



Quantum Profit Gram #16

A distribution-chain CEO ranks the branches by financial-performance, and then chats with branch managers with weaker results. Does this sound familiar?

CEO: "The market's tough, what things are you doing to get your numbers up?... Have you tried... [insert "best practice/continuous improvement" suggestion here]?"

Branch Manager: "Don't worry, boss. We're already doing that! Our market is just extra bad."

How do you evaluate a branch manager's "already doing that" response? Are all of your poor-performing branches executing well and just victims of greater doses of local, bad-luck events? Or is there a range of effectiveness amongst the managers for strategic focus and execution on real profit-improvement activities like:

- getting, keeping and motivating the "best" employees who are...
- measurably "engaged" at...
- continually improving "service value metrics" tuned to the "right, best customer niche(s) for that branch", which in turn helps to...
- improve the net-profit contribution per active customer by executing on focused profit improvement plays aimed at...
- retaining and further penetrating core accounts; cracking target accounts; and transforming super-losing accounts into profitable ones.

All branch managers can't be above the corporate average. Because financial numbers are ultimate symptoms of underlying profit-driving factors, you need profit-improvement metrics and plays to help managers continually improve performance.

What if you could share and then discuss true, net-profit changes for every customer and for each customer niche? And, what if local service managers (not the branch manager) could gather and upload metrics about personnel engagement and service value via the net? This data could then be centrally monitored, summarized and trend-charted against all other branches.

Below-average and non-improving managers will not like their new rankings from these top-down and bottom-up profit-improvement metrics. The "my market is worse" and "we're already doing that" excuses (delusions?) will diminish. The new reality checks and measurable progress of what best branches are doing will, however, help to get all branch managers moving in the right direction. Best practice results from any one branch could start spreading to all branches.

How can you get this type of profit-power reporting in a fast, affordable way with implementation help one or more branches at a time? For answers: check out the annotated "slideshow #22" at www.merrifield.com and read more at www.quantumprofitmanagement.com. At the latter site, then request a demo of Waypoint Analytic's "Quantum Profit Management Service" (QPMS) or sign up for a webinar.

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