

Take the *Revenue Challenge*

Are your
revenues on the
fast track?

Will they
stay there?



Answer these 10 questions to quickly identify opportunities to grow your food/beverage company and increase profitability.

Mark the response that best fits your company's situation.

		F	D	C	B	A
OVERALL SITUATION						
1	How did this year's sales compare with last year's?	Negative growth-- sales decline	Flat --i.e., 0 to 5%	5 to 10% growth	10 to 20% growth	>20% growth
2	How is profitability measured?	Only profitability by whole company is tracked.	We have an initiative to measure profitability by product category, but at this time we can only make estimates.	We track gross margins by product category but real P&L at a more detail level sounds like a dream!	We track revenue by SKU and by customer, channel, distributor and salesperson. Sales and Finance collaborate and make estimates on cost allocation. Therefore, we have an idea of gross margin at the SKU level, but it's not that accurate or reliable.	We have measurement systems in place that accurately track SKU contribution margin and the profitability of sales generated by customer, channel, distributor, and salesperson. We regularly compare our profitability against benchmarks of similar food and beverage companies.
SALES						
3	Are you able to forecast sales for the next four quarters within a range of accuracy?	What sales forecast? How can we know what our channel partners are going to sell?	We're often off by as much as 25%.	We're often off by as much as 15%.	Within +/- 10%	Within +/- 5%
4	How would you describe your sales pipeline?	What pipeline?	The pipeline summary is haphazardly updated and is not a reliable source of information.	The head of Sales prepares a quarterly report based on discussions with individual sales people.	The pipeline report is updated by each sales person and formally reviewed weekly. It is reasonably accurate.	It's updated and reviewed weekly and is reasonably accurate, broken down by stage of sales cycle, and shows close rates for each sales person and many other details.

		F	D	C	B	A
5	What's your approach to bringing in new sales accounts?	We respond when people call us, but there's no real system.	We respond to incoming inquiries and prospects from tradeshow. We also identify a few new target accounts to go after, although our follow through efforts are inconsistent.	Sales people actively follow up on new inquiries, although there's no mechanism in place to track effectiveness.	We have an inside sales team to generate leads; however, the separation of duties between inside and outside sales is not always clear. There is a pipeline of new opportunities, which we review weekly.	Our inside sales team is integral in generating initial appointments. New account prospects are tracked on the sale pipeline report, broken down by stage of the sales cycle. Management uses this pipeline as a tool to gain visibility over sales effectiveness as well as to develop reliable revenue forecasts. A strategic account plan is developed for the highest potential targets. We focus on explaining the value we deliver, not just pushing a product.
MARKETING						
6	How does the marketing function support the selling process?	The sell sheets and other collateral provided by Marketing are of poor quality and don't really support the selling process.	The collateral and other tools provided by Marketing are of average quality. It's unclear to what extent they contribute to closing customer sales.	Marketing provides some decent sell sheets and other collateral which is helpful in the selling process.	In addition to high quality sell sheets and company brochures, Marketing has developed polished sales presentations which actively support the selling process. Marketing is actively involved in lead generation activities which help drive conversations with potential new accounts.	In addition to high quality sell sheets, other collateral, sales presentations and robust lead gen activities, Marketing has developed objection handling guides and materials to help sales people articulate the efficacy and usefulness of the products. In addition, Marketing routinely evaluates what the competition is doing and keeps Sales (and Product Development) informed.
7	How would you describe your company's branding efforts?	We have a logo and a tagline - what else do you mean by branding?	We created an internal document at one time on what our brand stands for. It's not really used. Besides, it didn't really speak to what's unique about our food/beverage products.	We articulated our brand positioning and points of differentiation, but it's not regularly applied. As a result there are a lot of inconsistencies across our marketing and sales efforts.	We articulated our brand positioning and points of differentiation. Everything coming out of Marketing is fairly consistent, but the rest of the company doesn't always reinforce that branding. Also, we don't do a good job of articulating our unique brand value in our conversations with retailers and channel partners.	We have developed a well thought out brand platform. We deliver a consistent brand experience across all touch points. This includes consumer and trade communications, packaging, sales materials, customer service interactions, etc. We have a brand identity manual and formalized brand guidelines for staff.

		F	D	C	B	A
CHANNELS/DISTRUBUTION						
8	What is your company's approach to channel strategy/management?	Not sure what is meant by "channel strategy." We do things the way we've always done them - same path to market. Other alternatives don't seem worth evaluating.	In addition to selling direct, we also work with a few distributors, but haven't really seen much results from that.	We've dabbled in a few alternative channels with limited success. We thought they would work and we're not sure why they didn't.	We have actively analyzed different channel opportunities for taking our food and beverage products to market (including traditional retailers, specialty retailers, club stores, food service, buying groups, direct to consumer, distributors, wholesalers, other alliances, etc), and have developed a channel mix that is reasonably successful.	We have actively analyzed different channel opportunities for taking our food and beverage products to market (including traditional retailers, specialty retailers, club stores, food service, buying groups, direct to consumer, distributors, wholesalers, other alliances, etc.), and have developed a channel mix that makes sense from a profitability and business strategy standpoint. We have addressed the issue of channel conflict, which in some cases impacted our product and/or strategy. We have management processes in place to actively manage the different channels and ensure that the company is responsive to the needs of each channel.
INNOVATION & STRATEGY						
9	What is your company's approach to innovation?	Things are about the same as when we started the company.	We do a decent job of refreshing our product offering. Not too many other changes that one would consider innovations.	We try to keep up with innovation in the industry, but there's about a 2 year lag.	We take an active approach to innovation - whether it's new flavor profiles, unique new forms of packaging, new options for sampling or advancements in production. We do react to changing consumer preferences, but it's usually about a year later than we should.	We take an active approach to innovation - whether it's flavor profiles, unique new forms of packaging, or new options for sampling. We are continually innovating and upgrading our production capabilities. We've been recognized in the trade press for some of our examples of innovation. We also actively consider evolving consumer preferences and rapidly build those into our product innovation strategy.

		F	D	C	B	A
10	Does your overall business strategy align company goals and plans by function to ensure that the whole company is pulling together and moving in the right direction? Do all of your functional areas understand the business strategy?	We keep it simple. Sales' job is to increase sales. Marketing makes stuff for sales [when there's enough in the budget]. We try to keep customers happy, but you can't please everyone.	We try to have our Sales and Marketing departments work together, and occasionally, the Sales team will feel that Marketing is doing a decent job generating sell sheets. However, when it comes to catching it, killing it and cooking it--that is for Sales to do: the other departments are not major contributors.	Sales and Marketing work well together. Marketing views itself as an important sales support function (although we understand that marcom and building a brand are also important). Even our Finance department understands that Sales need to be given the flexibility to perform. We are all on the same team and generally behave that way.	We conduct an annual planning exercise to identify the next year's objectives and goals; then we create detailed plans to hit the numbers. Our approach is more practical than strategic. Increase sales, improve gross margins, lower operating expenses and the bottom line grows rapidly. We have longer term Vision and Mission Statements, but they are mostly inspirational. Our monthly and quarterly operating plans are based on doing better than the prior period.	We think strategically and act strategically. Our Vision and Mission are powerful motivators for everyone in the company. Based on these, we have identified 5-year "Horizon Milestones" that we must achieve. Our planning presents clear quarterly and annual milestones. Our strategic objectives include financial metrics (e.g. revenue growth, ROI, etc.), as well as objectives for customer satisfaction, product quality, employee knowledge and morale: We implement the business processes and systems needed to hit the milestones. We have excellent performance management systems to monitor progress and offer compensation plans tailored to reward actions necessary to hit our strategic objectives.

Determining your score:

- For each A answer, give yourself 5 points.
- For each B answer, give yourself 3 points.
- For each C answer, give yourself 2 points.
- For each D answer, give yourself 1 point.
- For each F answer, give yourself 0 points.

If your score is:

- 47+** Congratulations. You have a very impressive food and beverage enterprise.
- 39-46** Extremely well-run, sophisticated sales and marketing machine. You don't need much help except in any areas where you scored B or lower. Fix those and you will move from good to great.
- 30-38** It's possible it may seem that you are doing okay, but in fact you are materially underperforming. There are many areas in need of improvement.
- <30** We applaud your honesty in the way you answered the questions. Recognizing that many areas need significant improvement is a good start. On the plus side, there are probably several things that can be done relatively quickly and Inexpensively that will effect a dramatic improvement in your revenue growth.

Our Food & Beverage Industry practice is committed to helping companies drive profitable growth



About Stanton Associates

We bring industry expertise and a passion for helping our clients generate results. We are seasoned professionals who have worked for a variety of food & beverage companies.

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Segment Experience

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Areas of Expertise

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- Financial analysis & profitability analysis
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Call for a complimentary initial consultation.