WELCOME !! Today’s webinar hosts

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All PMSA Webinars available via [http://www.pmsa.net/conferences/webinar](http://www.pmsa.net/conferences/webinar)

- Promotion Response Modeling 9/16/2015
- Sales Force Size and Portfolio Optimization 9/30/2015
- **Territory Alignments & People Placement** Today
- Targeting & Call Planning 10/28/2015
- Incentive Compensation 11/11/2015

All Webinars at 12:00 noon Eastern time
Natural cadence to the sales planning “seasons”

Sales Planning & Operations Workload

Today’s Webinar focuses on alignments

Assumes calendar year size, alignment, incentive plan/goal setting processes
Today’s webinar has the following objectives:

- Provide an overview of Territory Alignment concepts
- Walk through ‘typical’ realignment & people placement processes
- Share lessons learned
- Answer your questions
(Big) Change Happens!

- New Go-to-Market Strategy
- Patent Expiry
- New Products
- New Indications
- Acquisition
- Portfolio Changes
- Demographics
- Regulatory
- Legislation
- Disruptors
- Competitors
- Customer Preferences
- Reimbursement
- Access
- Customer Consolidation

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... as well as subtle, sometimes hidden changes

- **Too much work here ... customers ignored?**

- **75% of territories are outside +/-15% range**

- **Not enough work here ... reps underutilized?**

- **Reps crossing each other’s geography ... inefficient!**

- Average + 15%

- Average - 15%

- 75% of territories are outside +/-15% range

- Reps crossing each other’s geography ... inefficient!
Not all alignment changes are alike

Level 1: Routine Maintenance

Level 2: Local Changes

Level 3: Regional Changes

Level 4: Major Realignment
What are the classic “Territory” types?

- GEOGRAPHIC
- HYBRID
- ACCOUNT
What are the classic “Field Sales Structures”?

**Territory Structure**
- Single
- Mirror
- Overlay
- Pod

**Reporting Structure**
- Market
- Sleeve
What do ‘typical’ project processes look like?

Territory Realignment

Kick-off → Database Development → Deployment Analysis → Territory Design → Field Management Review → Readiness

Personnel Placement

Kick-off & Design → Database Development → Placement Criteria Analysis → Prelim Rep Placement → Final Rep Placement → Readiness
Project Kick-off

KEY DECISIONS

• Why doing this project?
• Whom to engage?
• What degree buy-in?
• How fast / slow?
• Business rules / design
  – Territory / Reporting structure?
  – Clean-slate?
  – White space?
  – Span of control?
  – State integrity?
Database Development

**What is an alignment index?**
- Allocation metric
- Common Language/Measure
- Reflects business strategy
- Metric to support decision making

**KEY DECISIONS**
- Reflecting on the sales strategy ...
- What data assets will be needed to address all project phases?
- Is the data complete & correct?
- Index: how do we want to allocate/deploy sales resources?
  - By brand/market
  - Market potential?
  - Product Sales?
  - Workload?
  - Access: physical/reimbursement?
  - Portfolio optimal workload?
Deployment Analysis

**Headcount Allocation Analysis**

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<th>Current Terr.</th>
<th>Alignment Index</th>
<th>Recommended Terr.</th>
<th>Recommended change</th>
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<td><strong>85,000</strong></td>
<td><strong>85</strong></td>
<td><strong>-32</strong></td>
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**KEY DECISIONS**

- Reflecting on the sales strategy ...
- How should we allocate the chosen headcount geographically?
  - Utilize the alignment index
  - Plus judgment!
- Based on the chosen allocation of headcount, where are the best territory HQ locations?
Territory Design

KEY DECISIONS

- What is the best design for each territory?
- How balance workload, geography and other considerations?
- How minimize disruption?

- District / region configuration
Field Management Review

KEY DECISIONS

• What information to share with Field Managers to get their input?
• How refine territory based on local market insight?
• Name territory appropriately
Readiness

KEY DECISIONS

Timing and outputs required for key stakeholders:

• Field Sales
• HO Operations
• IT – data files
• HR - Recruitment
The Personnel Placement process can run in parallel
Placement identifies the best sales person to assign to a given opportunity.
Kick-off and Design

Project Plan

- Clarify sales force strategy and the people implications
- What are guiding principles?
- What is the logical flow of personnel given promotions / eligibility / selection?
- What is the timing of decisions and announcements?
Placement Criteria Analysis

TYPICAL CRITERIA

- Overlap of business / relationships in the new territory
- Distance from home to territory centroid
- Lives within the territory
- Performance ratings
- Competency assessment
- Relevant training / skills
- Tenure
Preliminary / Final Placement Analyses

KEY CONSIDERATIONS

- Do the criteria select the personnel consistently?
- Test (and re-test) placement algorithms to ensure no unintended consequences
- Evaluate placements from perspectives:
  - HR
  - Legal
  - Field Sales
- Statistical validation
- Exception reporting

To aid selection decisions, we will rely on the following Personnel selection tool to capture our decisions
Lessons learned

- **Change Management.** Design it into your process.

- **Engage sales leadership.** Alignment embeds strategy to every rep/territory.

- **Process rigor: data, analysis, change mgmt., communication**

- **Design territories for the business, not people**

- **Alignment is a hard way to do a sizing analysis!**

- **Disruption will cost you. Transfer your large clients well.**
Questions ?!