

Top 3 Global Media Company

Field Sales: Advertising

North America

Project Sponsor: SVP, Process Improvement

Project descriptions:

- Enterprise-wide, non-technology improvement initiative to support the efforts of multiple internal teams within each business unit
 - Revenue planning
 - Campaigns, Programs
 - National accounts
 - Local accounts
 - Prospecting
 - Pricing
 - Traffic
- Improvement benefits [Typical]:
 - Operating cost ↓15%
 - Headcount Flat
 - Breakeven Point 4 mos.
 - ROI [12 month]. 2.5x
 - Campaign cycle time ↓25%
 - Project volume ↑20%
 - Errors, exceptions ↓30%

Field Sales: Newspaper Advertising

Situation Analysis: Most of the numerous ClientCo advertising sales teams faced a challenging and unfamiliar problem—display ad sales were flat or declining by at least 10% annually. Senior management asked The Lab to help address the costly implications of this relentless market change: low field sales productivity, numerous unprofitable customers and rapidly decreasing advertiser satisfaction.

Improvements Identified: During the eight-week, Phase I analysis, The Lab identified over 400 non-technology improvements in both field sales and related support operations. Roughly half of these could be implemented in 8 weeks, the remainder could be completed in less than 6 months. Examples:

1. **Over-served Customer Segments**—The sales group segmented its customers based on their industry, e.g., department stores, telecommunication providers, and so forth. Alternative analysis revealed that a majority of customers were serviced at significantly unprofitable levels [“over-served”]. An improved service-based customer segmentation enabled redirection of sales resources, improving revenue productivity and simultaneously reducing costs.
2. **Increased Sales-Force Uptime**—The percentage of time spent with customers and prospects [uptime] lagged the already-low newspaper industry average of 25%. Over 60 of the improvements delivered “immediate action” improvements [30–60 day implementation], increasing uptime [66%] without new technology.
3. **Downshifting Tasks**—High-cost salespeople were spending over 30% of their time performing non-sales tasks such as administration, accounting, research, collections and internal coordination. Over 80% of these tasks were candidates for centralization and transfer [downshifting] to lower-cost, more efficient administrative coordinators within the sales support organization.
4. **Standardization Opportunities**—Although a limited number of standards existed within the sales and support organization, these were rarely followed, tracked or enforced. Scores of opportunities existed to adopt uniform guidelines for customer communications, pricing, payment terms, order entry, issue escalation, dispute resolution and numerous other items.

Overall Results: Savings available from categories 1–4 delivered approximately 20% in annual recurring sales and support costs without eroding service levels or compromising product offerings. By coordinating sales improvement efforts with the newspaper’s marketing group, the total benefit amount could be increased by an additional 50%.