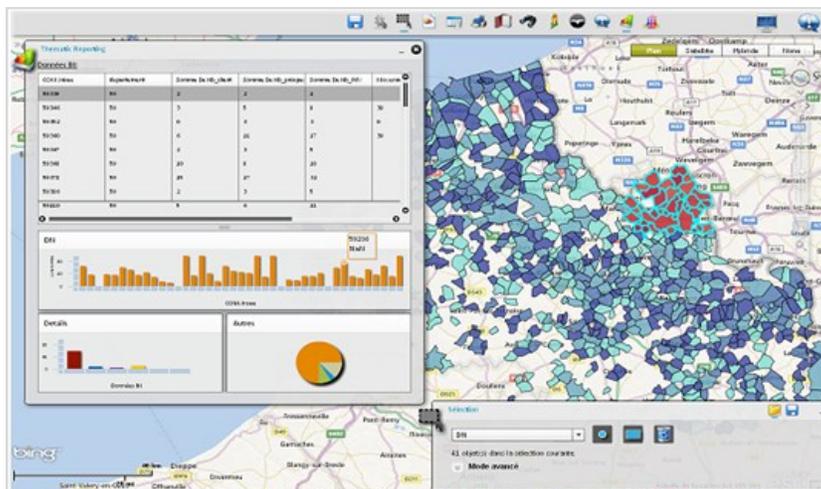


Sales Force Optimization - A Location Analytics Perspective



For companies to survive in these highly competitive times they must either sell more innovative products and services at healthy margins or become more efficient by achieving higher productivity utilizing fewer resources. Or, even do both. Sales Force Optimization is critical to both strategies as companies evolve and face new challenges in the market place. Customer Relationship Management (CRM) systems partly address Sales Force Optimization by helping organize operations to acquire, manage, serve and to automate many routine tasks previously performed by the sales team. However, additional management tools and solutions are available which help to improve the overall sales force optimization outcomes. Location Analytics is a critical and often under-used component of the toolkit or solution set. Location Analytics enables organizations to determine optimum sales territories and allows the sales team to manage their time more effectively. The benefits are maximized when both solutions are used in combination.

Location Analytics has numerous business applications including market segmentation, site selection and marketing campaign management. However, the focus of this paper is Location Analytics for Sales Force Optimization. It will clearly demonstrate how sales territory management used in combination with Location Analytics can drive optimum sales performance.

Galigeo

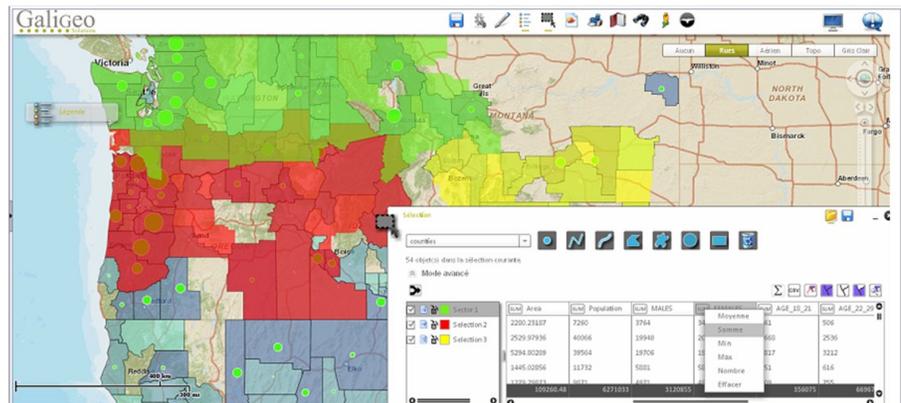
Galigeo provides innovative Location intelligence solutions for superior business analytics. Galigeo connects directly to enterprise applications, maps large-scale datasets and applies spatial processing to enhance data visualization, reporting and predictive analytics. Our partnerships strengthen our ability to help our clients achieve greater performance.

Sales Territory Management

Sales territory management is the planning, implementation, and control of sales representatives' activities in assigned territories in order to increase sales, individual sales performances and customer satisfaction. This involves careful execution of the following duties:

- Measure performance of each region
- Identify underperforming sales territories
- Adjust resource allocation
- Outline high-potential zones to explore new services
- Improve visits by sale representatives
- Redefine territory assignment
- Simplify territory realignment
- Improve travel time use
- Reduce travel costs
- Improve sales coverage
- Gain better insight into sales effectiveness and performance by territory
- Prioritize list of potential customers in same locations

Clearly all of the above duties are highly dependent on geographic dimension decisions. This is not surprising considering an estimated 75% of business data contains a geographic dimension. Consequently, many companies are now realizing that using location as a focal point of analysis provides insights on location specific relationships that are of immense business value. These location specific details become a key driver in the overall improvement of analyzing optimization opportunities during a Territory Management Analysis effort.



Location Analytics

Location Analytics analyzes information on maps leveraging a variety of data sources including aerial maps, geographic information systems (GIS), and consumer demographics as well as the organization's own customer records. A typical Business Intelligence (BI) system handles the "Who?", "What?" and "When?" factors specific to the organization. A GIS system typically shows geo-spatial information of the "Where?" Lending increased understanding of Who, What, When and How through more advanced visualization analysis tools.

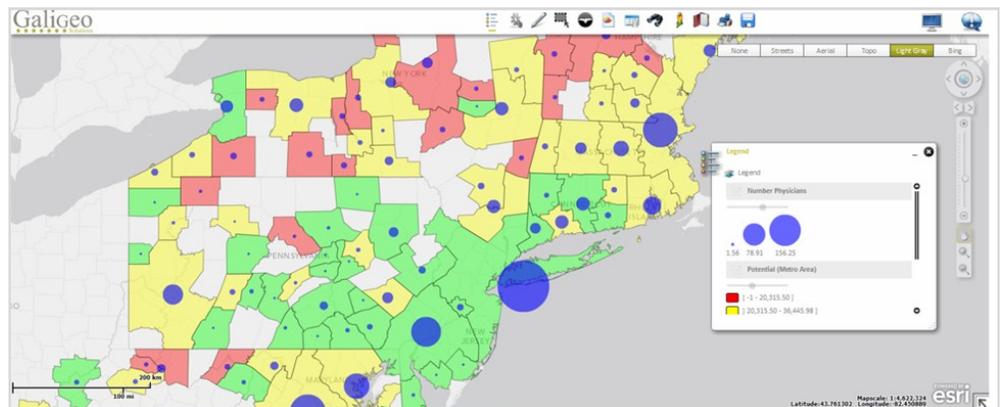
Location Analytics is the integration of BI, operational data and GIS allowing for new types of analyses by combining "Who?", "What?", "When?", and "How?" factors with the "Where" factor and adding third party data to the analyses, which:

- enhances the "Who" factor by tying third party data (such as market potential) to internal enterprise data;
- enables analytics based on the "Where" factor and map-based visualization to reveal valuable spatial relationships, dependencies or trends difficult to discover otherwise.

How Location Analytics Benefits Sales Force Automation

Sales territory alignments

Many organizations have sales teams with territory structures that were defined many years ago. Typically, over time, the customer base changes significantly resulting in territories that are no longer balanced in terms of sales potential and workload. Improved coverage can be achieved by territory realignment. Sales people with additional capacity can call on customers who are currently underserved by representatives in neighboring territories who do not have sufficient capacity to call on all of their customers. Sales expenses are lowered through optimally designed territories that result in reduced sales person travel, more balanced commission payments and increased revenue across all territories. Lower staff turnover costs can be achieved by the implementation of a more equitable balance of territory potential among the sales force which results in higher levels of staff morale and achievement levels. Optimum territory realignments are most effectively discovered and achieved when graphically mapped for visual examination.



Density of customer visits

Using the combination of data from the business intelligence reporting platform and CRM with the location dimension, analysis can be performed on the density and distribution of clients and prospects throughout the territory. This enables improvement of territory management, optimizes sales coverage and presents insights into sales effectiveness and performance-by-territory. It facilitates:

- Speedy adjustments in sales resource allocation and planning
- Improvements in the number of visits by sale representatives
- Improvements in travel time management, and a reduction in travel costs
- More evenly balanced coverage to existing customers and potential prospects
- More effective management of overall compensation costs.

Mobile capabilities applied to sales force optimization

Location Analytics applications can enable sales representatives to optimally manage their time while out in the field. Utilizing mobile devices such as iPads could provide reps with the following live information.

- Interactive maps of their surrounding area or that of any address they enter for their next call.
- Customers within a close radius, postcode or city boundary could automatically be highlighted.
- Nearby prospect information prioritized according to color coded predefined parameters.
- Routes, travel times and relevant business information displayed instantly.

Use Case: Sales Territory Management for a large pharmaceutical company

Our client provides a diversified portfolio of healthcare solutions. With a presence in 140 countries, more than 120,000 employees, and net sales of USD 50 billion, this client is one of the leading players in the healthcare industry.

Challenge

Client wanted to gain insight through geospatial analysis to better understand the market for a specific eye disease which affects more the 8% of the people over 50 years of age. The objective was to integrate location data into the CRM system to identify demographic areas of high sales potential to optimize sales and marketing efforts towards Ophthalmologists working in private practice or in hospital environments. The client sought a solution to conduct comprehensive and integrated analysis on a monthly basis, or as often as necessary.

Solution

Galigeo implemented location-based analysis software which allowed direct, quick, and precise understanding of multidimensional indicators. By combining data from the business intelligence application and the spatial dimension, Galigeo enabled the client to perform geo marketing analysis that resulted in a better understanding of the density and distribution of ophthalmologists (in private practice versus hospital environments) and potential patients within the territory. The geographical approach revealed information hidden within business intelligence data and allowed access to information that cannot be viewed in regular reports.

Galigeo's solution provided the client a set of reports and information used to analyze sales performance by territory as well as through the direct sales force. The data was presented on dynamic maps, helping the client to identify high-potential patient areas analyzed in conjunction with the density of ophthalmologists. The solution allowed the decision makers to be in constant contact with the data warehouse via aggregated or detailed data.

Benefits

Optimize sales force territory management

By identifying underperforming sales territories, the solution has led to an operational action plan to optimize medical visits by sale representatives. The client decided to increase the number of e-detailing visits (a new channel that involves electronic communication between physicians and sales representatives) by 15 percent. The switch to e-detailing was an efficient way to better reach ophthalmologists located outside urban centers. Consequently, the client has noticed a 25 percent increase in numbers of visits, which has translated into significant sales increases.

Outline high-potential areas

Intended for controlling activities and easily monitoring various strategic indicators, the solution also allowed the client to efficiently measure the performance of each region and go from diagnosis to action. Data analysis such as anticipation of retirements and location of the competition were also performed to adjust resource allocation and to outline high-potential zones to explore for new services. The client has also identified and filled medical areas with a low density of ophthalmologists. By discovering medical “deserts” (i.e., areas where patients are located 45 minutes or more by car from an ophthalmologist equipped with testing and screening devices to detect the disease), the solution also addressed a public health issue.

Conclusion

Sales force optimization is a continual process heavily influenced by geographic dimensions, which are continually changing. One of the many value propositions that Location Analytics provides to organizations is to dynamically display customers and prospects on a map, along with the sales territories, BI and other operational data. The data can then be more quickly queried and analyzed allowing sales management to make more informed territory decisions and sales reps to manage their activities more effectively.