

## How Advanced Analytics Is Transforming Sales Execution

Fifteen years ago, Bain pioneered Perfect Sales Execution (PSE), a unique methodology that enabled consumer packaged goods companies to increase market share and profits by carefully targeting the right stores and the right products, aided by a disciplined approach to supporting sales execution.

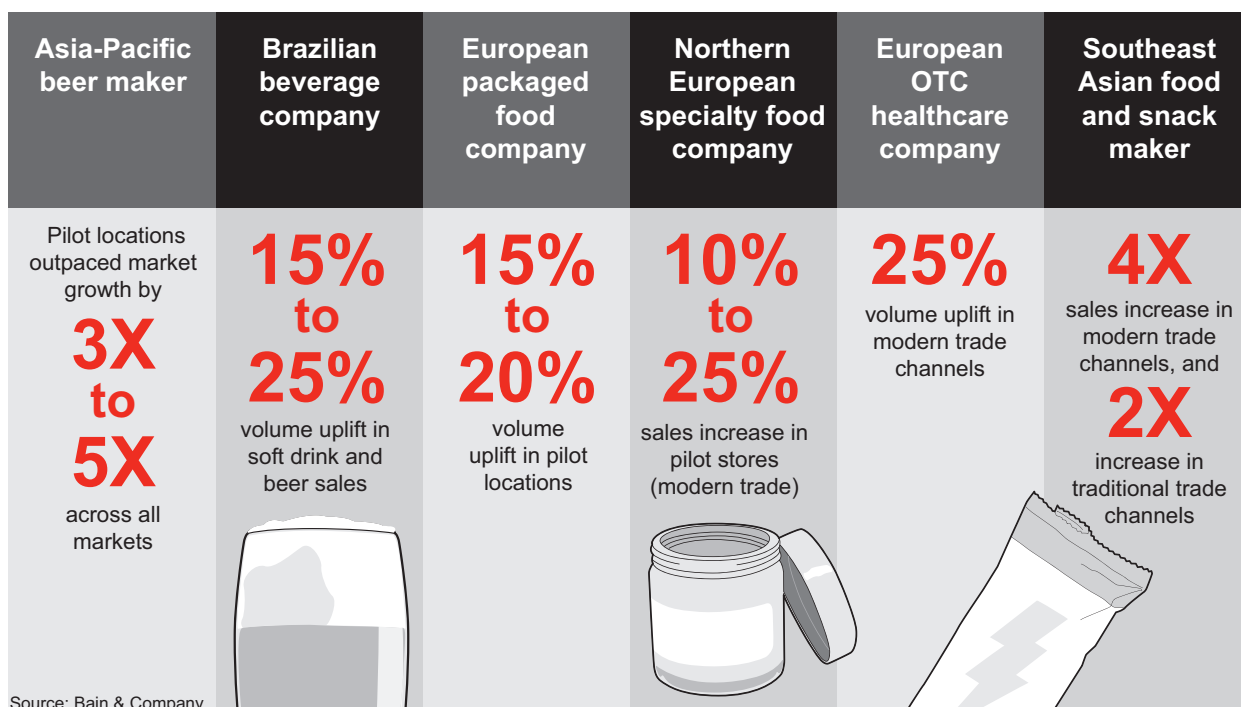
The concept took the CPG world by storm, so much so that, today, baseline competence in sales excellence is almost a given; most CPGs have made great strides in maximizing the availability and visibility of their brands in stores. And therein lies the risk: Companies that believe they have solved the sales execution puzzle may soon be surpassed by competitors that are using advanced analytics and emerging digital capabilities to make better, faster decisions about every facet of sales execution.

Bain Perfect Sales Execution 2.0 can help you sustain or regain your competitive edge. PSE 2.0 combines state-of-the-art analytics capabilities with the systems, tools and training your team members need to perform at the highest levels and leverage the insights that analytics provide. The result is sales growth of more than 5%, typically achieved within the first year.

### A data-driven sales transformation

Although we are still in the early days of this analytics revolution, CPGs are already seeing very promising results (see Figure 1). Among other benefits, data-driven sales execution can help your company:

**Figure 1:** In pilot programs, PSE 2.0 is producing strong results across many product categories



- Prioritize outlets based on sales potential and shoppers, to yield superior returns on sales resources.
- Manage trade-offs across sales drivers, based on sales impact and cost of execution, so you can focus resources on what really matters in store, rather than target too many sales levers (which often are ineffective).
- Develop personalized KPIs based on specific store characteristics, to gain extra market share.
- Dynamically adapt your “picture of success” to address continually evolving store conditions (competitive activity, day of the week and similar criteria).
- Improve your coverage model by defining optimal visit frequency (balancing cost of the visit against missed sales from store degradation over time), which can markedly improve the productivity of your salesforce.

Pilot projects across the full spectrum of CPG companies indicate that data-driven decision making is already producing strong results at companies in North and South America, Europe and Asia, in modern (i.e., “big box”), traditional and fragmented retail environments.

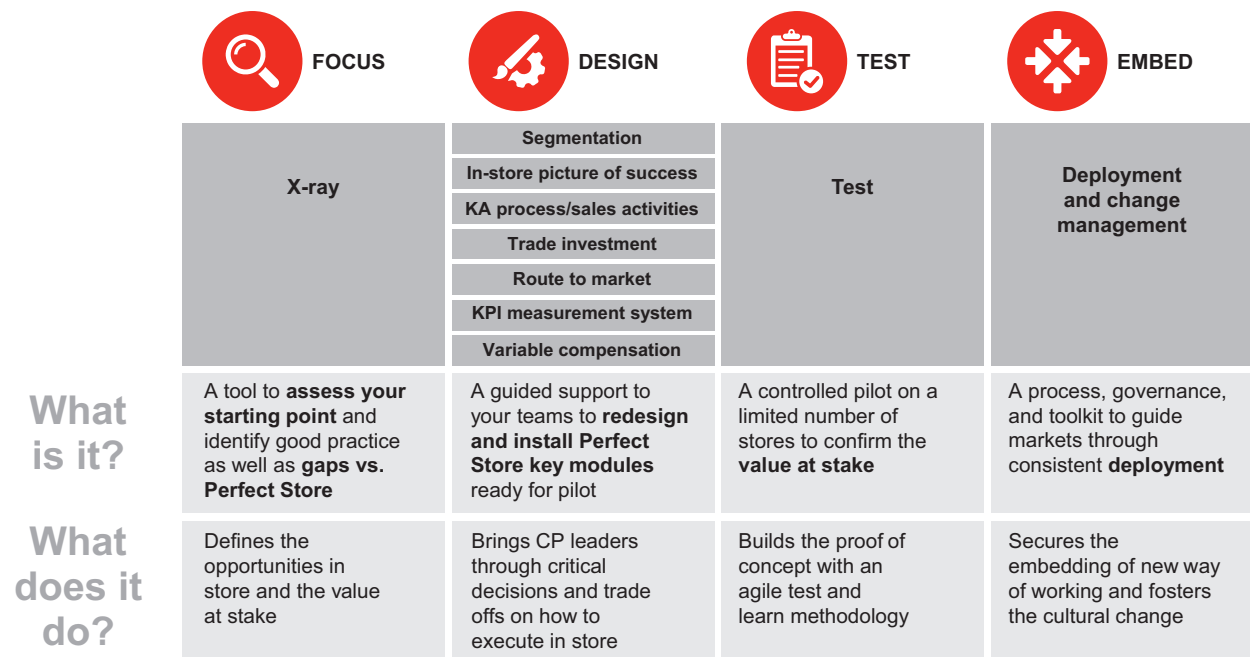
## **PSE 2.0: A closer look**

Building on our innovative work in developing Perfect Sales Execution, Bain PSE 2.0 is more powerful than ever, as it now incorporates:

- Advanced analytics, which takes advantage of the ever-expanding availability of internal and external data sources, so companies can evolve from decision making based on experience and gut instinct to decisions based on rigorous assessment of all relevant information. As more data becomes available, both from in-house and third-party sources (point-of-sale systems, distributor databases, and even photo-recognition technologies, to cite just three examples) companies that take steps now to gather and analyze these richer data sets can achieve a first-mover advantage. That will enable you to avoid the trap of averages, drill down to root causes, and target your execution to the single most critical sales driver.
- An innovative X-ray diagnostic supported by our new partner ecosystem, providing you with a detailed assessment of the most relevant sales levers, identify the gaps you have in store, and quantify the value at stake. Our new X-ray provides a fast, simple way to understand what really matters in stores, so you can refocus your efforts and investments accordingly.
- A custom digital software solution that unites analytics, partner expertise and related capabilities to provide you with a powerful tool that guides your PSE efforts from strategy through execution.

Bain PSE 2.0 software provides you with data-driven recommendations for which sales execution levers will achieve the greatest impact, so you can set smart priorities. It also helps you develop a structured plan (*see Figure 2*) for laser-targeted execution and deploy performance targets across your organization, aided by the ability to simulate the impact of various sales actions. And, it enables you to track execution and performance, employing machine learning to improve continuously.

**Figure 2:** Perfect Sales Execution: A Four-Phase Framework



Source: Bain & Company

Using our new, highly configurable software, you can provide each sales rep with clear instructions on what Perfect Sales Execution looks like, outlet by outlet, and how to implement it. You can also set implementation targets, monitor progress, and foster a continuous improvement discipline throughout your sales organization.

In short, Bain PSE 2.0 now offers you a full suite of analytics-based capabilities that will enable you to:

- redeploy your investment and sales efforts to where ROI is highest;
- simplify execution by focusing on the most relevant activities; and
- equip your team with the tools and skills that will ensure continuous improvement.

Putting analytics at the heart of your decision making won't change the *kinds* of decisions you make, but it will ensure *faster and better* decisions. That speed and confidence will enable you to take your sales execution to a much higher level. As mentioned earlier, a first-year sales increase of more than 5% is well within reach. Talk to us today about Bain PSE 2.0. Our agile, customizable approach will quickly have you reaping the many benefits of a data-driven sales execution program, outpacing your competitors and setting you up for sustained success.

*By Giovanni Arnese, Paolo Misurale, Marcello Tripodo and Robin Bartling*

*The authors are partners with Bain's Consumer Products practice.*