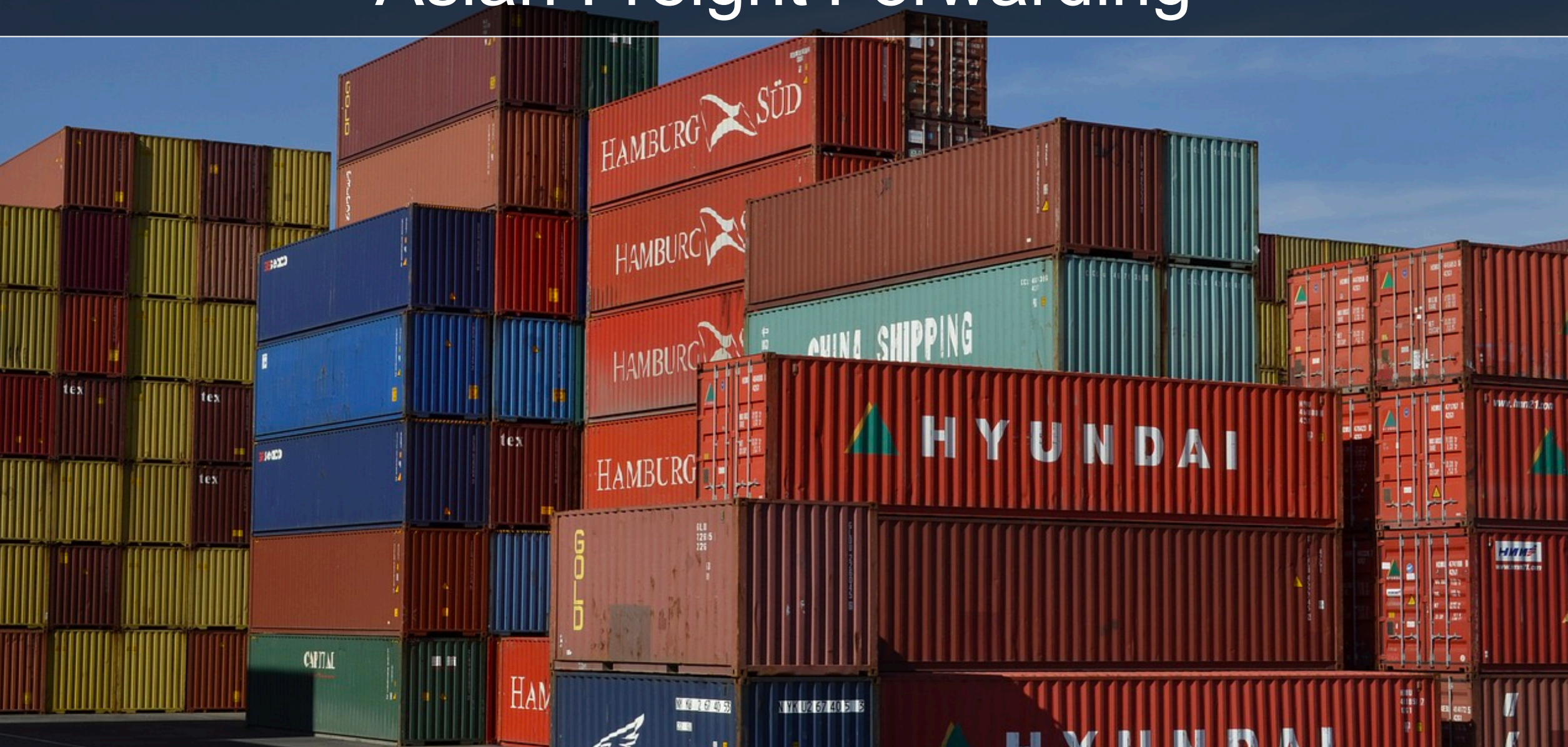


Asian Freight Forwarding



Sales Diagnostic and Transformation Case – Asian Freight Forwarding

Background

- Client profile
 - Asian Freight Forwarding business (Air and Ocean)
 - **Sales declining with -7% CAGR since 2014**, while market remains the same size
 - Mainly due to declining existing customers and limited new customer acquisition
- Project objectives
 - **Identify levers for sales increase** (using **CCAT** and other analysis)
 - **Improve client capability** in
 - 1) New customer acquisition
 - 2) Reduce churn of existing customers
 - 3) Develop systematic tracking and reporting system
 - **Capability building to develop change agents** through on-the-ground coaching

Approach

- Structured Approach
 - Leveraged **CCAT** to identify lacking organizational skills
 - Conducted **6-week pilot** to test improvement levers and to design implementation phase
 - Start **all the initiatives through 7 core change agents** and use **Learn-Do-Teach** to scale up the transformation initiatives
- Capability building and training
 - Provided **new customer acquisition training** and facilitation training
 - Developing **change agents** to drive sales transformation
 - Provided **Automatic churn finder tool** to identify the risk customers

Impact

- Impact achieved
 - Significant improvement in organizational skill shown in **CCAT**
 - Achieved **10% revenue growth**
- After one year of the program
- Implementation plan & Sustainability
 - **Developed new marketing organization that support and track new sales activities**
 - Developed **an implementation manual**, detailing out how to
- implement 4 major actions on the ground

The transformation resulted in significant revenue turned-around in FY2017



M&S capabilities lacking is identified through CCAT and improved significantly throughout the transformation



Issues are in declining existing customers and limited new customer acquisition

Sales movement from FY20XX to FY20XX

Million LC

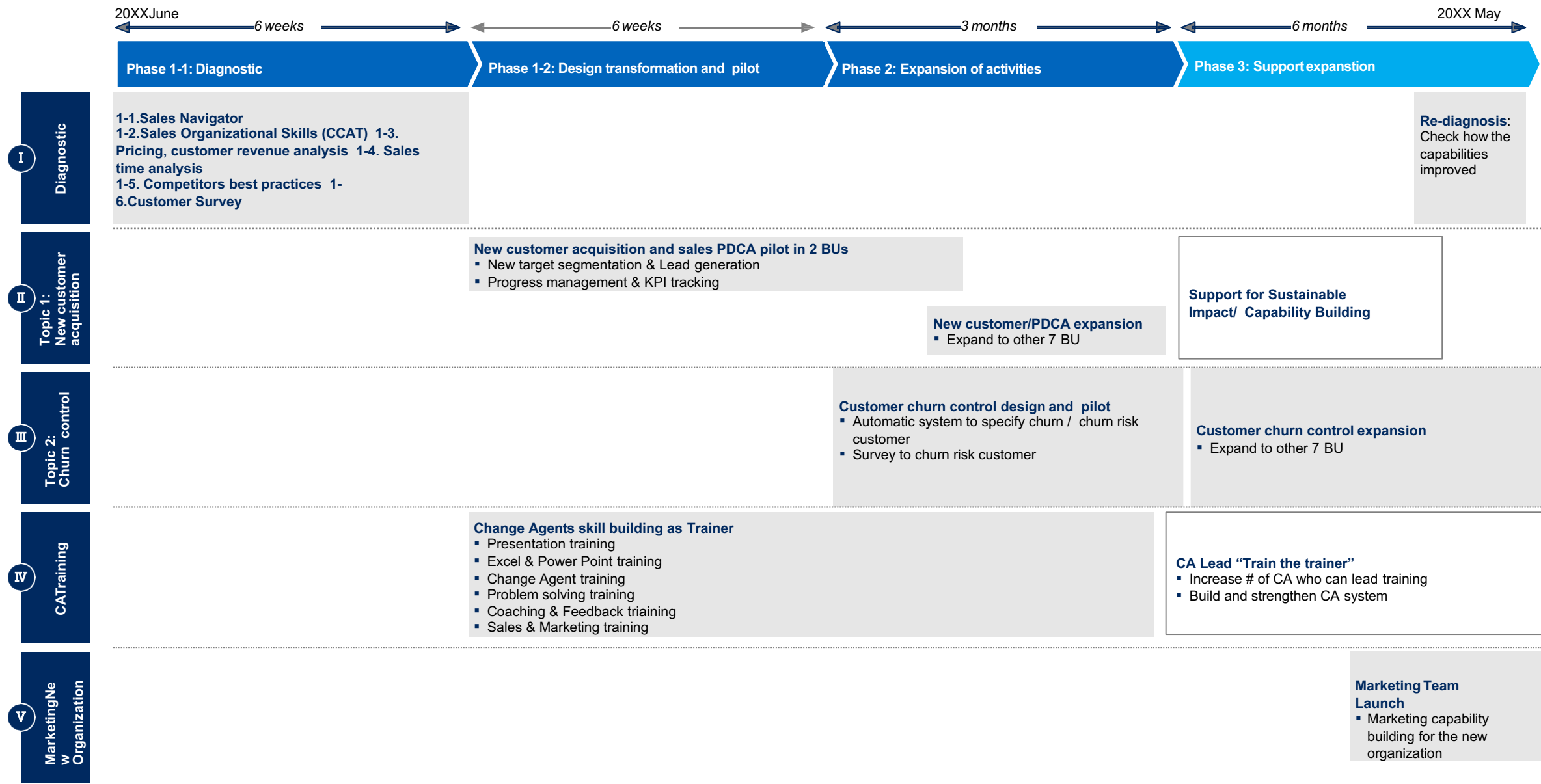


New customer acquisition increase by

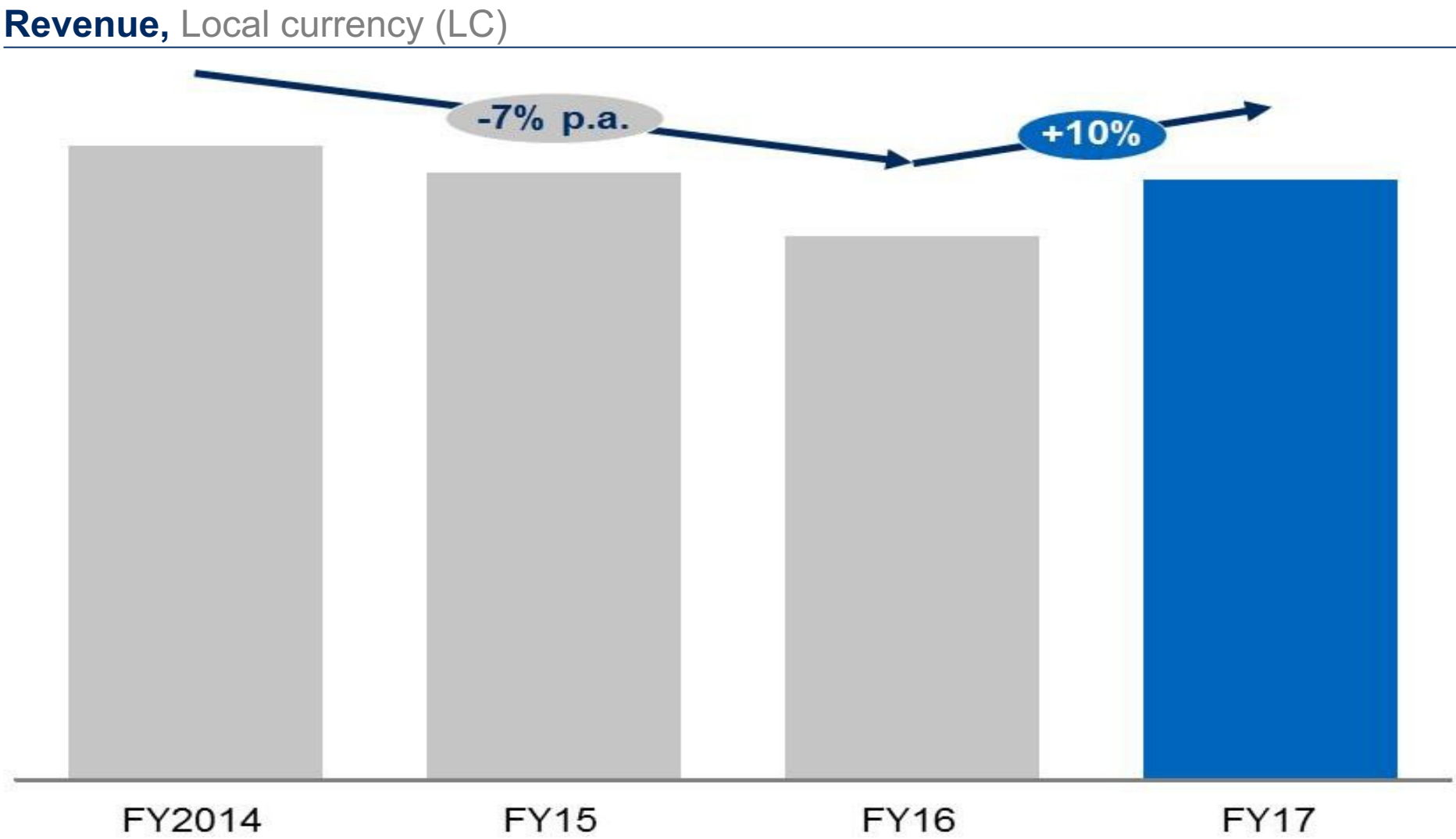
- Creating a list of potential new customers to contact
- Increasing # of visit per sales person
- Tracking and reporting

Number of customers
% of all customers

Overview of 1-year-long Sales Transformation Journey

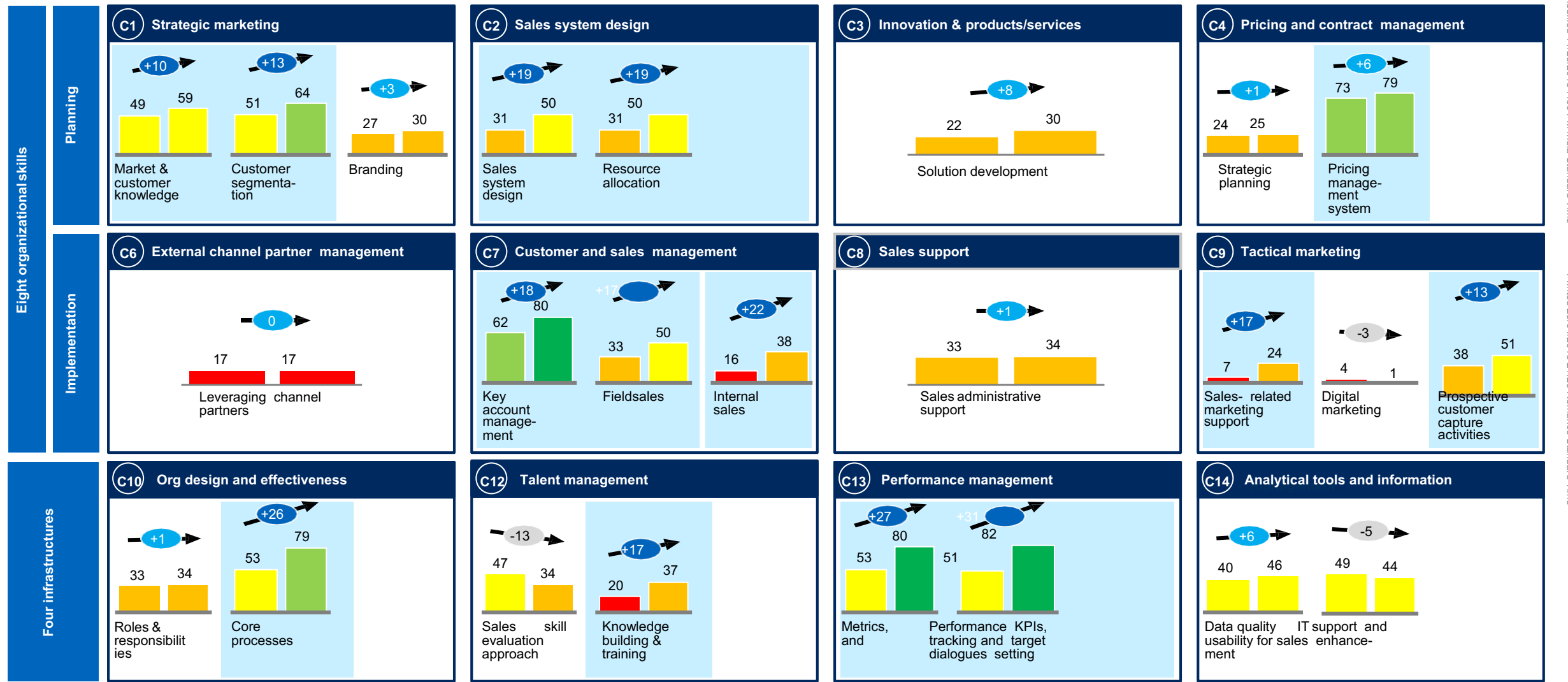


The transformation resulted in significant revenue turned-around in FY20XX



M&S capabilities lacking is identified through CCAT and improved significantly throughout the transformation

CCAT (sales & marketing capabilities) comparative scores, Points; 20XXvs. 20XX¹



Contents

I. Diagnostic

II. New customer acquisition

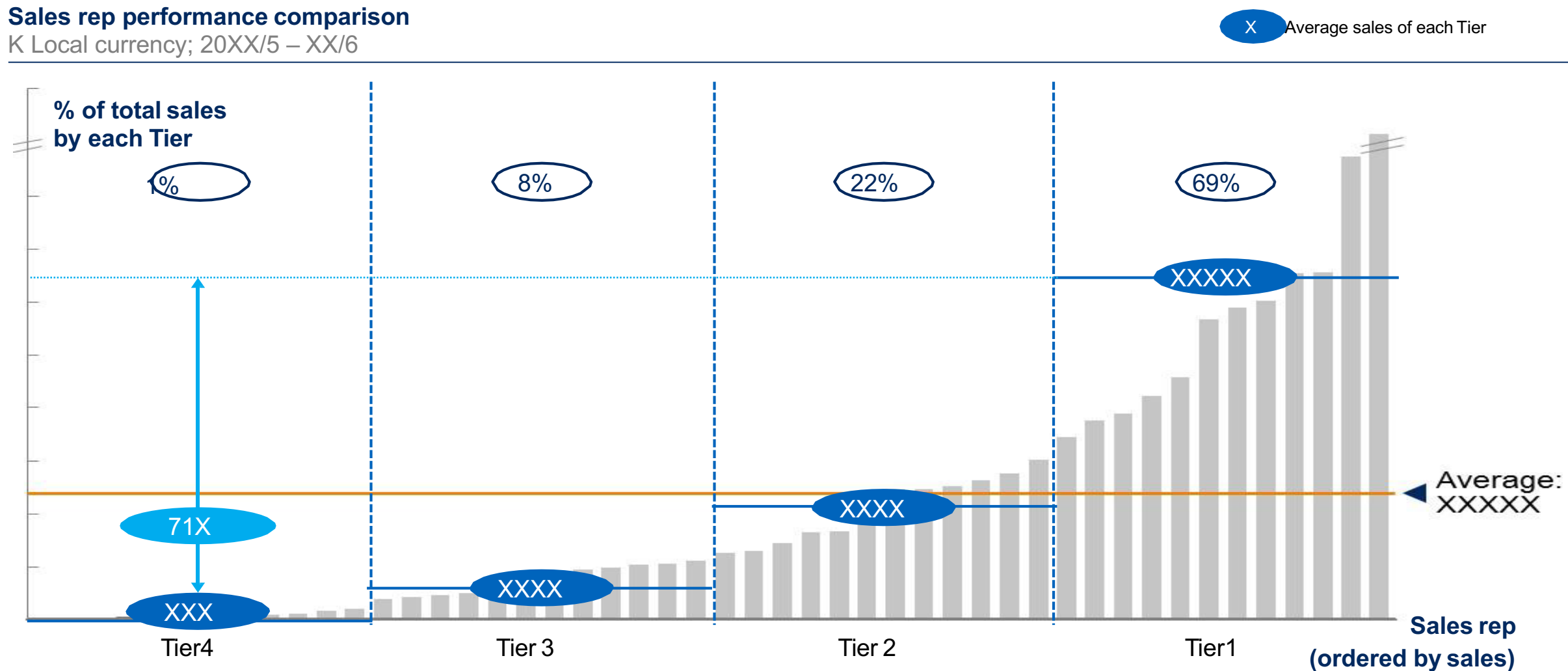
III. Churn Control



As a deep-dive analysis, we investigated differences in sales per salesperson, and found large differences among individuals, with the Tier 1 average more than 70 times the Tier 4 average

Sales rep performance comparison

K Local currency; 20XX/5 – XX/6

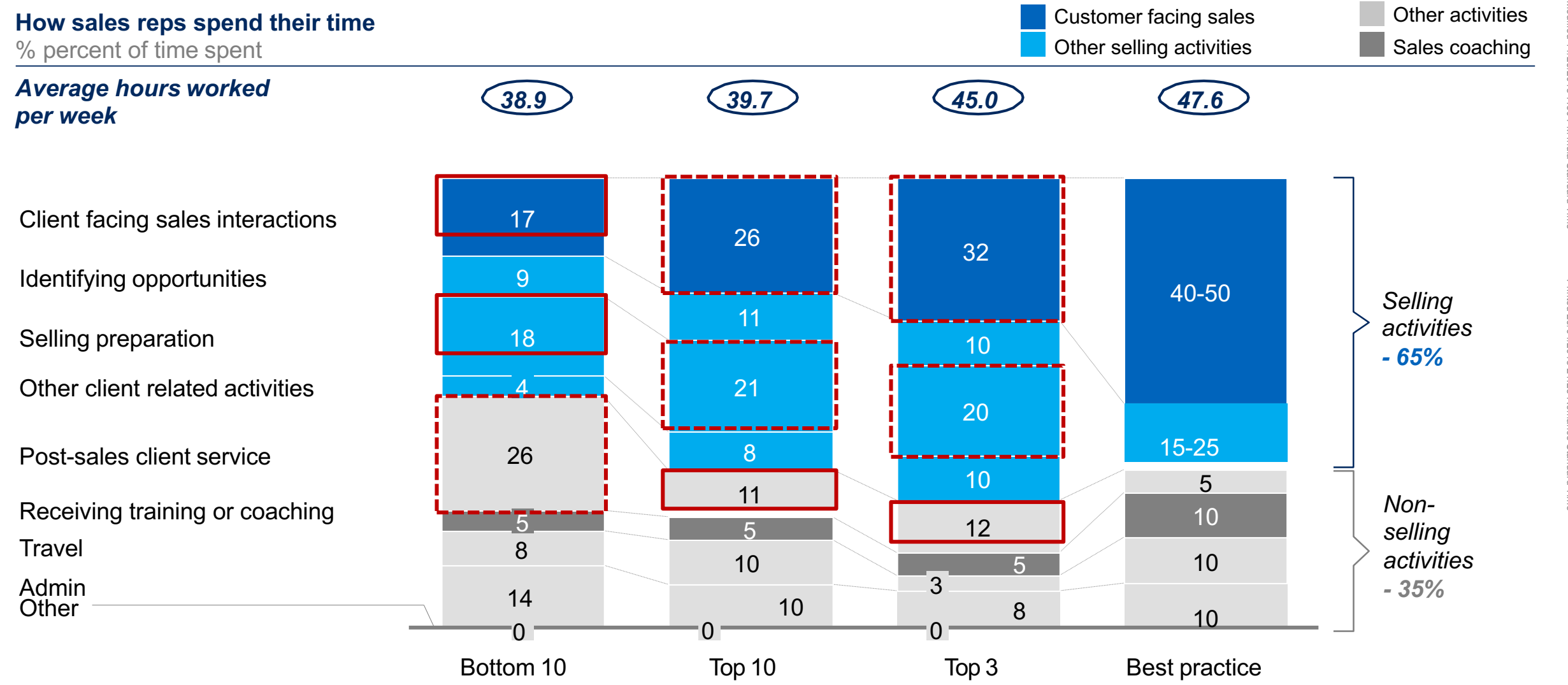


We analyzed the differences and identified gaps in numbers of visits as the largest factor



- The largest reason for differences in sales among salespeople was the number of visits (8 fold), followed by number of deals captured per visit (3 fold)
- In terms of size of deals, only Tier 4 was small, and this is presumably the reason for the small sales from Tier 4

Sales reps were not spending enough time on costumer visits by consuming time on sales preparation, including making quotes and post-order customer follow-up



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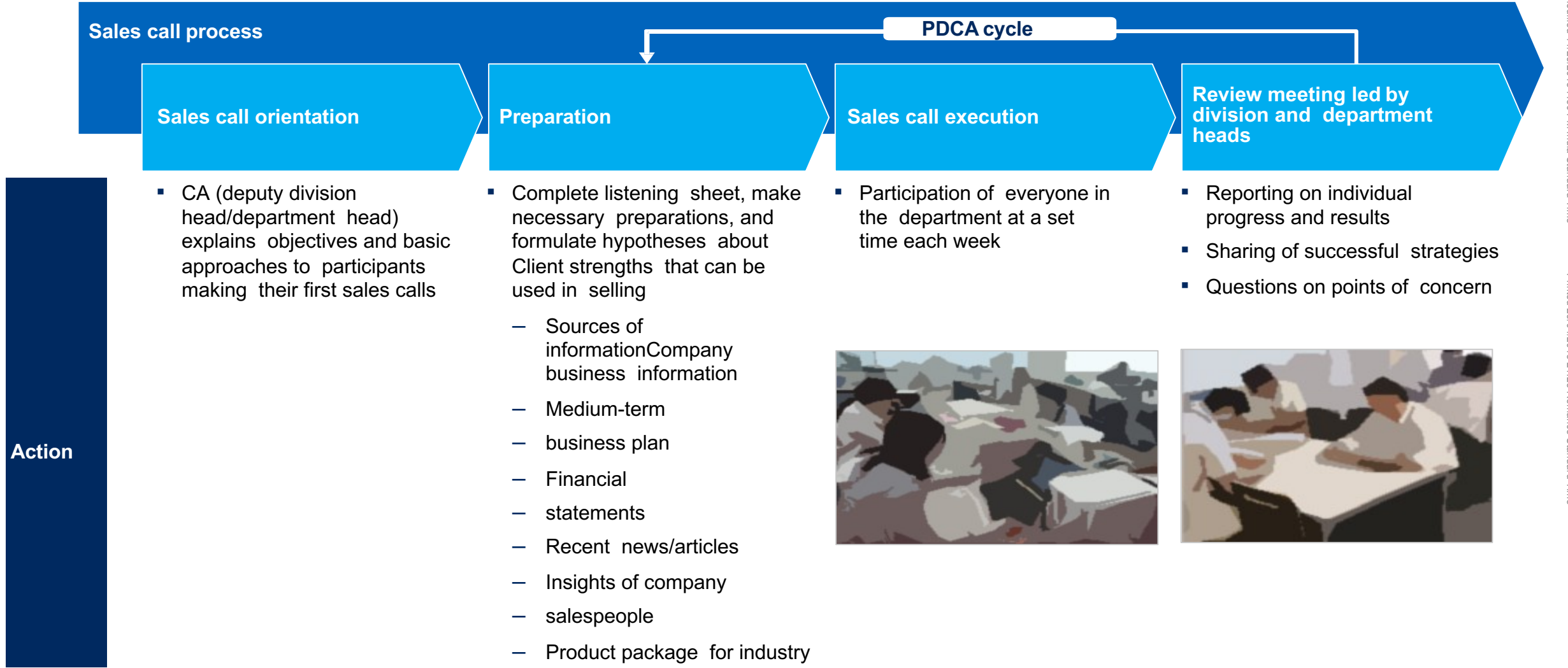
III. Churn Control



Discussion and identification of list of potential customers for new targets, contacting

	Identify target industries	Create a “Long list” for potential target	Prioritize the potential target (Short list)	Contact the target companies
Activities	<ul style="list-style-type: none"> ▪ Market attractiveness assessment <ul style="list-style-type: none"> – Industry scale and growth potential – International sales ratio – Degree of import penetration ▪ Assessment of company's competitive advantages <ul style="list-style-type: none"> – Past handling history – Successful service area ▪ Company coverage and share <ul style="list-style-type: none"> – Market coverage – In-house share 	<ul style="list-style-type: none"> ▪ List of companies in target industry <ul style="list-style-type: none"> – Sales trends – Growth potential and margin – International sales ratio ▪ Matching with internal data <ul style="list-style-type: none"> – Sales data by customers – Group company's customer list 	<ul style="list-style-type: none"> ▪ Identification of customers to be approached <ul style="list-style-type: none"> – Exclusion of existing customers with visit histories – Credit score (50 or higher) ▪ Contact prioritization <ul style="list-style-type: none"> – Companies with export and import histories – Companies with high international ratios – Companies with contacts in group companies – Key companies targeted in sales strategy 	<ul style="list-style-type: none"> ▪ Contact channel decision/implementation <ul style="list-style-type: none"> – Leveraging group company contact points – Sales cold calls – Preliminary study of contact company information ▪ Customer visit, start of negotiations <ul style="list-style-type: none"> – Creation of initial visit package for sector
Information source	<ul style="list-style-type: none"> ▪ Public statistical documents (Ministry of Finance trade statistics, Ministry of Economy, Trade and Industry etc.) ▪ Shoko-research ▪ SPEEDA ▪ Interviews with internal sales and external experts 	<ul style="list-style-type: none"> ▪ Internal systems ▪ Group company actual data ▪ Obtain reports focusing on promising segments if necessary 	<ul style="list-style-type: none"> ▪ Shoko-research ▪ SPEEDA ▪ Internal sales data 	<ul style="list-style-type: none"> ▪ SPEEDA <ul style="list-style-type: none"> – Medium-term business plan – Financial statements – Recent news/articles

Executed PDCA cycle for sales calls to new potential customers to improve appointment acquisition rates



Make contact after preparing with the listening sheet

Telephone call script

- Used to get the conversation off to a smooth start
- No need to follow the script exactly

The form is titled 'FORM 2000-1 CUSTOMER'. It contains several sections with checkboxes and text fields. A red box highlights the top section, and a blue box highlights the bottom section. A red line connects the 'Telephone call script' box to the top section, and a blue line connects the 'Notes during telephone call' box to the bottom section.

Preparation items

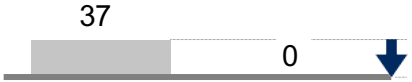
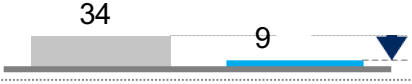
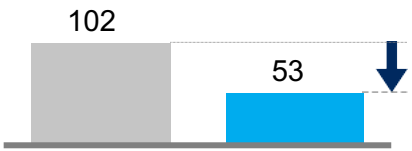


- Focus on collecting information that will be useful in conversation
- No need to complete all items

Notes during telephone call

- Fill in information not obtained in preparatory study
- Focus on information that can be leveraged in quotes and visits

To provide more time for sales, materials were simplified and sales work time was reduced

Hours/month

Reduction of documents			Savings impact Hours/month	Guidelines	Calculation rationale	Timing of impact
	Weekly results repot meeting		37	▪ Elimination (substituted forecasts from Business Planning Department)	▪ Unit-level discussions by secretariat	▪ September
	Monthly results report meeting		25	▪ Format simplification ▪ (Business Planning Department required 3 hours to create a macro (1 time only))	▪ Unit-level discussions by secretariat	▪ October
	Business Communica- tion meeting materials		49	▪ Part 1 materials: Format simplified, drafting process simplified ▪ Part 2 eliminated, progress management sheet substituted for topic presentation materials	▪ Unit-level discussions by secretariat	▪ November
Meeting changes	Part 2 of Business Communication Meeting eliminated		32	▪ Part 2 eliminated, topic presentation incorporated into Part 1 report	▪ Calculated from meeting hours and attendee man-hours	▪ November)
	New unit meeting		Increase of 18	▪ To replace Sales Part 2, establish new forum for discussions between division heads and relevant officers	▪ Calculated from individual unit meeting hours and frequencies	
		Current time After requirement savings	Total 125 hours saved			

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Implemented uniform companywide "progress visualization sheet" and process to tabulate activities by salesperson and team

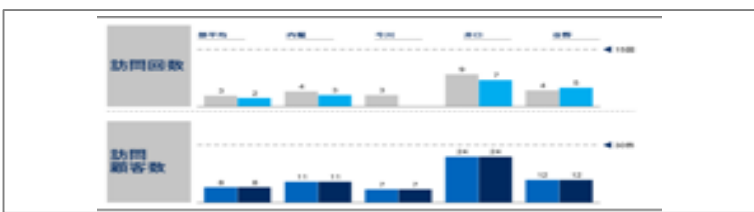
Input the activity statuses of individual salespeople to the progress visualization sheet

...

Automatic "visualization" of forecast sales at the end of the year for each salesperson

...

Automatic "visualization" of new customer visits for each salesperson



...

Discuss measures in the Division and Department Heads Meeting



Set next steps for individual salespeople in light of discussions

- Add projects resulting from sales calls
- Set stretch goals
- Follow-up calls for specific projects etc.

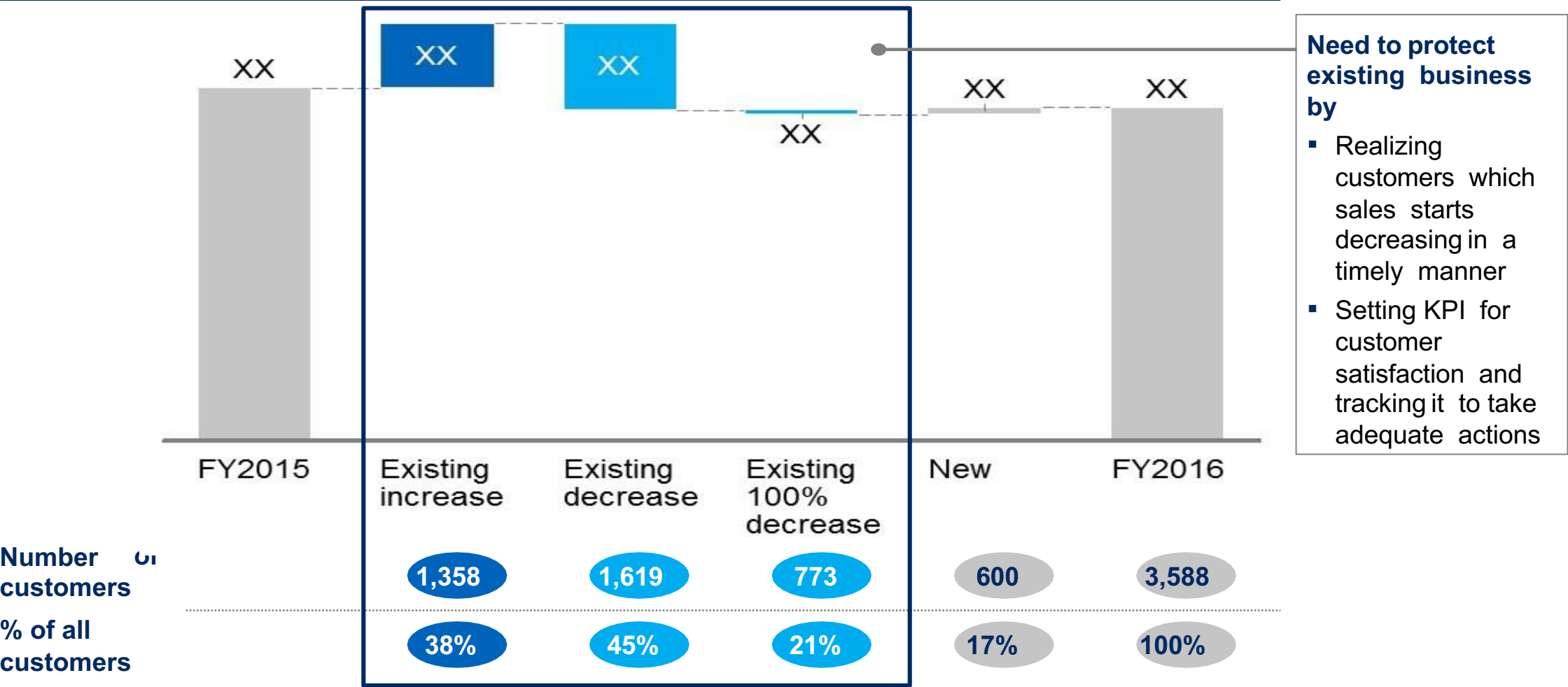
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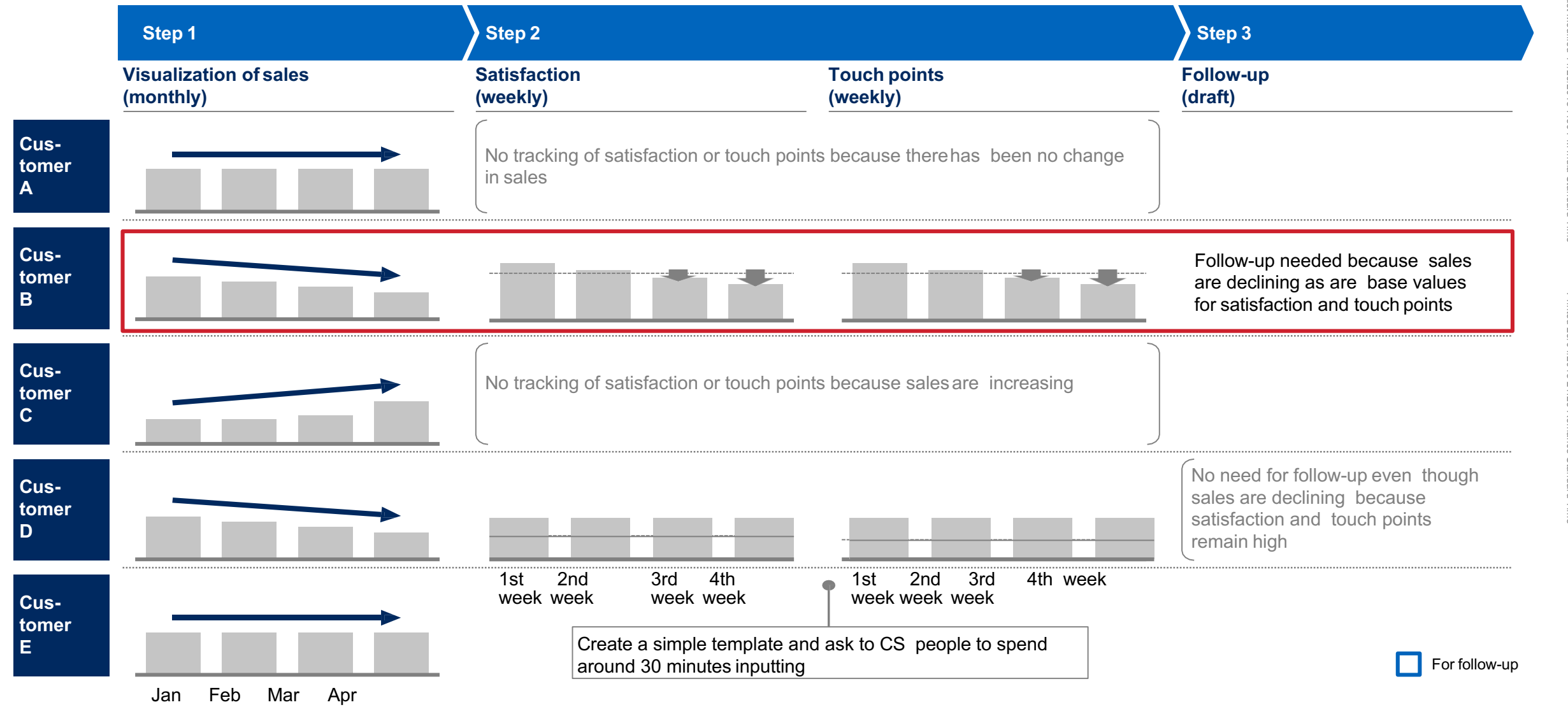
Another issue was how to protect existing business because the sales decrease of the existing customers was bigger than the increase

Sales movement from FY20XX to FY20XX
Million (local currency)



1 n = 3,588;
SOURCE: Client system data

Some customers are recording lower sales and also declining customer satisfaction. They should be given priority in sales follow-up to avoid losing orders in the future



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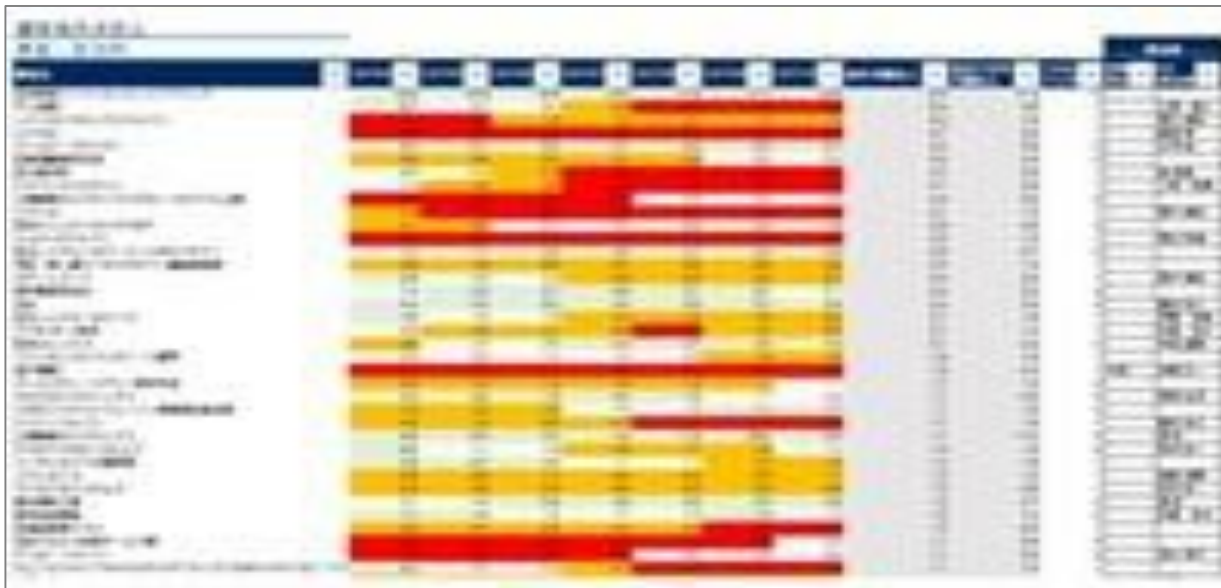
Respond quickly to declines in sales by introducing a tool that tracks sales by customer and automatically color codes them according to predetermined rules if sales are in decline

Automated visualization tool mechanisms

- Extract and integrate monthly data from system
- Use statistics software to automatically translate average sales for a 3-month period and compare against the previous year
- Use color codes according to predetermined conditions to provide visualization
- Yellow: 3 months of consecutive decline against the same period the previous year
- Red : 3 consecutive months of sales below 50% of levels for the same period the previous year (sharp decline)

Image of automatic visualization tool

- Out of XX total customers, XX customers, representing the top 90% of sales, subject to tracking
- XX out of XX customers colored as at October (yellow: XX, red: XX)



Conduct a customer satisfaction survey focusing on customers with declining sales to identify dissatisfied customers

<div data-bbox="55 217 1247 315" data-label="Section-Header"> <h2>Step 1: Request survey</h2> </div> <div data-bbox="113 357 264 567" data-label="Image"> </div> <div data-bbox="415 413 1096 482" data-label="Text"> <p>We have recently begun a customer satisfaction survey and would like to ask for your cooperation</p> </div> <div data-bbox="88 616 1222 735" data-label="List-Group"> <ul style="list-style-type: none"> ▪ Framework is a satisfaction survey conducted by Client ▪ Ask the person responsible for decision-making (not necessarily the contact point) </div>	<div data-bbox="1247 217 2431 315" data-label="Section-Header"> <h2>Step 2: Conduct survey</h2> </div> <div data-bbox="1348 371 1650 525" data-label="Image"> </div> <div data-bbox="1801 329 2356 595" data-label="Form"> <p>横軸と注釈にご留意ください ☆☆☆No.1 ☆☆☆トップ3に入る ☆☆☆他社並 ☆☆☆他社以下</p> <table border="1"> <thead> <tr> <th>満足度</th> <th>☆☆☆</th> <th>☆☆☆</th> <th>☆☆</th> <th>☆</th> </tr> </thead> <tbody> <tr> <td>価格</td> <td colspan="4">[Progress bar]</td> </tr> <tr> <td>CSサービス (案内が素早い等)</td> <td colspan="4">[Progress bar]</td> </tr> <tr> <td>親法・代理店サービス (問い合わせ対応の素早さ等)</td> <td colspan="4">[Progress bar]</td> </tr> <tr> <td>信頼 (予想外の遅れ・ダメージ等がない)</td> <td colspan="4">[Progress bar]</td> </tr> <tr> <td>CS・営業の親しみやすさ</td> <td colspan="4">[Progress bar]</td> </tr> <tr> <td>効果的な改善策の提案</td> <td colspan="4">[Progress bar]</td> </tr> </tbody> </table> <p>その他、最近の取引に關する貴社固有の事情・市場環境変化などあれば御座ってください</p> </div> <div data-bbox="1272 616 2406 735" data-label="List-Group"> <ul style="list-style-type: none"> ▪ Ask exhaustive questions about satisfaction on all items ▪ Ask for evaluation of Client in comparison to competitors </div>	満足度	☆☆☆	☆☆☆	☆☆	☆	価格	[Progress bar]				CSサービス (案内が素早い等)	[Progress bar]				親法・代理店サービス (問い合わせ対応の素早さ等)	[Progress bar]				信頼 (予想外の遅れ・ダメージ等がない)	[Progress bar]				CS・営業の親しみやすさ	[Progress bar]				効果的な改善策の提案	[Progress bar]			
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<div data-bbox="55 763 1247 861" data-label="Section-Header"> <h2>Step 3: Formulate improvement proposals. Also identify room to expand sales</h2> </div> <div data-bbox="75 979 378 1141" data-label="Image"> </div> <div data-bbox="466 909 1134 1050" data-label="Text"> <p>We would like to propose some improvements so that we can better satisfy you in the future. At that time, we would welcome an opportunity to consult with you on other projects</p> </div> <div data-bbox="88 1169 1222 1288" data-label="List-Group"> <ul style="list-style-type: none"> ▪ Use dissatisfaction (score of 3 or lower) of other customers as a starting point for a deep dive comparing against other companies ▪ Ask about room to expand sales </div>	<div data-bbox="1247 763 2431 861" data-label="Section-Header"> <h2>Step 4: Concentrate on sales expansion if full satisfaction reported for all items</h2> </div> <div data-bbox="1335 923 1549 1127" data-label="Image"> </div> <div data-bbox="1650 958 2394 1029" data-label="Text"> <p>It is wonderful that you are so satisfied We hope you will consider using us for other projects as well</p> </div> <div data-bbox="1272 1169 2406 1288" data-label="List-Group"> <ul style="list-style-type: none"> ▪ Do not forget customers (i.e., customer circumstances) indicating full satisfaction on all points. Do everything possible to find room to expand sales </div>																																			