

The critical last 3 months of 2011



There are a few critical items that have to be taken care

of before everyone goes off for a well-deserved break to squeeze the last drops of turnover out of 2011 and to have a strong start to 2012

BY DAVE HENDRIE

2011 is nearly history, but not quite. There are still some very important things to do before we all disappear for a well-deserved break. I've listed just a few of the critical items that have to be taken care of to squeeze the last drops of turnover out of 2011 and to have a strong start to 2012.

Stock availability over last six weeks of 2011

Have you produced the best demand forecast you can, involving all stakeholders (sales managers, sales agents, marketing, customer marketing, finance etc), building the numbers from the ground up (by account, by region, by SKU, by week)? Have you built in the sales volumes from those accounts who might be chasing trading term targets in Q4? Have your production people not just signed off on the forecast but actually committed to delivering on the numbers, in writing, publicly? Is the commitment believable? Can you see the stock build happening, daily in the warehouse stock numbers?

November/December sales execution plan

Has the plan been finalised and agreed internally by all stakeholders? Has the plan been communicated to all who have to execute it, in minute detail, addressing every question raised including, who has to do what and by when? Do the 'executors' have all the support material promised to them? If not, your teams look to you as their manager to fix it, quickly (they don't want to hear a long sad story about printers letting marketing down etc). Do you have all the Christmas lines listed and locked into the buying catalogues? Do you have your Christmas in-store display

commitments locked in, in writing, from your customers? Do all your sales teams have their Christmas-themed display material? Check and then recheck and then recheck – you only have one shot at maximising business over the festive season (and then you have to wait another 12 months)!

Have you communicated to the sales teams the issue of trade loading in December month and the impact on the January 2012 figures? In the multinationals that I worked for, it was a firing offence to deliberately load the customers in the last month of the financial year (and thereby artificially inflate the year's sales numbers)!

Shift of sales volumes

As holiday makers move out/into key vacation centres, are your supply chain people alert and proactive in terms of timeously getting the stock into these areas? Have your sales people ordered up? What have you done about stock pressure in those outlets that are located on major 'holiday' road routes – forecourts, convenience stores, fast food outlets etc?

Trading terms

Do your customers with trading packages know exactly where they stand for the 2011 year in terms of their final earnings? Remember, surprises are great if you're giving a gift but have no place in professional business relationships. They lead to mistrust and mistrust destroys a hard-earned relationship. Is there a shortfall versus a target? What is your customer going to do about this – chase the target with big orders in Q4 (wiping out January month and any chance of a good start to 2012)? Or if it's too late to hit the target, are they going to push business towards your competitors in Q4 and try and make their target or try and get you to guarantee payouts irrespective of target achievement?



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Do you have your Christmas in-store display commitments locked in, in writing, from your customers? Do all your sales teams have their Christmas-themed display material?

Have you finished your 2012 trading terms, are they locked-in and are they in sync with your 2012 marketing and customer objectives and plans? Are they in writing and signed-off by both parties?

Provisions and accruals. Have you met with your company finance people to discuss any trading term accrual write-backs (or increases in provisions) for Q4 due to changes in customer mix purchasing patterns?

2012 price increases and Q1 promotion plan

Have the Q1 promotional plans, by account, been completed and locked in (confirmed in writing and signed off by both parties)? Hopefully, the whole of the 2012 promotional plan has been locked-in.

Any Q1 price increases? Have these been finalised and confirmed, in writing?

Year-end cash collections

Is your sales team actively helping your company's debtors department with year-end cash collections? You had better be! The old cliché "it ain't a sale until the cash is in the bank" has never been more true! Want to create a very positive image in the company for yourself and your team? Ask to get involved in helping get payments in, before being called on to help.

Year and Q4 sales targets and incentive bonuses

If you have sales targets in place (and you should have), use them to drive 'sell-through' business (versus trade loading business). Just three actions – give feedback results daily, encourage people and create 'needle' between sales teams is the breakfast of champions. In my long career in sales management, I very successfully leveraged the naturally competitive spirit of sales people to get the sales results that I had committed to the company and frequent feedback was the most important activity of all. Sales people thrive on knowing – "how am I doing?" and "am I beating the other guy?"

Finally

Are your plans in place for people on leave? Never, ever neglect your customers during their busiest period! Double your attention and take care of them during December (I bet your competitor has all their sales people away on leave). Do you have any contracts that expire on 31 December (third party agents/service suppliers etc)? Have you re-negotiated the contracts in good time and, if applicable, are you ready with replacements, for example, starting on 1 January 2012?

Have you sent out wishes for the festive season to all appropriate parties including your staff, customers, third party suppliers/vendors?

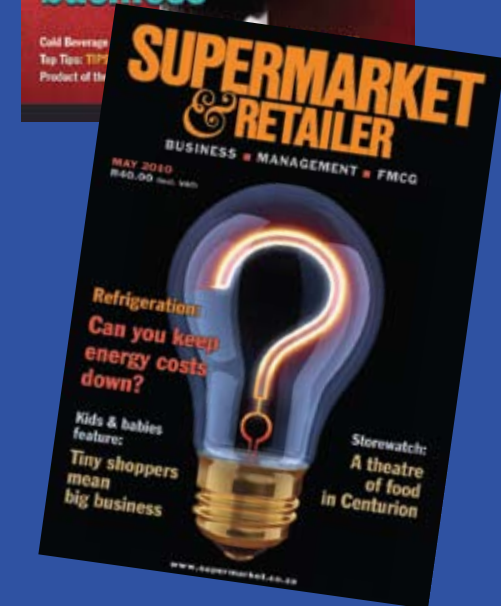
Good luck, a strong Q4 result is in your hands.

I'm looking forward to chatting again in 2012. Your emails and smses are always much appreciated!



Dave Hendrie specialises in supplier / retailer sales and marketing relationship strategy at Gateways Business Consultants. His experience covers 38 years in FMCG sales, marketing and logistics at four multinationals and

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