

WITH THE RIGHT FLAIR FOR FAIR SALES TERRITORIES: P&G WORKS WITH PTV GEOMANAGEMENT SYSTEM

"PTV Map&Market is outstanding software. It is thanks to it that we now have a completely new territory structure and fair distribution of work within the sales force team. Our initial situation was very complicated, with inconvenient locations for the sales representatives and a very complex customer hierarchy. PTV Map&Market has managed here to create a homogeneous and fair structure and at the same time ensured maximum customer coverage."

Dietmar W. Haufe, Head of the sales force at P&G Prestige Products GmbH Germany



THE TASK

Restructuring the sales territories had been on the agenda of P&G Prestige Products GmbH for quite some time already. This is because the work distribution between the initial 23 field account managers, as the P&G company division for perfume sales representatives are known, was too inhomogeneous. The territories had evolved over time and were extremely different from one another: there were huge geographic areas in economically underdeveloped regions with few customers but a large amount of driving time. There were also built-up areas with a high concentration of customers and short journeys, such as in the Ruhr district or in a number of cities. The situation was made more complicated by the huge variance in customer structure, and also by sales representatives moving house or retiring, leaving areas entirely without sales representatives. The existing territory

zoning was no longer up to the task.

Given this complex set of circumstances, new planning could not be carried out manually.

P&G reunited with the PTV GROUP for this. "Reunited" because the P&G has been successfully planning and working with PTV Map&Market for many years and has been extremely satisfied with the results. P&G selected the Karlsruhe specialist for traffic, transport logistics and geomarketing following a tender among a number of suppliers. It did not take long to convince P&G about the products and value for money.

The desire and objective for the P&G subsidiary Prestige Products GmbH too was to restructure its sales territories in Germany, so that the 22 field account managers could all handle about 1,600 customers without any gaps and with a fairly-distributed workload. One condition was also that no P&G employee should

have to uproot to a different location for this.

Three things were expressly stipulated at the start of the project: the customers and their locations, P&G employees and where they live, as well as the frequency and time required for customer visits. The efficiency of visits depended and depends for each sector on the customer structure: in perfume and body care, there are the centrally-run retail chains, such as Müller, Douglas and dm. Secondly, there is owner-run, independent retail. This requires a large amount of support, because direct orders during visits are integrated and the respective field account manager carries out the entire sales process. The third kind of customers are chains acting locally and in cooperation or sharing accounts, such as Stadt-Parfümerie Pieper, or the Aurel City-Parfümerie, a member of the Beauty Alliance.

Procter & Gamble Prestige Products GmbH is the perfume and cosmetics subsidiary of the consumer goods giant P&G and was formed in 2005 from the merger of Cosmopolitan Cosmetics and the global perfume business of P&G. P&G Prestige Products today has a revenue of around EUR 400 million a year. The company has some 200 employees in Germany, Austria and Switzerland and manages 12 perfume and body care brands. These include Hugo Boss, Gucci and Dolce & Gabbana. The German headquarters are in Schwalbach.

The P&G Group was established in Cincinnati, Ohio, in 1873. The company has offices worldwide with approximately 110,000 employees in over 70 countries, with Germany as the largest base outside the USA since 1960.

In July 2015, P&G announced that it was merging the global divisions of Salon Professional, Retail Hair Colour, Wella Retail Styling, Cosmetics and Fine Fragrance as part of a Reverse Morris Trust transaction with the company Coty. The transaction is due to be finished in the second half of 2016.

"With all of these conditions, we looked for a cost-effective approach for our Field Force, depending purely on available working hours. It was not about profit sharing, because our employees receive a fixed wage," says Dietmar W. Haufe, Head of the P&G Prestige Products sales force in Germany.

THE SOLUTION

Following the example of its parent company, P&G Prestige Products, which is based in Schwalbach am Taunus, got in touch with the PTV Group. Only one product training session needed to be arranged – PTV Map&Market itself could be used via a previous licence of the parent company that was still active. "Within just two months of getting in contact, the new design was complete and we could start to set the new limits. Our employees who were trained by PTV experts, and also our field force team, had a very positive experience," says Dietmar W. Haufe. Gordana Vidovic, P&G Prestige Products assistant, adds: "The PTV software is unbelievably complex and yet straightforward to use once you familiarise yourself with it. It can depict all issues from a wide range of angles. The results are clear and ultimately can even

be easily understood by someone who has not been using it."

For redesign of the territories, the project partners all input in the system around 1,600 customer addresses, including clustering and how often and for how long a customer should be visited. The home addresses of the field account managers were added to these. Automated geocoding meant that PTV Map&Market could visualise the existing sales territories and addresses on digital maps and create a proposal for how the new sales boundaries could be set and how the customers would be distributed between the 22 employees to spread the distribution evenly. If required, the software can produce several planning scenarios whereby the optimal PTV specialists are selected together with their business partners. "A number of ideas can be arranged and prioritised using PTV Map&Market," Gordana Vidovic claims. "Everything can be displayed and compared, including if it was not really the primary task and had not been the focus." P&G Prestige Products has made manual readjustments to the proposed new territory structure only at very few areas on the boundaries. "The basic outline was perfect and precisely satisfied our group's

conditions," Dietmar W. Haufe says. This is a far cry from the changes to territories that were due to improve things back in 2013 and that were needed after various product groups had been merged. At that time, an external agency had done a one-off restructuring, or rather, it had distributed the customers based on where the field account managers currently lived. However, it did this based only on the number of customers and their geographical location, not taking into account the demand for visits. That was problematic, and so once sales representatives moved away, the distribution could no longer be used and always needed to be manually redone at great expense.

THE RESULT

The restructuring of the 22 territories allows balanced, often reduced driving time, more time for qualified customer care, less stress and fair distribution of work for all Field Force employees – all without colleagues having to change their location and with seamless visitor coverage for all types of customers. "We have completely achieved the stated goal," says Dietmar W. Haufe. "There has even been a positive side effect: because

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the territories are more conveniently located and more compact, we need slightly less overnight stays. This of course saves time, money and effort." Haufe sees it as a further advantage that until the restructuring using the PTV software, the customer/employee distribution could not be viewed and displayed. If a field account manager said that there was too much work, there was no objective proof as to whether the extra burden was only that person's individual feeling or really the case. With PTV Map&Market, Haufe says "we now have an objective, viewable computer model." "All in all, efficiency has significantly improved in terms of time, money and factual knowledge."

Gordana Vidovic not only appreciates the software's accurate results, but also working with it: "PTV Map&Market is fun and is always exciting, from data entry to the solutions provided. Which territorial limits does the program produce and under what conditions? What does the territorial coverage look like? Which locations are particularly promising? Where are there weak spots in sales? And what does that all mean for our company and for business? PTV Map&Market gives us opportunities to find everything out and impressively to optimise it. You can immediately apply a complete thought experiment! And that is simply incredible!"

Regarding PTV's customer service, the sales expert Dietmar W. Haufe draws no less enthusiastic conclusions than for the software itself: the training, the joint planning and then after-sales care were "very proficient and friendly. The PTV team reacted swiftly and helped out even when under great time pressure and at full capacity. The entire project was carried out really well and professionally by all partners. We could not have done it on our own. Putting our special project in the hands of the PTV Group was the best decision."

FOLLOW THE EXAMPLE OF P&G PRESTIGE PRODUCTS

You can also make a good start again, if you have the right flair for fair sales territories: With PTV Map&Market.

- ▶ **Make it clear!** Visualising company and customer data on digital maps provides transparency, showing you regional relationships and untapped potential. That is the basis on which you can optimise existing structures. Particularly for areas which have evolved over time or manually planned ones.
- ▶ **Set the scene!** Alternative area planning scenarios depict changes of parameters and therefore make it possible to choose with certainty the best structure for an area.
- ▶ **Make it the same!** Homogeneous sales areas mean an equal workload for everyone in the sales force – and therefore more time for on-site customer care.
- ▶ **Make it brief!** Reduced travel time saves you money, time and stress.
- ▶ **Stay flexible!** Changes in the employee base can be offset at any time by (partially) adjusting the existing software.

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