



Case Study

Increasing Sales \$100 Million per Year with a Commissioned Sales Force

The Opportunity

A large speciality chemical company's sales growth had stagnated. The veteran sales reps worked strictly on a commission compensation plan and did not easily take direction from the home office unless convinced they would increase their own earnings. Management believed the veterans would stop working to expand their business once they reached a comfortable income level, despite the fact that the company wanted to continue growing in that territory. Most recent growth came from new salespeople building their income. Recruiting new salespeople was always difficult but was made even harder by a robust economy. Management had limited success in helping new salespeople succeed and encouraging veterans to grow their businesses, so it turned to QualPro for help.

The Approach

An aggressive schedule for gathering ideas and testing them within three months was adopted. To get maximum involvement from the reps, brainstorming sessions led by QualPro consultants were held with all reps during regional sales meetings. Hundreds of ideas were generated and whittled down to those which were most practical, fast, and cost free. Because of the differences between veterans and new reps, two different tests were run with samples from the two groups.

The Test

Since QualPro's MVT[®] process was so different from anything the company had tried before, the tests generated a great amount of enthusiasm in both veteran and new reps. The reps faithfully performed their assigned combinations of ideas to ensure a successful test.

<u>Idea</u>	<u>Old</u>	<u>New</u>
Provide Reps Better Sales Info	Same	New
Listing of Special Bundled Promotions	No	Yes
Free Freight	Never	Selected
Customer New Product Rewards	No	Yes
Obtain Input from Reps on Product Promotion Ideas	No	Yes
\$200 Free Samples of Products	No	Yes
Office Hours	Standard	Extended
Reverse Directory for Reps	No	Yes
Notify Reps if Backorder	No	Yes
Notify Reps of Product Problems	No	Yes
Personal Visits to Customers	Standard	More
Mail Material Before Visit	No	Yes
Reps Utilize (New) Special Discount Prices	No	Yes
Call Ahead to Confirm	No	Yes
Company Pays Cost of Equipment Installs	No	Yes
Free Product with Minimum Purchase	No	Yes
Notify Reps Before Phone-in Orders are Processed	No	Yes
24-hour Tech Support	No	Yes
Listing of Commercial Products Sold by Retailers and Retailer Address	No	Yes
Follow-up Visit	No	Yes
Make Top Five Product Demos Available to Reps	No	Yes
Small Premium Giveaway	No	Yes
Listing of Customers	Yearly	Monthly
Follow-up/Thank You Letters	No	Yes
Inform Customers of Special Financing	No	Yes
Daily Sales Plan Approach	No	Yes
Applications Glossary	No	Yes
Sales Meetings Monday or Friday	No	Yes

The Results

Mailing materials and then calling ahead to confirm a visit worked for both new and veteran reps, as did planning a follow-up visit. Special financing worked better for established reps with large accounts, and it also helped new reps with large accounts. Giveaway premiums proved to hurt, and items such as free freight, rewards, extended hours, free samples and free installations made no difference, so the company could save money on them.

The MVT[®] experiments showed that once the helpful factors were implemented with all sales reps, sales could climb 33%, an improvement worth \$100 million per year.