



A CASE STUDY

Miami Aerospace company streamlines sales/quoting process to improve effectiveness and efficiency of operations

● CHALLENGE

Aerospace parts distributor had been growing at a rate of 14% per year. Projections for next year were for 30% growth with a new product line being introduced. The VP of sales was asking for 40% increase in staff. Was the 40% staff increase request justified for 30% sales growth?

Knowing the sales department quoting and sales procedures were not streamlined, nor reviewed and updated for years, my hunch was that a 40% increase in staff was too much, but I didn't have the evidence to back it up. - President, Aerospace Company



Source: Tim Dorsey, Powering Peak Performance, 2018

● APPROACH

Using Dorsey Multi-function Process Map™, the current state of operations was analyzed. Three years of historic data for the crewing levels, customers, quotes, and contracts were collected and analyzed.

Big Discovery #1

Current sales teams were organized so that all incoming sales inquiries were treated equally. No segmentation according to customer history. Duplication of efforts, multiple points of contact, variation in contract terms and communication between teams unsatisfactory. Inconsistent metric collection and usage.

Big Discovery #2

6.6% Closing ratio on quotes (\$73,334,589 in sales resulted from \$1,112,726,283 quoted)

Big Discovery #3

68% of companies provided quotes did not purchase
10% of the companies quoted, generated 96% of the revenue

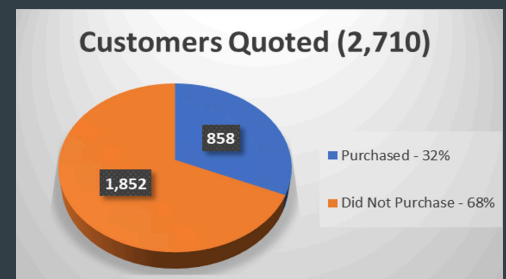
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● RESULTS

Company reorganized sales team for improved effectiveness and efficiency specifically focusing on:

1. Redistributing existing staff to focus on the 10% of companies that generated 96% of the revenue.
2. Created a small sales team to service the customers that only generated 4% of the sales.
3. Created an aligned Scorecard for team performance.

68% of customers who have a three year history of quoting but have not purchased product will be required to put down a \$1,000 retainer to obtain a quote. This was done to eliminate brokers and customers only looking to get three bids or pricing their products without an intent to purchase.



● BENEFITS



The team did not add the 40% sales staff requested – they added 12% **saving \$900,000 in salary expenses.**



Fees generated from the retainer program **will cover the cost** of the small team serving 4% of the sales.