



## ORGANISATION

# Adapting the Enterprise Structure to Meet Challenges

A large food industry firm decided to implement changes in its commercial organisation. The first challenge was an economic one. The enterprise had to adapt to developments in the volume retailing sector and improve its responses to customer needs whilst ensuring better allocation of resources. The second challenge was related to human resources. Career development for field sales teams had to be managed better.

### ► Context

#### REASONS FOR CHANGE

This enterprise is in a **sector undergoing significant transformations** : the volume retailing sector. Suppliers must constantly adapt to increased concentration and centralisation, increasingly technical negotiations and extremely varied customer typologies.

The enterprise was also experiencing difficulties in the management of its field sales teams. There was significant staff turnover, the workload was unevenly distributed, and the compensation policy was attractive but did not encourage employee loyalty.

#### Transformations in the Volume Retailing Sector

Decrease in the number of negotiation points with distributors on a national scale :

- 1978 : 25 points.
- 1999 : 7 points.

#### More and more specialised partners

- Before: buyer/ decision-maker.
- Now: buyer, category manager, merchandiser, logistics expert, special offers manager, etc.

### ► Task

#### MEASURES

A workgroup was set up. It was piloted by the Sales and Marketing Director, and consisted of several employees from headquarters and BPI consultants. The group met every second weeks. BPI provided specific support on strategic issues or those requiring particular expertise. As the meetings progressed, the group concretised the hypotheses and began to bring directions to be taken into focus.

#### BUILD A DYNAMIC, EFFECTIVE AND EFFICIENT ORGANISATION

Step 1: obtain a more pertinent vision of target customers to build the base of the organisation. Mixing standard criteria and a challenge-based approach, a new innovative typology of retail shops totally specific to the enterprise was established. For the management team, this became a true competitive advantage.

Step 2: define the different sales team profiles using this typology.

For each type of point of sale, the required sales skills were identified, and specific job descriptions were formalised. This inventory also enabled definition of the different elements for better human resources management - orientations for skills development and career development prospects.

Step 3: define the field organisation. The optimum frequency of visits was redefined for each segment. The geographical sector boundaries were revised. The result was a new organisation chart which summarised **the progress achieved**. The project could then be presented to the Managing Director with documentation and arguments set down on paper.

### ► Perspectives

#### IMPLEMENTATION AND NEXT STEPS

Three months after approval by the management team and the Works Council, the new field sales organisation was in place.

Teams at headquarters then had to set up a more customer-oriented organisation. In parallel, the management team entrusted BPI with an audit of the Sales Management function. This was an opportunity for BPI's consultants to complete the previous task with a new approach more specifically based on observation of work situations and analysis of activity.

#### End-products of the Study

- New organisation chart.
- New field organisation (definition of sectors and regions, frequency of visits).
- Inventory of sales skills.
- Job descriptions for each sales team profile.
- Standard career development path for sales staff (skills, job, salary).
- Economic assessment.
- Comparative analysis of the new organisation in terms of efficiency and effectiveness.

### Effectiveness Efficiency

#### ► Definitions

- Effectiveness : results obtained in terms of goals set
- Efficiency : means implemented to attain the results.

#### ► Examples

If the goal is a sales volume and the means are visits by sales representatives :

- Improved effectiveness will result in an increase in sales volume.
- Improved efficiency will result in an improvement in the sales volume / number of visits ratio.