

Southco Sales Insights Case Study: Driving Profitability to New Levels



AT-A-GLANCE BUSINESS INTELLIGENCE DRIVES RECORD SALES INSIGHTS

- | 50% reduction in underperforming accounts
- | 100% real-time order visibility for sales and territory managers
- | Per store profitability increased 10%
- | Instant visibility for year-over-year trends on same store sales, revenue, and profitability
- | Visual indicators of per-order profitability, returns and discontinued tags
- | Flagged and identified 100% of unprofitable orders and accounts
- | 100% visibility on promotion performance at account and order level

Family-owned distribution powerhouse Southco Distributing Company is one of the top 10 largest convenience store distributors in the US. Building on a 35-year heritage of superior customer service to more than 1,300 accounts in five Southeastern US states, Southco seeks to find every operational advantage possible.

Teaming with Nowsight to implement real-time dashboards for their picking and stocking operations lead to more than quarter million dollars in savings. The partners then turned their attention to key sales metrics such as average profit and sundry sales, to drive increased profitability.

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We had the mentality for many years that growing sales was the best path to growing profit. We shifted several years back to analyzing profitability by account based on pre-established ratios of items we sold them. With Nowsight we have instant visibility on the metrics we've identified. This has allowed us the ability to maximize each account's potential.

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Sherwin Herring, Southco CEO



A two-prong business plan to aggressively land new accounts while minimizing unprofitable/sub-par accounts yielded dramatic operational efficiencies and bottom-line growth.

Now, gauges show sales and profit—now, last month and YTD—in a quick view that is color-coded to show performance. Mountain charts visually focus the team by displaying year-over-year and week-over-week trends to instantly spot issues and strengths to leverage. Additional details are quickly accessible by simply clicking to drill-down.

Each sales rep gets a daily email with a recap of their prior day's shipments, by account. It spells out the order profitability, compares it to the prior order and average profit for that account.

"Each sales member is in-and-out of a car 10-15 times a day," said Garver. "They need to start the day with exactly the information that focuses their efforts, and that's precisely what we have with the Nowsight Sales Dashboard."

Focusing on same-store sales in a way that delivers the exact information needed, while eliminating clutter, delivers powerful information about how the business is really growing. Of course this information helps when engaging with new accounts too! Nowsight is able to customize and evolve these daily emails as Southco's business grows. For example, additional focus areas are being rolled out so the sales team can precisely track incentivized items or if they are hitting targets for a percentage fill rate. This enables real-time tracking for each rep on their performance.



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The team never looked at reports. We know they engage with these emails because they ask us questions and proactively reach out. No doubt it's become a powerful tool for us.”

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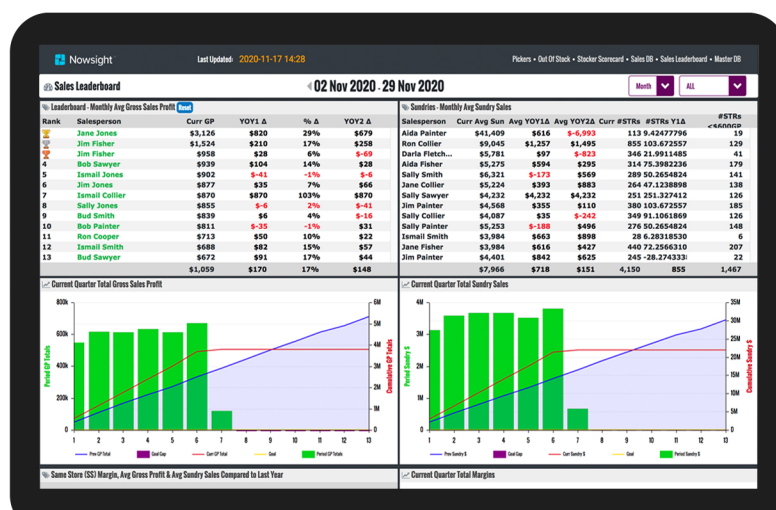
John Garver, Southco Key Account Manager

One of the biggest benefits for Southco has been company-wide awareness of business goals. The leadership team put a plan in place to eliminate non-profitable accounts with an eye to consolidating routes and improving overall profitability.

The first step was to pivot from solely presenting top-line account revenue to account and order profitability. This was a true mindset shift for the company.

Management determined the target profitability thresholds per account, per order. Every sales person could see in real time and via email a summary of their daily performance and accounts/orders that were not profitable—clearly flagged for attention. After sales teams were able to work with their accounts and provide suggestions and feedback, management decided that accounts placing orders below this threshold would be assessed a service fee. Sales reps were also tasked with improving profitability by developing strong relationships with each account and increasing overall sales.

“Nowsight’s core mission is to provide employees with simple, fast, and meaningful access to the information that helps them exceed their goals. The bonus is that it often simplifies processes and eliminates up to 10 hours of reporting per week,” said Michael Schader, Nowsight CEO.



“Per account revenue doesn’t really show the health of the account, or the business,” said Garver. “Every order either contributes to our profitability or takes away from it. By seeing the profitability impacts of each order and each account, we were able to focus on the highest-impact areas of the business. Being able to see that trend across time and orders is also immensely helpful for spotting trends and focusing sales efforts.

"My main job is to recruit new business for Southco," said Robbie Campbell, Southco Business Development Manager. "In the past we used a total dollar figure to qualify new accounts. When bringing on a new account, I am now able to lay out the criteria required to open and maintain an account with Southco. Once the prospect becomes a new customer I use Nowsight regularly to monitor the health of the account and have follow-up conversations when needed. This has really helped with the quality of new customers we have added."

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There's an unwritten rule in business that you never want to lose an account. But that's just not what the data said. If it costs you more to service a client than you make in profit—why are you doing business with them?

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John Garver, Southco

Garver estimates more than half of the accounts below the desired profitability threshold now perform at desired margins or above. And that more than 100 accounts below those targets have been eliminated. For a high-volume, low-margin business like Southco—raising profitability goes straight to the bottom line. A single dollar saved in profit is comparable to 10 incremental dollars in sales.



In the past, when Southco ran internal programs to improve per-store performance, reps would get a PDF report for each account. With as many as 100 stores, it was nearly impossible for them to digest the information in each PDF in a timely manner and make decisions. And while the exercise did help identify unprofitable accounts, it wasn't a quick or painless process.

Now, reps can login to their personal dashboard any time and see exactly where to focus their efforts with color indicators on low or high performing accounts. No waiting for a weekly report, or getting a spreadsheet after the fact. "We can fix things right away," says Garver. "In this day and age, it would be impossible to run on spreadsheets."



The leadership team can see top performing accounts, and sales reps, with just a click.

"Our partnership with Southco has given us an opportunity to help hasten the transformation of a progressive distribution company. Providing actionable insights, based on their own data, has helped Southco drive a historically low-margin business to new levels of sustainable and profitable growth," said Schader.

The Nowsight management dashboard that Southco has come to rely on is now even more powerful with the addition of Sales Insights. President Sonny Wooten starts his day reviewing account performance. With just a click, the leadership team can see top performing and underperforming accounts. As important, they can see trending—by order—and performance against targets. This ability to drill-down by territory, sales rep, store or even order-level is game changing because information that used to be dispersed among many systems is now accessible through a single, powerful view.

A star indicates accounts hitting targets, and green arrows show accounts where profitability improved over last order. “We see a lot of green arrows,” said Garver. “It’s really focused our efforts on the highest impact areas. It’s so visual, but so powerful. We focus our efforts and can click for more detail at any time. It’s very clear where it’s going well and where it isn’t.”



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Nowsight gives me the opportunity to analyze accounts quickly without having to run multiple reports. With management and the account managers accessing the same data, it gives clarity to the conversations we have regarding performance of the account and actions needed to be taken.

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Sonny Wooten, Southco President