

Tru-Test Group

Enhancing Sales Effectiveness and Increasing Revenue



Tru-Test Group is a leading New Zealand manufacturer of electric fence systems, livestock scales, electronic identification products and milk metering equipment. Since 1964 it has been designing, manufacturing and marketing products and solutions to increase efficiency and profitability in the agricultural sector. These products and solutions are distributed to farmers in over 100 countries worldwide.

“Within the short timeframe of the project, the Retail Sales Team achieved a significant rise in sales volume and margin, and created the framework for continuous improvement to deliver further increases. I would commend Renoir to any organisation seeking a structured and disciplined approach to enhancing sales productivity & effectiveness.”

Greg Muir
CEO

ANALYSIS

The organisation’s NZ Retail Sales Team, tasked with increased sales through four national retail chains, was performing well; however, there was also an ambition to turn a “good” sales team into “great” and realise more sales opportunities in the marketplace. Believing that further improvements were possible, Renoir was engaged to conduct a detailed Analysis of this Retail sales business. It produced the following key findings:

- Area Sales Managers were largely self-directed, with minimal guidance from national managers for sales productivity targets.
- There was a wide variety in the mix of daily activities between sales managers, between retail key accounts and high value end-users.
- There were varying standards between sales managers of effective activities to be conducted during sales visits.
- The CRM system was under-utilised, providing little visibility of the sales activity history.
- There was low visibility of the impact of product troubleshooting, and of other non-value-adding impairments, on the sales team’s time for active selling.
- There was a need for better key lead indicators which could be managed to maximise monthly sales performance.

Because the sales team had historically been achieving its annual targets, there had been no recent, formal, in-depth review of the sales activities as to how to drive ongoing growth. Interestingly, while the analysis indicated the team was performing well against current expectations, it highlighted there was still significant opportunity to perform better.

PROJECT APPROACH

A collaborative approach was undertaken with the client to identify the current state of sales performance, and the opportunity areas for improvement. It involved, for example:

- Interviews across the organisation to capture the systemic gaps in the planning and reporting used to control sales performance.
- A series of Day In the Life Of (DILo) studies to identify the various “Best Practices” used across the sales team.
- The formation of a cross-functional Management Action Team (MAT) to ensure resources were properly managed to implement the proposed changes successfully.
- A combination of presentations at sales conferences, and field coaching with sales managers, to facilitate the successful uptake of the “New Way of Working.”

Improvement Potential

Based on the original Analysis, a 30% improvement in sales productivity was projected, as a result of additional sales meetings and an increase in meeting effectiveness. This translated to a potential \$900,000 p.a. improvement in gross margin.

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Key Results

10% Improvement in increased sales meetings

50% Improvement in sales-visit effectiveness

\$425,000 annualised benefits achieved within 10 weeks of implementation

\$900,000 projected annualised benefits

THE RENOIR GROUP

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IMPLEMENTATION

A 20-week project, with the name of “NZ Retail Acceleration,” was launched under the guidance of a Renoir project manager and a Tru-Test Group taskforce member. It comprised a six-week Focus Process®, which was fundamental for the Discovery and Definition of the project solutions, and for ensuring user buy-in and transferring ownership to Tru-Test Group members. This was followed by ten weeks of implementation, and then a four-week sustainability period for continuity of coaching and making sure the changes were embedded.

Productivity

The sales territories were evaluated, and this resulted in each store being classified from A to D, according to historical sales and growth potential. Each store was assigned a visit frequency according to its classification’s priority, and this was summarised in an overall monthly call-cycle target.

Various KPIs and reporting measures were implemented to manage sales productivity. They enabled sales managers to: monitor their rolling run-rate of actual store-visit frequency, and thus assess whether they were on track to meet the monthly target; and identify individual stores which had not been visited within the target cycle.

Effectiveness

Following the Focus Process® period, a “Best Practice” toolkit was created to focus sales staff on the right activities during their store visits. The toolkit included training and promotional summaries to increase staff’s product knowledge, show historical sales trends for the individual stores, and give a checklist to ensure that all key sales drivers were covered.

Clear guidelines were established to manage minimum expectations, and the sharing of successful tactics became regular practice in the fortnightly sales-conference call.

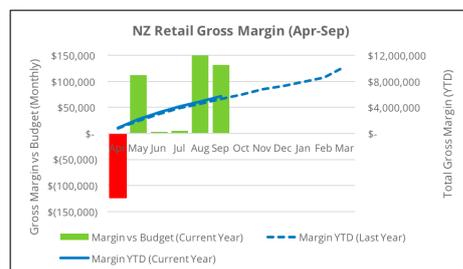
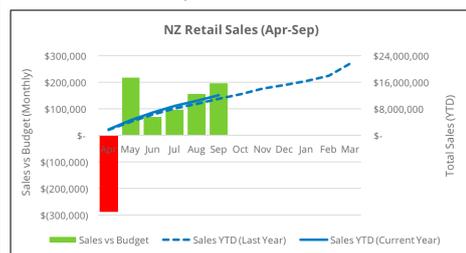
The checklist results were also matched against store month-on-month sales, to be sure that the new sales activities were truly delivering improved retail performance. This checklist validation process set up a system for evaluating future changes in sales process and behaviours to drive ongoing sales effectiveness.

Reporting and Business Intelligence

Reporting systems were developed and implemented to monitor productivity and effectiveness at all levels, including checks to ensure integrity of the data entered into the system. Sales managers were supplied with tools to give them information of individual store performance which would lead to an increase in the effectiveness of their discussions with sales staff, and in the identification of opportunities for sales growth. These reports factored in KPIs that were previously not monitored, including cancelled orders, to give clear visibility of market demand.

The reporting system was integrated with the existing CRM system, so that summaries of sales visits could be updated in the field through mobile solutions which would then flow to the reporting dashboards, in real-time, for review.

The reporting cascaded more detail from General Manager through to sales manager, with the appropriate KPIs being included for each level of accountability in the organisation. In this way, the Sales Management Control System could be used constantly to monitor performance effectively, and to drive continuous, sustainable improvement.



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