills, job content and workflow, and their ability to assume added responsibility. We also analyzed customer interactions through 1) direct observation of sales calls and product interactions, and 2) direct customer interviews on the role of and perceptions of the direct sales rep. *Organization:* We reviewed organizational structures, compensation strategies, management structures, training programs and tools supporting the organization.

Outcome

The solution adopted was very different from the initial focus and direction of moving towards a total distribution model. Instead, the company restructured and segmented the field sales organization to more effectively support direct sales of select products to both end customers as well as sales to dealers and other channel partners. Territories were redesigned; compensation strategies revised; and job roles and responsibilities significantly changed. The new model was pilot-tested and adjusted based on cumulative learning to ensure that all of the issues were surfaced prior to full roll-out. The solution leverages a mix of direct resources as well as manufacturers' reps and an established inside sales organization. It is designed based upon market insight, operational effectiveness and product segmentation within a customer-focused strategy.