

North American Management Briefs

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You Should Know...

Wake Up!

The crew of a British Airways flight midway across the Atlantic mistakenly played a recording telling passengers the plane would “be making an emergency landing on the water.” Fortunately it was an error.

The Point: Maybe taking a sleeping pill is a good idea.

A Plethora of Pythons

The US Dept of the Interior has banned the importation of giant (often 12 to 17 ft long) Burmese pythons which now infest the Florida Everglades. One recently broke into a 2-year-old toddler’s bedroom and strangled her.

The Point: Sometimes Mother Nature isn’t friendly.

Grandma Wins

An 87-year-old Northfield, Minnesota grandmother became the oldest woman on record to win a fantasy football championship, after playing for 25 years.

The Point: “I just did my homework,” she said. Not bad advice for any endeavor.

Strange But True

Five percent (5%) of Americans (about 15 million) accounted for 50% of all US healthcare costs in 2011 reports *USA Today*.

The Point: Controlling healthcare costs is a national and complex problem.

January’s Quote

“Never ascribe to malice that which is adequately explained by incompetence.”

Author Napoleon Bonaparte

Your 2012 “Check” List

2011 is gone, now the question is, “How can you do even better in 2012?”

This is increasingly difficult. Because of the recession most sales and marketing executives have already reduced costs, rationalized channels, improved the effectiveness of marcom expenditures, etc. What else can be done now? Well maybe quite a lot.

First let’s make two assumptions.

1. Your goal is to grow faster than the market’s demand for your products (increasing your share).
2. Reducing your prices to “buy” share is not an option.

Below are five simple, though often overlooked tactics for profitably increasing both sales and market share. Reviewing them might be a good way to start 2012.

Make sure that the compensation you pay your distributors, salespeople, reps, etc. is weighted toward those products which are your newest and/or your most profitable, as opposed to your more mature, high volume (and often low-margin) products.

Review the benchmarks used to evaluate the effectiveness of your sales force and distributors. You need to measure their effectiveness against the potential of their accounts/territory not by how they perform relative to each other. That is “grading on a curve.”

Make sure all your markets/potential markets are fully covered. Identify those markets (vertical or geographic) where your competitors are most successful and find out why. You may need to develop an alternate “go to market” process. Yes this can create channel conflict, but leaving market segments to your competitors

will prevent you from growing faster than the market.

Consider telesales. Many small accounts and those in rural areas can’t be covered efficiently “on foot.” They can be very profitable, however, as their pricing is less competitive and profit margins higher. You need a low cost/low “touch” channel model to cover them. That usually means integrating your outbound telesales and e-commerce programs. You will also need to limit the program to specific areas/accounts to minimize channel conflict. Leaving high-margin markets uncovered is always a mistake.

Decide if your distributors really need all those competitive brands. Distributors often claim their customers require them to carry competitive brands. More often they do it to reduce their dependency on any single manufacturer. If they carry more than three (good, better, best) competitive brands, you need to adjust their compensation program to reflect their lack of loyalty.

The Point: These are among the most overlooked tactics which can affect sales and profitability, and quickly. Yes they require work, but yes they also produce rewards.

The Most Influential Cities

Based upon information exchange, political engagement, human capital, business activity, and cultural experience

Rank	City
1	New York City
2	London
3	Tokyo
4	Paris
5	Hong Kong
6	Chicago
7	Los Angeles
8	Singapore
9	Sydney
10	Seoul

Source: A.T. Kearney