

Making Field Execution Demand Driven

Abstract

1. New availability of granular, broad, item -store level information from retailers can be accessed by large groups of field sales, brokers, and other remote service staff, and integrated into an environment that drives specific prioritized activities for your field execution team at specific retailers and in specific outlets.
2. Bellwether Consumer Products (CP) firms are following a phased approach to increasingly enable their field execution teams.
3. Tangible and substantial business benefits are ready to accrue for CP suppliers who are prepared to enhance their systems to solve the key problems in supporting a large remote sales force.
4. Existing syndicated and retailer relationships provide the data, while investments in technology enable integration of those data streams with the existing hardware infrastructure and deliver outlet-specific intelligence to the fingertips of the field execution team.
5. Drive the field sales investment towards the most value added opportunities by outlet.

Introduction

At one end of the spectrum lies the strategy of ignoring field execution by pouring resources into a costly, well-intentioned, but disjointed, team using a “machine gun” approach of spraying stores with success. This option leaves the CP in peril. At the other end of the spectrum is having a tight, efficient, accountable, data and rules -driven field force that works hand in hand with any third parties. The gulf between these two strategies is wide, being marked by the presence or absence of the ability to solve the challenges of field execution through migration toward a demand-driven field force. Making the field force demand-driven—through real-time delivery of retailer demand data—turns a fire, aim, ready approach to a ready, aim, fire approach.

Current State of Field Sales Execution

Consumer Products (CP) companies today have a wide degree of variance in how they deploy and manage field sales. CP companies run the gamut of essentially outsourcing all their operations concerning field sales execution (leaving most of the decisions to a broker or merchandising company), all the way to companies that strictly employ their own people against the task of protecting their investment in the space where the consumer meets their product at the shelf. Companies that integrate their supply chain into the field execution process (DSD) are also making significant investments to insure their products are placed, merchandised, and displayed in the right place at the right time. Brokers present an easy way for mid-tier manufacturers to go to market from an account and retail perspective. However, similar to the beverage business and the alcohol beverage business, many CP companies are discovering a need to bridge some gaps that exists when a third party is the primary interface with their retail customer. Brokers alone may not achieve the desired level of effective collaboration with those retailers in order to be effective today and tomorrow. Gaps in communication, prioritization and execution exist at all touch points with those retailers from the national account level all the way to the category within the outlet.

Many CP companies in recent years have added internal field sales employees to augment the help from third parties. CP's have equipped the new teams with the appropriate technology to begin to improve the face of their brand execution to the consumer—at least within one channel of business. Some have even begun looking at the opportunity beyond a single channel and are developing a multi-channel approach and applying a technology solution

specifically designed to support various go-to-market strategies based on the opportunity in each channel. The most exciting new trend is the ability to make these combined field execution teams 'demand-driven'.

Demand driven teams use targeted point-of-sale and other retailer data to drive the resolution of the most critical problems in real-time. In the past, account managers lacked the tools and information necessary to make key business decisions. But with demand data, CP's get much greater effectiveness and productivity within the field sales organization. These data streams, which include syndicated data, retailer specific POS, and inventory and shipment data, are being routed and prioritized to match the overall set of tasks that a field execution team has to manage—both within specific channels and across multiple channels.

Critical Challenges of Field Execution

- 1. Ignoring field sales or just using brokers is not an option.** Even in the ever-more-focused climate of stripping out anything that is 'non-core', field execution cannot be ignored. If ignored, the CP will lose shelf space, underperform on promotions, lose credibility with retail partners, and execute ineffectively on new item introductions—aside from trying to maintain core week-over-week performance. If field execution is done well, it can do more than deliver on shelf-space, promotions, collaboration, new items and performance. It can drive lucrative results, effect increased market share, hinder competitors, and ultimately appear as a component of revenue growth and in improved operating margins.
- 2. Investing in a field sales team is expensive.** Employees working remotely—including travel costs—is one of the most expensive endeavors any company has to deal with. Accomplishing a balance between the need to trim expenses, while not compromising the benefits ensured by effective field execution, is a constant struggle on the retail level. Real ROI on this investment is hard to come by.
- 3. Communication, management and accountability with multiple teams.** Some CP companies have brokers handling one set of accounts, in-house field sales handling other accounts, and a third group of accounts that are not covered at all. With field execution teams (brokers or in-house) working independently of HQ and one another, it is difficult to deliver consistent information and drive accountability from HQ. What communication tools do the field execution teams have? Do those tools keep them accountable? Do the field execution teams know what their focus should be? Also, field execution teams frequently change territories—ever-evolving maps between field sales (brokers, internal, other, none) and the stores are the rule. When territories are re-rolled, performance measures change. This also happens when stores are reassigned, closed, or taken out of coverage.
- 4. Teams are not going where the opportunity is.** Field execution teams are often scattershot. Since they do not have direct feedback prior to traveling to stores, their approach is based on which stores they think may have issues, and/or those that are closest to them. When sales and inventory by store, by day, can be delivered to their tablets or handhelds each morning, the field rep can suddenly sort the stores by opportunity. In this model, the rep can do the work of two people working 'blind'. Retailer portals are broader and more sophisticated—including inventory at store and distribution center, what is in transit, demographics, RFID, promotions and many more beyond simply sales and quantity. Getting this information into the hands of field execution teams was once just a dream—but is now reality.

The Solution

The solution to the challenges facing field execution teams involves strategy, focus, management, data, and technology. Just as cell phones and laptops have become technology through which we have raised our efficiency level, the technologies outlined here have and will become necessary boosters to productivity, driving results that will contribute to the top and bottom line.

The Basics: Developing a Field Execution Strategy & Team Approach

During this beginning phase, the CP needs to be investing in field execution at the operations level. This includes having:

A **field execution team at the store level** that begins to have a direct line of accountability to the CP. Options include integrating your existing broker or third party into a dynamic communication and performance measurement process that you control, or adding a contingent of direct reps aimed at specific channels, outlets, and/or priorities.

A central **technology to record** the field team, their rollups, their territory(ies), etc.

An integrated **audit process** providing your field execution management team of direct employees with a tool to validate third party results, if relevant.

A **strategic 'map'** defining which retail customers and outlets to prioritize, and what specifics need to be accomplished in those outlets, as well as who possesses the skills and core competence for those tasks.

A budget, with **choices for communication, management ratios, technology**.

Goals for accountability of the field execution team and ways to measure performance toward those goals.

Managing the Team: Driving Alignment, Goals & Metrics

Driving alignment involves migrating a field execution team that is remote, autonomous, and with differing goals, toward some consistent alignment based on more than gut instinct. In this phase, you determine the most important attributes of success for your brands and products in the outlet and clarify how you will measure the impact your team will achieve. You then begin to wrap core technology around specific business practices. Most firms do this by investing in a Field Execution / Sales Automation System.

In this phase, you will need to:

Start to evolve the **technology** to wrap around your business process strategy and performance measurement process.

Develop a clear **Retail Strategy** across all your channels of business and begin to segment retailers and types of outlets into high, mid and low types of opportunities -- with the proper level of field sales execution effort applied.

Create a **global database** that houses and communicates the frequency of outlet coverage; create a performance measurement process that scores execution against the coverage metrics established and the tasks carried out in the outlet.

Develop very clear **organizational priorities** for the retail organization. Define the types of activities in which retail will have a role, and, just as importantly, which ones they will not (for example, tagging IRC's (instant redeemable coupons) to products may sound like a good idea to the Brand group, but prohibit the retail team from focusing on their core activities).

Being Data-Driven: Delivering Real-Time Info to the Reps

This is the phase to start investing in advanced tools to capture and deliver information to key account managers and field execution teams. Available consumer and shopper data is extensive and on the upsurge, yet CP companies and retailers often lack the technology to collect, cleanse, manage and analyze that data, either independently or together. Most firms solve this problem by investing in a demand management solution.

Being data-driven means enabling the field execution team with insight into situations they will encounter in the store, before they visit. It means providing each rep with a crystal ball that shows what is happening in each of their stores, and then letting them attack the issues in a prioritized order. Someone once said, "You wouldn't give the Chicago Fire Department a listing of every house in Chicago with the temperature in the house and let them sort through it. You'd just alert them to all the houses with temperatures over 200 degrees." The same applies here. Using a rules-driven process, feed the field with tasks that prioritize the actions they need to take. For example, "Need to visit Stores N through M, which are showing in-stocks less than 50% for my items," or "Need to visit Stores X through Y, which indicate out-of-stocks for a specific item, where that item is my top-seller and that store is in the top 25% of volume stores." By applying specific rules-driven processes to demand-driven data in this way, sales reps can hone in on high opportunity actions. The result: reps will be constantly focused on higher opportunity issues, which then results in greater and greater return-on-invested-capital of field execution.

To be demand-driven, you will need to:

Invest in a demand signal repository. A demand signal repository (DSR) is a single data factory where real-time granular point-of-sale, movement, demographic, synchronized item, and other information sits. It is the foundation. It collects, harmonizes, and prioritizes the information from the shelf.

Design goal-based triggers. For which events or situations do you want to trigger specific actions or responses? What kinds of actions or responses? How often will these criteria change? What kinds of basic reports do field people need in order to prioritize their tasks on a weekly or daily basis? All these questions need to be answered when setting up an exception-based, process-driven system. To 'fight fires' most effectively, you will need to inform your firefighters whether they are racing to extinguish a five alarm blaze, or whether they are rescuing a cat from a tree.

Integrate your demand-driven repository and exception based, process-driven system with your Field Execution System / Sales Force Automation system. The Field Execution System (FES) operates as the veins and arteries of the field team 'body', and the DSR acts as its nervous system. POS data will sense and respond; telling the body what is hurting and needs help, as well as what parts are fine. The nervous system and cardiovascular system cannot work independently. They must work in unison. Typically this means tying your DSR with your FES to create a transparent link that drives the field sales investment against the most value added opportunities by outlet.

What Is the Quantifiable Advantage?

The quantifiable advantages to being 'best practice' include:

- 1. Reduced Cost.** Targeting the direction of the field execution team equals more results per person. If the CP keeps its baseline performance needs constant, there will be an opportunity to scale down the workforce. By having real-time data to focus execution, a smaller team can more effectively handle what a scattershot team used to achieve in the past. We believe a one-third reduction in heads can be achieved when both the FES and DSR are in place. In this way, only two-thirds of the folks—who receive targeted, actionable data each morning—can achieve what the full 'blind' group does today. This translates to a huge ROI, which is typically enough to get first year payback on FES and DSR investments.

- 2. Improved Execution.** Building an infrastructure that pulls all sources of available data and takes advantage of technology to manage and analyze that data, empowers more effective business decisions and can ensure the loyalty of both retailer and consumer. It means every hour the rep is 'on the floor', there is a higher contribution margin or utilization rate coming from enhanced performance.
- 3. Stronger retailer relationships.** The store manager will come to expect the CP field rep to appear when problems occur. The field rep will earn ever-increasing levels of trust to manage promotions and shelves, since the rep will not [need to] visit during times of stability, but immediately appears when inventories dwindle or promotions are not executing well.

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