



# SEPARATE FROM THE PACK

It's time for trucking company leaders to create focused, lean, and productive sales organizations **By Dan Goodwill**

**T**he economic forecasts for the second half of this year do not look too promising. While there are a few positive signs in the US (e.g. auto sales, new home construction), the overall trend line still remains slow or stagnating growth.

The Great Recession of a few years ago taught transportation company leaders the value in running a lean operation, to focus on the most profitable markets, to improve yield management and to hold back on making asset purchases. A recent *Harvard Business Review* article ("CEOs Need to Get Serious About Sales" by Ram Trichur, Maria Valdivieso de Uster, and Jon Vander Ark, July 10, 2012), argues that effective sales management is still

overlooked by many CEOs – including trucking company CEOs. Here are a few thoughts on how to increase the productivity of a freight sales team.

## Direct the team to the most profitable lanes and markets

What can trucking company leaders do to energize their sales efforts in a stagnating economy? First, they need to make sure their sales efforts are very focused and productive. This starts with sharing the company's vision and profitable routes with their sales team and ensuring that the team is directed to generating the type of business the company needs most. An unfocused sales team is an unproductive sales team.

## Think 'network' rather than 'lanes'

A 2009 MergeGlobal Creation Initiative study (Time to Buy, Strategic growth in Truckload) indicated that "the most successful truckload companies have executed growth initiatives in extremely disciplined, deliberate manners, targeting incremental pieces of business which complement their existing operations. Because profitable growth requires careful attention to how each new piece of business fits with the existing portfolio, it is typically accomplished organically, through sales and marketing efforts."

The study highlighted that "organic growth typically doesn't happen in load-by-load or route-by-route incre-

ments. Instead, the increment in which a new 'piece of business' is typically added is a number of lanes emanating from a single location (often a distribution centre or manufacturing facility).

Furthermore, these lanes are generally one-way, leaving the task of constructing the remaining portion of the itinerary (closing the loop) to the trucker. It helps, therefore, to think of growing a TL carrier in partially constructed 'itinerary cluster' increments. Each potential new piece of business will have a number of outbound lanes associated with it and must be evaluated in terms of how those lanes will become a cluster of closed-loop itineraries. Ideally, this will be accomplished by meshing it with the company's existing portfolio of itinerary clusters."

A 2008 study (Lifting the Veil of Value in Truckload) from the same company, which looked at some of the most successful truckload carriers in the US, highlighted that part of the success can be attributed to selling into inbound unbalanced lanes where additional traffic can have a big impact on profitability. "Aggressively marketing the business in markets that are heavily inbound imbalanced in terms of loads coming in serving the 300 to 600 mile market has a margin-improving effect on both rates and cost per mile."

## Build a sales plan around 'hard data'

The HBR study indicated that "winning CEOs demand analytics from their sales organization (much as they do from operations or strategy) to help understand everything from the effectiveness of sales campaigns to opportunity analysis to performance reviews. CEOs need to champion this 'sales as a science' approach by demanding KPIs and then holding their leaders accountable for delivering on them.

When tracking trends for future growth opportunities, for example, invest real money (2 to 4% of the sales budget is good) to develop analytical tools and teams that monitor trends

such as demographic shifts, regulations, and new technologies. Actively track performance and shift budgets to monitor promising trends while killing off tracking projects that aren't going anywhere."

## Invest in training

Training is a key success factor in every facet of a business. Well trained employees work faster and smarter. Well trained sales personnel know how to secure appointments, how to handle objections and how to close sales. Don't overlook the benefits of training your front line sales people and don't assume that the training they received in other transportation organizations was effective.

## Automate your sales processes

In my experience, many companies invest first in their accounting and financial systems. Sales automation always seems to be near the bottom of the priority list. An automated tool allows the sales team and the management team to have visibility into what the sales team is doing. It displays the sales pipeline of every rep. This indispensable tool highlights the reps' prospects, the number of proposals prepared, submitted and approved. The tool tells you if the rep has confirmed appointments with his prospects or is operating on "hope and prayer." They provide data on the profitability of accounts, the productivity of the sales team in terms of sales results, closing ratios and other key metrics.

## Limit non-productive sales time

Are the weekly sales meetings necessary? What do your reps take away from the meetings? Are they used for training and role playing? Would conference calls be just as effective in many instances? Would much of this time be better used if the rep focused more on planning their itineraries, learning more about their prospects, studying the shipment activity of their

clients and prospects and in making more, productive sales calls.

## Actively participate in social media

There is so much you can learn about prospects and clients from their Web sites, Facebook page, their tweets, their LinkedIn participation and other sources. Join the groups they are in, obtain referrals from mutual friends and turn suspects into prospects and prospects into customers.

## Makes sales a team effort

Sales can be a very lonely job. There are long hours on the road and lots of rejection. A sales team can be so much more effective when the drivers are feeding the reps leads, the managers are alerting them to trial shipments, and when other key operations and pricing managers are "in the loop."

While the economy may be slowing in the second half of the year, separate your company from the rest of the pack by establishing a lean, focused, productive sales team. **FE**

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