

# How Abbott PPD's sales managers grew to forecast, price and collect better



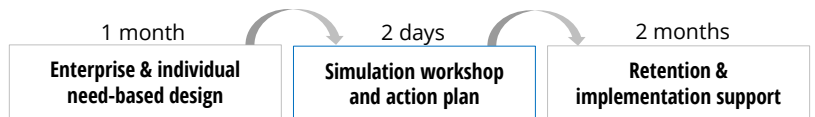
## BUSINESS CHALLENGE

In early 2013, Abbott spun-off its Proprietary Products Division (PPD) into a separate company. Abbott PPD began as a 'start-up with a legacy' – where a small team handled a diverse product portfolio across the country.

Abbott PPD needed its 'reps' and *sales managers to grow, from simply driving sales, to planning, forecasting and managing people.* Some of them were also being groomed for bigger responsibilities.

## THE PROGRAM

Shyamakant Giri (Country Manager in-charge of India , Nepal , Sri Lanka, Bhutan , Bangladesh and Myanmar) wanted his top sales managers to mature as business managers. Working with Keya Phatnani (HR business consultant at Abbott), he engaged enParadigm for a 3-step program.



The pre-program discussions began in June 2014, for an intervention in early July, followed post-intervention retention modules and implementation support in August-September 2014. Learning and implementation was tracked for individual participants, with their reporting managers in the loop as well.

## BUSINESS NEED

- Sales team **KRAs** drive **volume** and **value**
- **Country** Manager drives **profitability**
- Need: **Align sales** team **KRAs** to drive **profitability** & **cash** flow for organic growth

## LEARNING NEED

- Realize the **impact** of gross **margin**, product **mix**, distributor margin, **inventory**, **credit** period on **profitability**
- Align to changed KRAs with minimal **resistance**

## BUSINESS RESULTS

*"The reps are asking for a **lot less discount** post the workshop, they **understand margin** erosion on account of **discounts** and **credit period**, their understanding of **profitability** and **financials** has definitely improved, their **performance** and **engagement** has also gone up now."*

Shyamakant Giri

Country Manager (India , Nepal , Sri Lanka , Bhutan , Bangladesh and Myanmar)

## BUSINESS IMPACT

### Pricing

The importance of maintaining price, so as to 'sell-for-profit', was one of the workshop's primary focus areas. Over 85% of participants listed it as one of their key action items at the end of the program. Despite problems in negotiation with network partners (particularly in the case of large, powerful distributors), they have achieved significant improvement here (as validated by their individual reporting managers).

### Collections

Participants also reported improved collections, with credit period going down significantly across geographies.

*'From 45-65 days, we have restricted credit period to 30 days'*

- Neeraj Kumar, Delhi

### Planning and forecasting

Forecasting accuracy has improved across geographies. This not only reduced inventory levels (and costs), but has also made targets more predictable, improving sales target achievement for 85% of participants in Q3 2014 (as compared to Q1 and Q2).

#### PARTICIPANT

*"Increased Average Selling Price (ASP) in Mumbai by 7.8%."*

- Sunil Dhiman  
Key Account Manager

#### REPORTING MANAGER

*"Sunil's ability to understand profitability, margins, brand value etc., has improved."*

- Neeraj Sharma  
Regional Manager

#### PARTICIPANT

*"I focus on ASP, no discounts to stockists. Reduced credit period to 1 week."*

- Raghavendra Rao  
Key Account Manager

#### REPORTING MANAGER

*"Raghavendra stuck to ASP 95% of the time. Hyderabad area performing very well."*

- Syed Mujahid Ali  
Area Business Manager

#### PARTICIPANT

*"I can deal with low-price competition now. Able to control inventory."*

- Vaibhav Agrawal  
Associate Key Account Manager

#### REPORTING MANAGER

*"Vaibhav has implemented his action items, and achieved 92% of targets."*

- Viral Shah  
Sr. Area Business Manager

#### PARTICIPANT

*"3rd quarter target was ₹20.8 lakhs – I achieved ₹23.4 lakhs."*

- Hilal Ahmed  
Key Account Manager

#### REPORTING MANAGER

*"Hilal is giving 100% for implmentation. Distribution network and P&L improved."*

- Sameer Raorane  
Regional Manager

#### PARTICIPANT

*"My inventory was more than 3 months – now reduced to 30 days."*

- Neeraj Kumar  
Key Account Manager

#### REPORTING MANAGER

*"He completely understands what is important to his profile, and implements it."*

- Neeraj Sharma  
Regional Manager

#### PARTICIPANT

*"More clarity on forecasting and ASP now. Achieving 110% targets."*

- C G Balasubramanian  
Key Account Manager

#### REPORTING MANAGER

*"He got the importance of ASP, credit period. Implementing for 3 months."*

- N Shanmuganand  
Area Business Manager