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Sample materials:

Sales & Marketing Excellence
(Commercial Diagnostic)

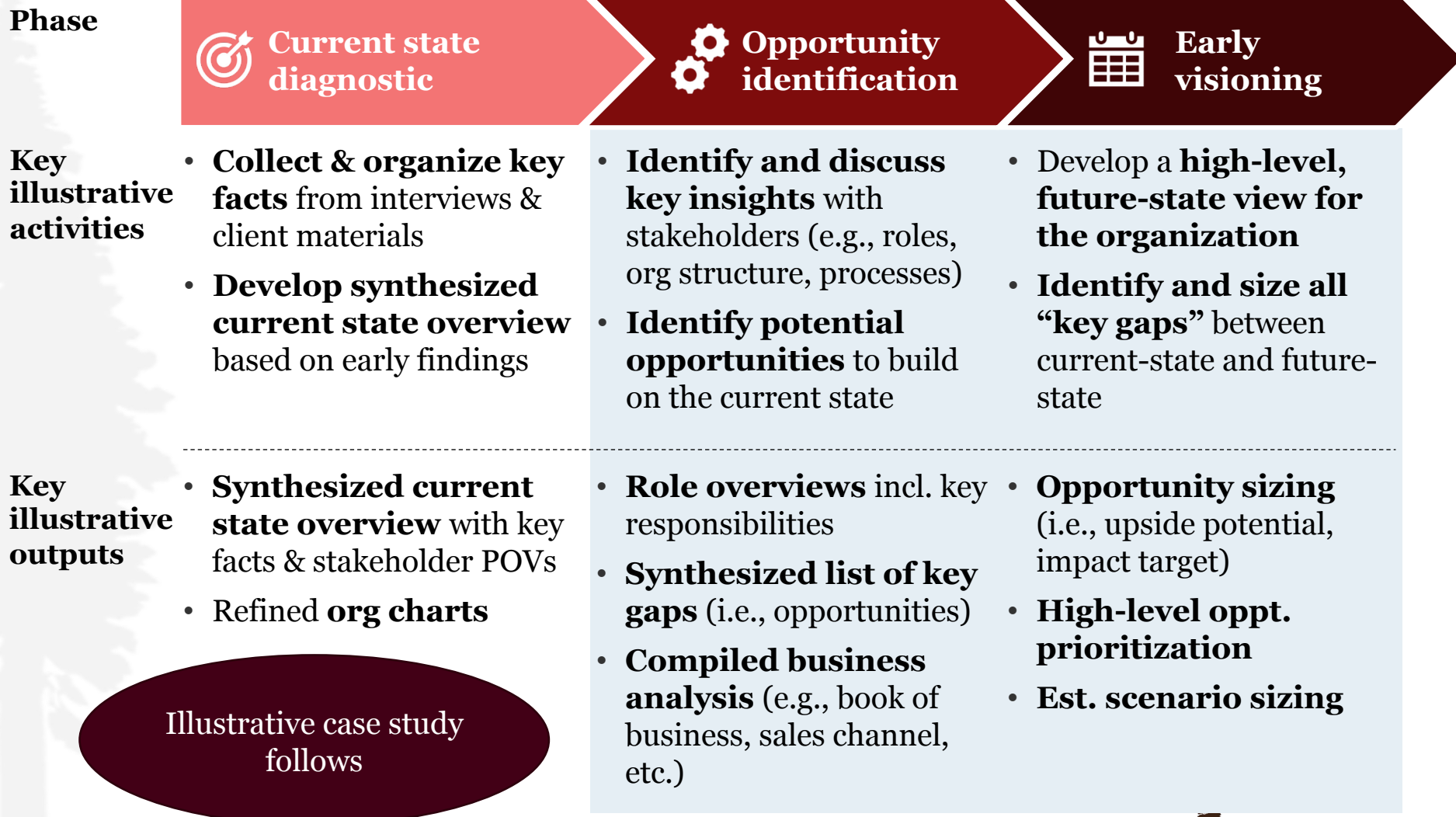# Case Study: Gravel Co. Commercial Diagnostic

Context:

- The team worked with Gravel Co. to baseline their current state commercial organization

- The effort focused on analyzing Gravel Co.'s key roles and responsibilities, org structure, sales processes, and key KPIs and metrics

- The team identified key opportunities for Gravel Co. to optimize their commercial organization including an optimized coverage model and additional sales support

Top illustrative insights:

- **Outside sales make up ~80% of revenue**

- **Outside sales reps spend ~30-40% of time on low-value tasks** including order entry and order management

- **Outside sales reps generate significantly variable revenue,** ranging from ~$1.5M-$5M per rep per year

- **Significant % of accounts (50%+) are potentially better covered by inside sales reps**

- **Gravel Co. could unlock up to ~$46M in revenue by addressing 6 key gaps** between the current state and a best-in-class future state

Note: Names and details have been changed for client confidentiality

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Deep dive follows

Commercial diagnostic efforts consist of three key phases: current state diagnostic, opportunity identification, & early visioning

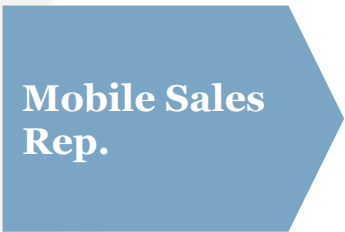| Phase	Current state diagnostic	Opportunity identification	Early visioning
Key illustrative activities	• **Collect & organize key facts** from interviews & client materials • **Develop synthesized current state overview** based on early findings	• **Identify and discuss key insights** with stakeholders (e.g., roles, org structure, processes) • **Identify potential opportunities** to build on the current state	• Develop a **high-level, future-state view for the organization** • **Identify and size all "key gaps"** between current-state and future-state
Key illustrative outputs	• **Synthesized current state overview** with key facts & stakeholder POVs • Refined **org charts**	• **Role overviews** incl. key responsibilities • **Synthesized list of key gaps** (i.e., opportunities) • **Compiled business analysis** (e.g., book of business, sales channel, etc.)	• **Opportunity sizing** (i.e., upside potential, impact target) • **High-level oppt. prioritization** • **Est. scenario sizing**

Illustrative case study follows

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We worked with Gravel co. to review 3 key areas with the goal of identifying potential opportunities

Key area	Illustrative finding	Key example takeaway
Roles & time allocation	• OSRs and MSRs spend ~30-40% of time on low-value tasks (e.g., order entry, order management)	• Stand-up program to reduce low-value time spent including tech solutions and increased sales support
Sales coverage	• 3 out of 7 sales territories and accounts have overlapping coverage (e.g., western AZ)	• Develop a best-practice coverage model with no overlap among territories
Sales processes	• Order returns processes contains "time sinks" (e.g., data collection) that costs reps ~10 minutes per sale (~66% of total time)	• Streamline repeated processes by implementing tech solutions and/or offloading tasks to other roles

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At the start of the diagnostic effort, the team identified all key roles and activities performed by each

Illustrative positions	Job description	Key activities
Outside Sales Rep.	• Manages entirety of relationship with customer including order entry, order management, and some customer service	• Customer route planning • Customer visits • Order taking via multiple methods • Order entry process • Store partnership (visit/talk to store) • Taking paper-based notes
Mobile Sales Rep.	• Uses the store as a "home base" to sell to customers and to load up van and make "milk runs" to customer sites	• Customer route planning • Van inventory management • Customer visits • Order entry process • Order management • Store partnership (visit/talk to store)
Regional Sales Manager	• Manages sales reps. within their region including reviewing sales performance • Manages relationships with accounts as an OSR (if applicable)	• Customer visits • Team/one-on-one meetings • Report building • Managing T&E expense • Customer service assistance • Activity management

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For each key role, high-level activities were assigned a level of effort for comparison

- 🟢 High level of effort
- 🟡 Medium level of effort
- 🟥 Low level of effort

	Customer Visits			Ordering		Sales Management		Store	
	Route/Call Planning	In Person Visit	Phone Selling	Order Entry	Customer Service	Customer Analysis	Team Management / Admin	Store Operations	Store Selling
Outside Sales Rep.	🟢	🟢	🟥	🟡	🟡	🟡			
Mobile Sales Rep.	🟢	🟢	🟥	🟢	🟡	🟥			🟥
Inside Sales Rep.	🟢		🟢	🟢	🟢	🟥			
Regional Sales Manager		🟡			🟥	🟡	🟢		
Store Managers			🟡	🟡	🟡			🟢	🟢
Customer Service			🟥	🟢	🟢				

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Percentage of time devoted to high-level activity categories was calculated by role to determine what activities made up the most time for each role

Percentage of time for activity category by role

Legend: ■ Customer visit ■ Ordering/Mgmt ■ Store □ Other

	Outside Sales Rep.	Mobile Sales Rep.	Inside Sales Rep.	Customer Service	Regional Sales Manager	Store Manager
Customer visit	50%	60%	25%		25%	
Ordering/Mgmt	40%	30%	65%	75%	65%	30%
Store	5%	5%				65%
Other	5%	5%	10%	25%	10%	5%
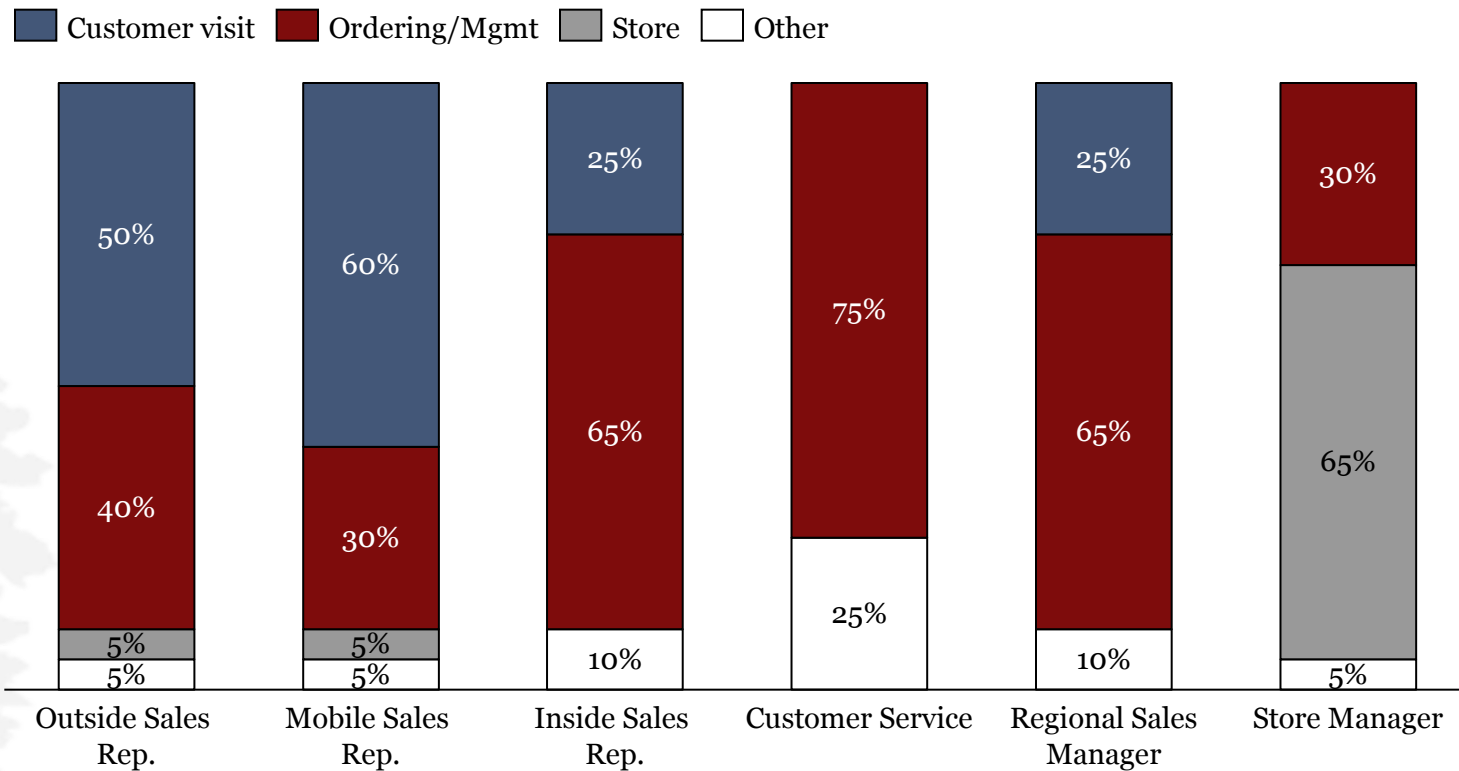
Both outside and mobile sales reps spend a significant amount of time on ordering and sales mgmt. with an est. 30-40% of outside and mobile reps' time going to these tasks
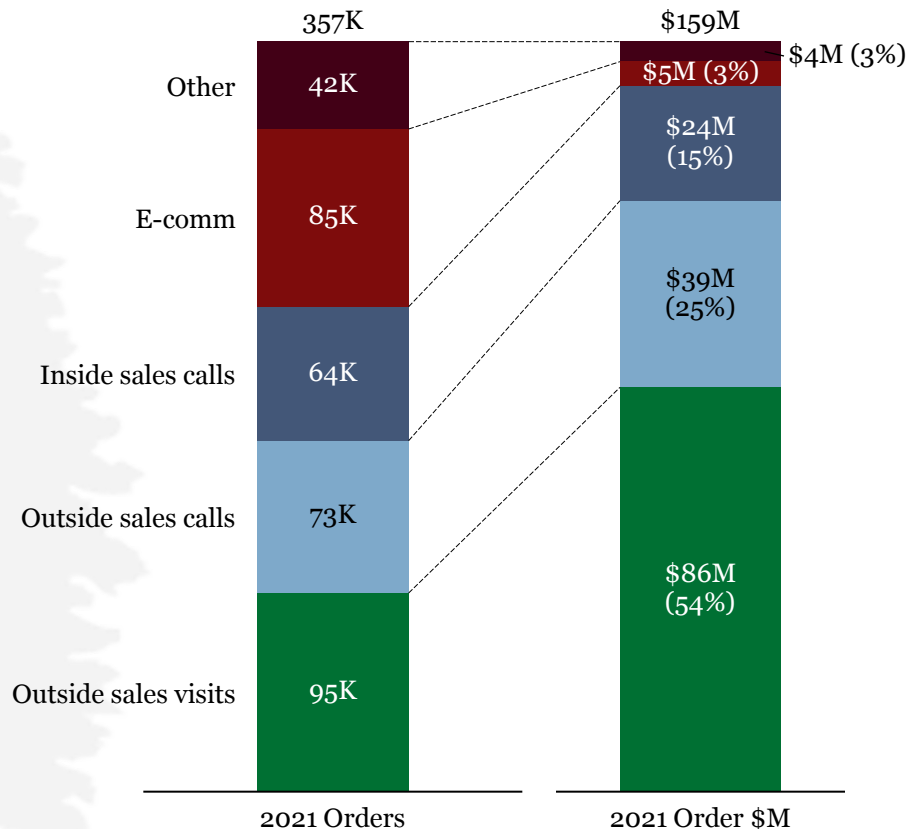
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After analyzing role activities, the team developed best-practice org charts to illustrate current-state ~~lines and territory coverage~~

Legend:
- Regional Mgr.
- Outside Sales
- Mobile Sales
- Vacant
- District Mgr.

	Total
Name *Title Location Territory*	
	Span

John Doe
RSM South
25 / 13

DSM A
Dallas, TX
Southeast
12

MSR E
Austin, TX
Central TX

MSR F
Galveston, TX
South TX

MSR G
Santa Fe, NM
North NM

OSR I
Shreveport, LA
North LA

OSR J
Tucson, AZ
South AZ

OSR K
Phoenix, AZ
Central AZ

OSR L
Amarillo, TX
North TX

OSR M
El Paso, TX
East TX

OSR N
New Orleans, LA
South LA

OSR O
Ruidoso, NA
South NM

OSR P
Flagstaff, AZ
North AZ

Vacant
Outside Sales Rep

MSR A
Birmingham, AL
AL

MSR B
Tampa, FL
Central FL

MSR C
Miami, FL
South FL

MSR D
Savannah, GA
South GA

OSR A
Tallahassee, FL
North FL

OSR B
Jackson, MI
MI

OSR C
Memphis, TN
TN, GA, AK

OSR D
Pine Bluff, AK
Central AK

OSR E
Nashville, TN
Central TN

OSR F
Charleston, SC
SC

OSR G
Mobile, AL
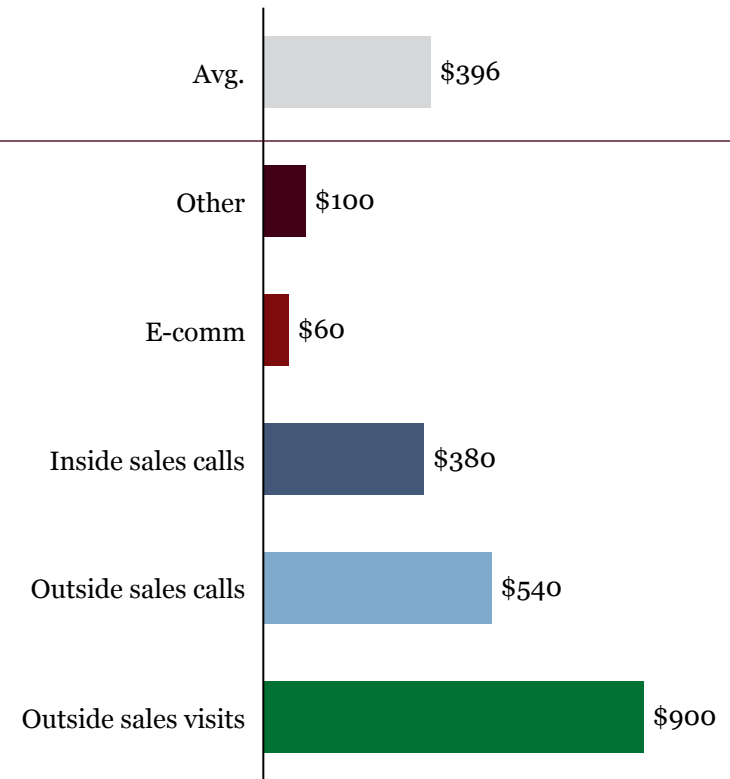*South AL*

OSR H
Augusta, GA
North GA

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Sales dollars and orders were broken down by sales channel to understand the current state
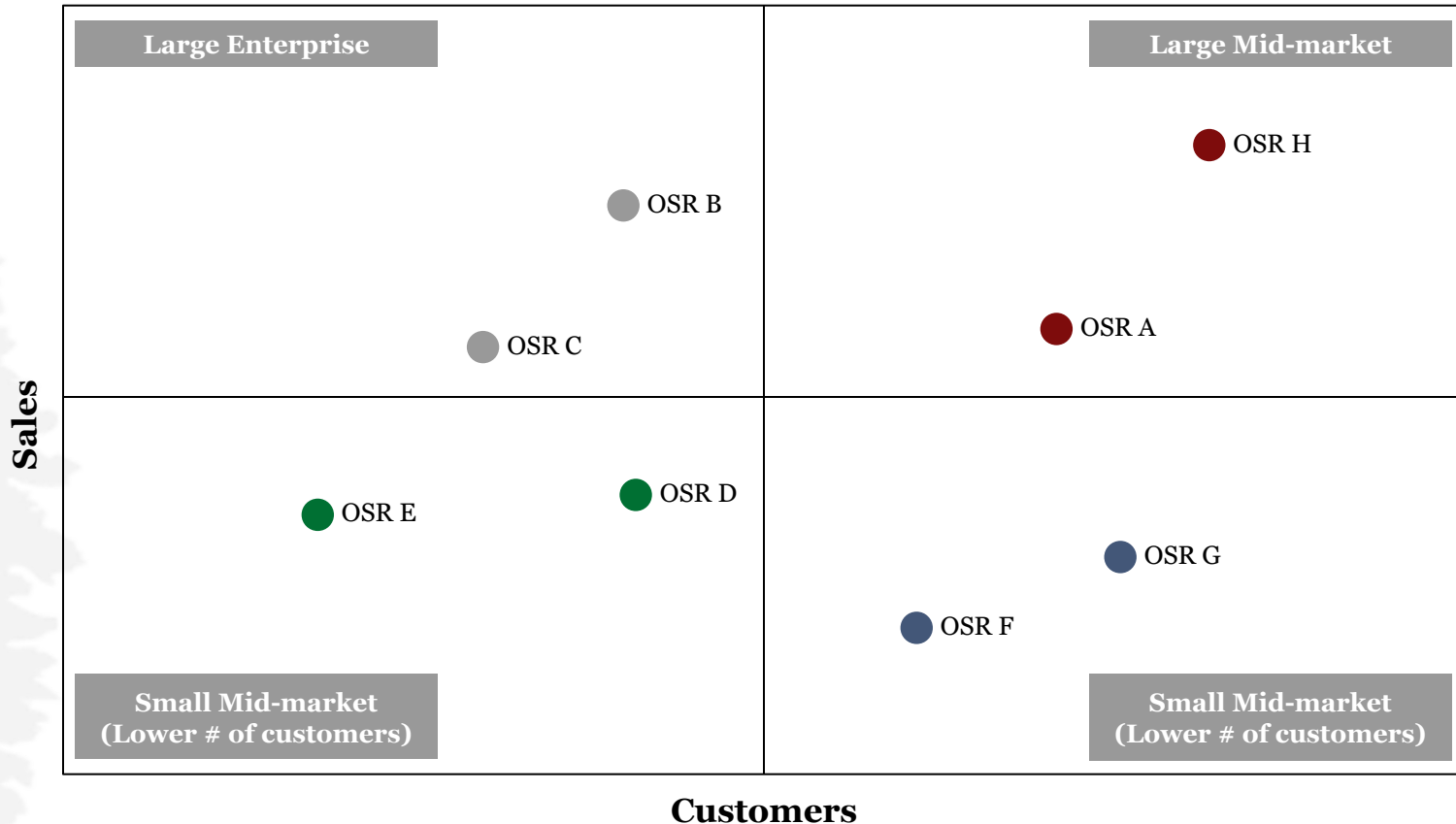
Order count (Ks) and revenue ($Ms) by channel

357K — $159M

Channel	2021 Orders	2021 Order $M
Other	42K	$5M (3%) — $4M (3%)
E-comm	85K	$24M (15%)
Inside sales calls	64K	$39M (25%)
Outside sales calls	73K	$86M (54%)
Outside sales visits	95K	

Avg. sales ($s) per order by channel

Channel	Value
Avg.	$396
Other	$100
E-comm	$60
Inside sales calls	$380
Outside sales calls	$540
Outside sales visits	$900

Outside sales generates nearly ~80% of revenue (~$125M) and makes up ~46% of orders (168K)

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Outside sales clustered into 4 different categories based on their total sales and customers served

Outside sales rep books of business according to customers and sales

Sales

Large Enterprise

OSR B

OSR C

Large Mid-market

OSR H

OSR A

OSR E

OSR D

OSR G

OSR F

Small Mid-market (Lower # of customers)

Small Mid-market (Lower # of customers)

Customers

Sales reps have widely varying books of business both in terms of customer count (~110- ~180) and sales dollars (~$1.5M- ~$5M)

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Deep dive follows

The team identified 4 high-level sales phases with key processes highlighted for each

Sales phases:

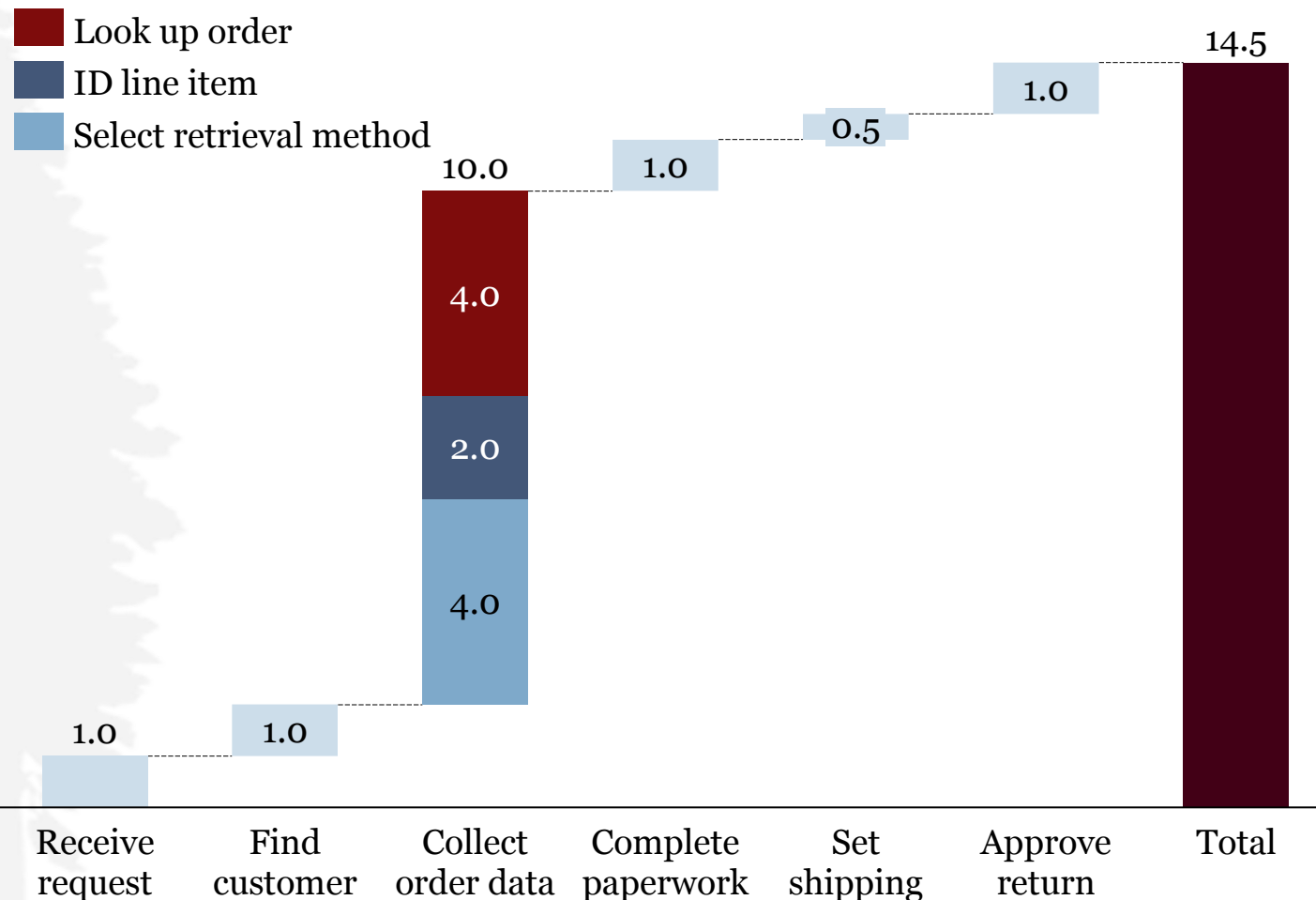| Pre-sales | Sales | Post Sales | Sales Mgmt |

Illustrative processes:

- Account assignments
- Order taking/entry
- Product returns
- Activity Tracking

Project identified ~15 total processes for review and analysis for key pain points

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Complex processes with clear "time sinks" such as order returns were broken down to identify opportunities for increased efficiency

Time required to complete order return process *(minutes)*

Legend:
- ■ Look up order
- ■ ID line item
- ■ Select retrieval method

Waterfall chart values:
- Receive request: 1.0
- Find customer: 1.0
- Collect order data: 10.0 (Look up order 4.0, ID line item 2.0, Select retrieval method 4.0)
- Complete paperwork: 1.0
- Set shipping: 0.5
- Approve return: 1.0
- Total: 14.5

Key Insights

- Completing an order return request is a long and tedious process for the sale rep

- Most time spent collecting all order data points to be included in paperwork (~10 minutes)
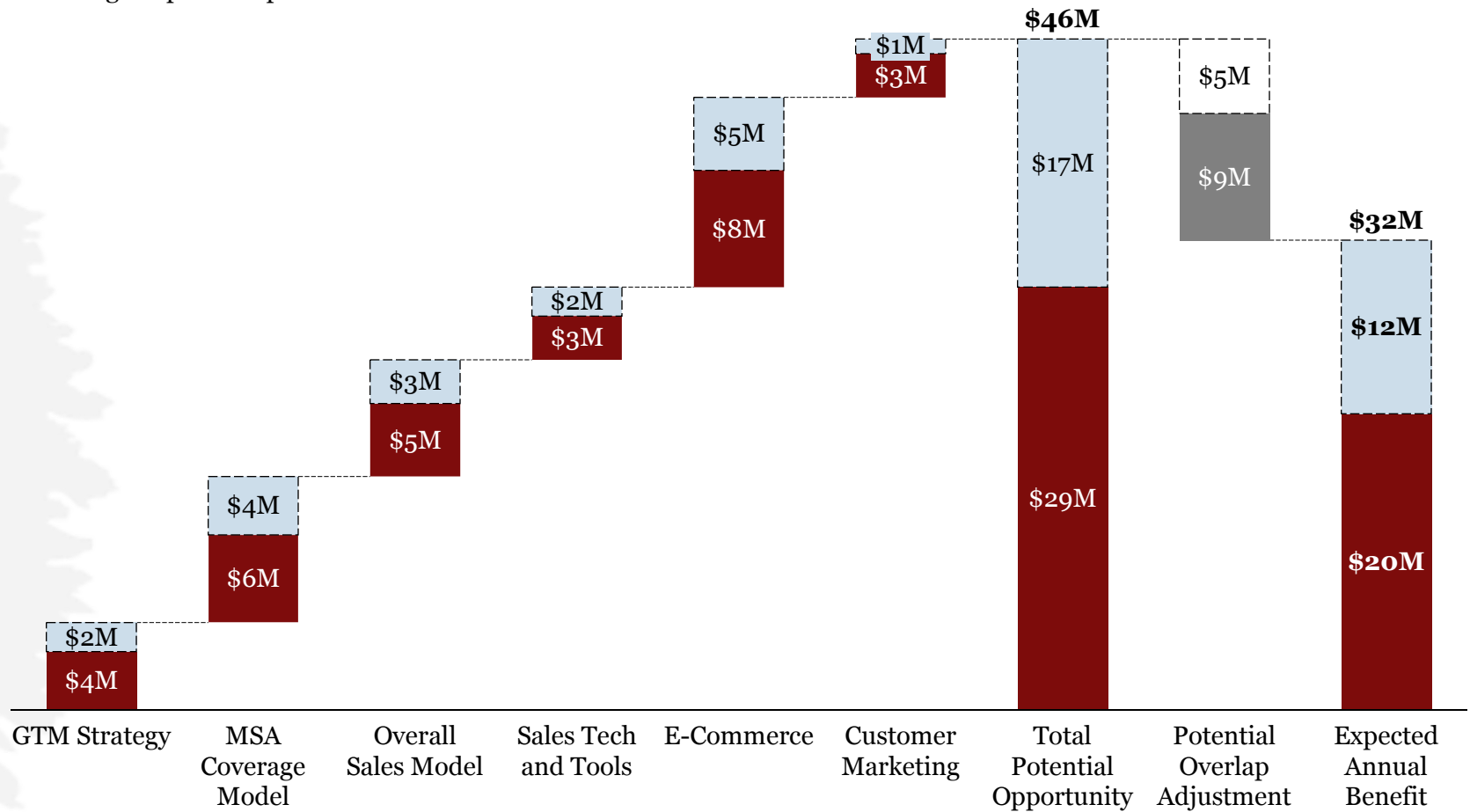
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Key gaps between the current state and a best-in-class future state were identified and defined based on insights from diagnostic

Major Areas	Current state	Future state
GTM Model	No standard GTM model	Integrated, targeted GTM approach
MSA Coverage Model	Inconsistent, overlapping MSA coverage & prioritization	Clear strategy & process to pursue highest value accounts per top MSA
Overall Sales Model	Largely outside sales with targeted inside sales	Optimized outside / inside split with significant investment in inside sales
Sales Tech and Tools	Inconsistent use of standardized tools in supporting sales processes	Comprehensive, enterprise-wide sales enablement tools
E-Commerce	No cohesive e-commerce strategy or dedicated platform	E-commerce strategy utilizing effective, streamlined platform
Customer Marketing	Little to no tailored marketing for top customer segments	Customer-centric marketing services tailored for top customer segments

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The key gaps were sized to help guide future initiatives to high-potential opportunities

Legend:
- Upside Potential
- Target Upside Impact

Chart values:
- GTM Strategy: $4M target, $2M upside
- MSA Coverage Model: $6M target, $4M upside
- Overall Sales Model: $5M target, $3M upside
- Sales Tech and Tools: $3M target, $2M upside
- E-Commerce: $8M target, $5M upside
- Customer Marketing: $3M target, $1M upside
- Total Potential Opportunity: $29M target, $17M upside — **$46M**
- Potential Overlap Adjustment: $9M, $5M
- Expected Annual Benefit: $20M target, $12M upside — **$32M**

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