

Case Study

Growth Through Territory Productivity Metrics



Background:

A leading pharmaceutical company is engaged in manufacturing and marketing medicines for male and female infertility products and medicines related to pregnancy and post-delivery. The primary target audience comprises of gynecologists, infertility specialists and general practitioners.

The organization encompasses by five divisions. While Interlink had an opportunity to serve all divisions in various capacities, we take pride to provide a solution case of one of their key divisions.

Challenges and Concerns:

In the past, the company enjoyed sound positions and respectable market share across India. All successful standard policies and operations were sincerely followed, however, in current market scenario, the management faces more challenges due to increase in competition and change in Indian pharmaceutical industry scenario.

The following were the key challenges faced by management:

1. Low Productivity – 1/3rd of field force was non-productive
2. Lower Growth – data represent many markets on path of de-growth
3. The Stagnation – company faced a sluggish overall growth

While the company puts in consistent hard efforts, but still they continue to confront the above challenges and faced a sluggish growth. That was the wake-up call for sustainability issues for their key performing markets and also a hurdle for launching new products.

The management approached Interlink Marketing Consultancy to identify the key reasons for current scenario and provide solutions for sustainable growth to regain the market share.

Key Objectives

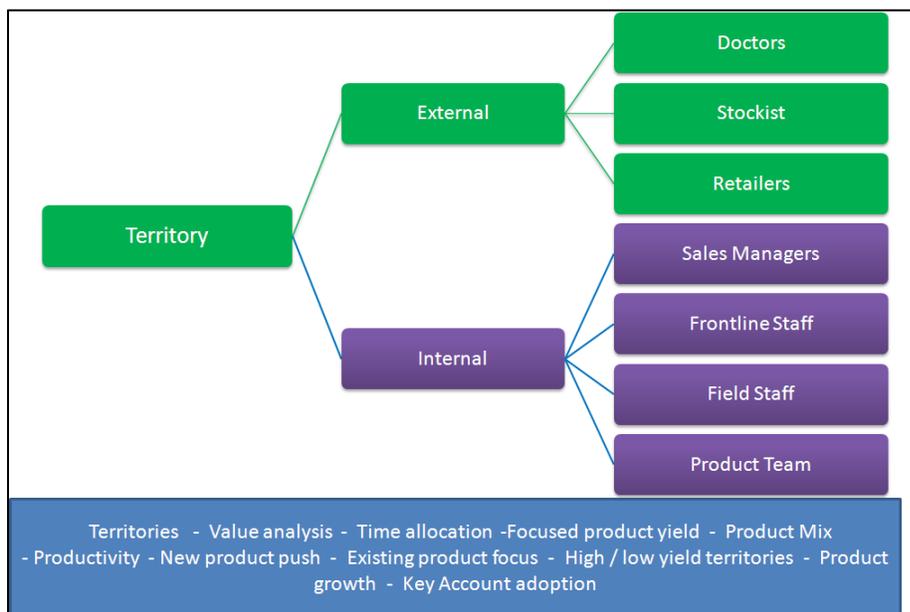
- Improvement in overall productivity through comprehensive analysis
- Benchmarking and building competency capabilities amongst employees
- Formulating new strategies and systems for growth

Interlink Approach:

A key team comprising of experts in Product, Sales and Communication was formed to diagnose and unravel the main causes. A series of actions like in-depth research and analysis, designing new strategies and tactics, and competency and skill building tasks were implemented on a prompt basis in order to comply to both time constraints and budget estimates.

Sales Territory Analysis through Market Mapping:

The company is operating across the country with over 350 main hubs. Every zone consists of three layers of manpower with Sales Manager fully accountable for the performance. Interlink need to unearth maximum data to assess latent issues and design correct measures. As shown in below diagram, an aggressive exploratory research was designed to diagnose the real issues and fill the gaps.



As usual with many large enterprises, the results were very typical in nature. While it was observed good commitment from both internal and external stakeholders, however, the company needs to review its conventional approach and tune its marketing operations more scientifically.



Building Advanced Sales Strategies:

Based on research findings, root causes analysis was done. New sales strategies were designed to challenge the status quo. They were focused on multiple parameters like identifying new growth pockets, defensive approach in markets where there is de-growth, building strong skills towards account management etc. Having designed and formulated is no guarantee for success. Hence Interlink went a step further.

Type of Territories

As a result of our analytics, our team developed three clusters of territories:

1. HPLPT (High Potential Low Productivity Territories)
2. LPT (Low Performing Territories)
3. BET (Break Even Territories)

HPLPTs Markets: (High Potential Low Potential Territories)

- High productivity yet growth is less than targeted growth
- De-growth and stagnant sales over a period of 2 years
- Skewed product-mix sales (focus on value and not unit sales)
- Consistent achievement orientation between 85%-95% (missing of 100% orientation culture)
- Tailored incentive scheme orienting them to achieve 95% consistently
- Wrong target setting process resulting in 100% achievement with low

LPTs Markets: (Low Performing Territories)

- Yield of territory less than break-even volume and growth
- Continuously yielding low productivity irrespective of change of managerial and marketing inputs
- Low yielding territory due to violation of norms, SOPs and other issues of territory coverage and brand promotional inputs

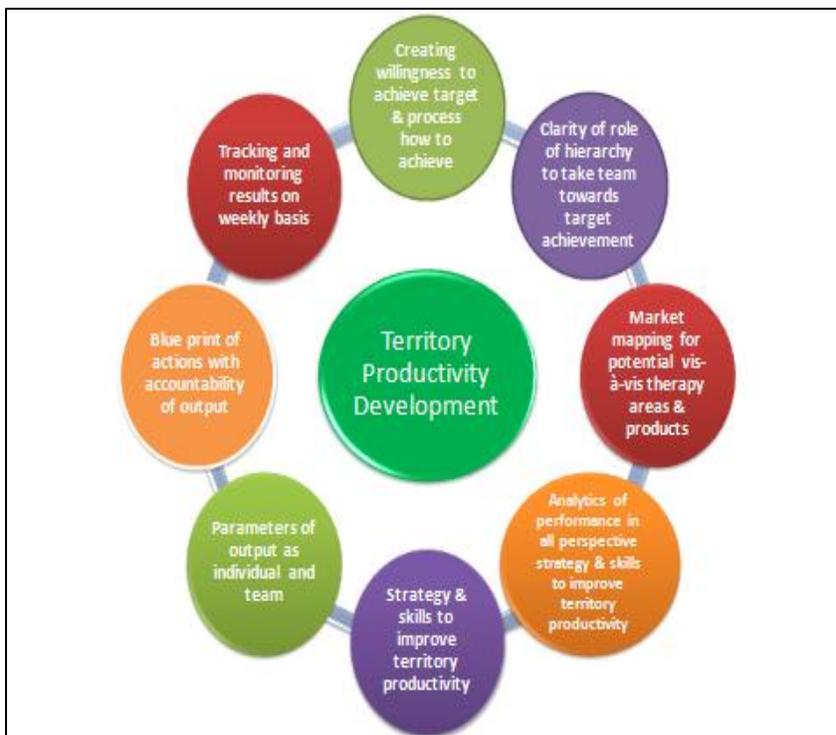
BE Markets (Break Even Markets)

- Such territories having no loss/ gain on profits

Territory Productivity Model:

Today's developing market, companies are gaining market share by offering economic priced product and innovative business models. These trends are forcing organizations to change their conventional approaches to more sustainable customer focus model that fulfills their expectations.

Interlink has developed unique Territory Productivity Development model which is as follows:



Strategies to Transformation of Team by Building Knowledge and Competency

Interlink team designed customized knowledge and competency training workshops for all layers of sales team members. The key was to build new knowledge addressing the current market scenario, reinforce new skills and capabilities to increase real market performance management.

Private & Confidential



We understand very well that the success of all training programs is outside the classroom; hence we also advised the company management on building a right supportive environment for sales team for their peak performance in the field. Separate modules were designed to deal with different stakeholders and entities.

Results:

Interlink's approach helped the client to benefit in driving productivity at all levels of client organizations without increasing budget and in stipulated time span. Following are few of the key achievements:

- **Almost 50% of the territories demonstrated positive trends in sales.**
- **Average productivity increased by 7% in a short time span of 3 months**
- **Sales returns and expiry products quota reduced by 2%**
- **Implementation of key new strategies through active involvement of Product and Sales Management team members:**
 - **Identification and Adoption process of key accounts**
 - **Developed tracking, monitoring and review system capturing processes on weekly and monthly basis**
- **All the above within allocated budget and on the timely delivery**

Initial timeline suggested for projects was 9 months, however, progress reviewed after 3 months revealed that an overall achievement orientation of the company improved to an extent that team is confident of registering better growth compared to last 2 years.

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