The Not-So-Secret Sales Weapon
Make Money through the Supply Chain

Tell any sales professional today that the economy is less than stellar. You will likely see a look of agreement on his or her face. In fact, salespeople are all too familiar with the fact that buying behaviors among their customer base have dramatically changed. The world of sales, today more than ever, is a less stable environment with increased stress.

A not-so-secret weapon exists for sales leaders to not only “get by,” but to grab the bull by the horns and thrive in this slow-growing economy. This weapon is an optimized supply chain. While the supply chain itself is not a secret, the fact that companies can increase sales by optimizing this area might surprise many sales leaders.

Two popular strategies companies utilize to win in their markets:

› Reduce costs across the board to increase profitability
› Increase sales to grow their business

Supply chain optimization is not an experimental “silver bullet,” “quick and easy” or “one-hit-wonder” gimmick. Value creation happens every day for companies that take the time to remove waste and increase visibility and control within their supply chain. Optimizing the supply chain not only reduces the cost of doing business with current customers, which in turn increases profitability, it creates the one thing that drives salespeople—opportunities for new sales.

Two methods of increasing new sales via an optimized supply chain:

› Increase incremental product sales
› Leverage freight to increase market share and increase profitability

At its core, supply chain optimization maximizes the efficiency of every element of the supply chain and enables these elements to work together to produce optimal results. An optimized supply chain gives you shipment visibility, actionable reporting and cost and spending controls that were not previously accessible. You’ll be able to conduct business more easily, more transparently and cost effectively. Does that help you sell more? Could your sales team increase their sales if they could suddenly sell products in a region that was once not profitable enough to service? Could they make more money if they could bid more competitively with a lower price for new business and still maintain their current margins?

Ways to increase incremental product sales through supply chain optimization:

› Tap into markets both domestic and abroad
› Land products exactly where you need them
› Acquire new customers in regions that were previously unprofitable to ship product
› Bid more competitively while maintaining your margins
› Lower the overall landed cost of your products
“We’ll just increase sales.” Or, “more sales volume will fix everything.” These are common answers to the “how are we going to grow our business” question. But for the skeptics, which often include finance associates in the company, they may question those responses. Nearly anyone can increase sales if they do not have to be mindful of profit margin. For those people who care about profit margin, optimizing the supply chain is the best way to increase your sales numbers.

Sales are the lifeblood of any business. The best financial analysts can only cut costs so much before experiencing diminishing returns. The sales team is the opposite. Theoretically, profitable sales will drive a company’s success to new heights. This is why focusing on supply chain optimization is paramount to the success of any organization. The sales function of an organization is able to perform at peak performance when the supply chain is an optimized, well-oiled machine.

Three options to take advantage of lower transportation costs:
› Increase margins by keeping pricing constant
› Increase market share by passing on supply chain savings to your customers with a lower price
› Combine the first two methods to increase both market share and profits

Unfortunately, companies that want to increase sales by optimizing their supply chains occasionally ignore a critical item—opportunity cost. After deciding to pursue growth through supply chain optimization, every company comes to a point where they have to make an important decision. They can divert time, money and resources away from their core business in order to build an efficient supply chain. Or, they continue to focus their time and resources on their business while carefully selecting a highly qualified and experienced supply chain partner to supplement their growth strategy.

Vital supply chain functions such as network optimization, carrier sourcing, transportation technology and systems, in-depth reporting and analysis and freight bill auditing are tasks that take high levels of expertise and human capital to perform at optimum levels. It would be a significant, time-consuming process for any company to perform all of these activities in house.

The most effective, proven strategy of increasing sales through establishing supply chain optimization is by working with the right supply chain partner. The right partner will possess the flexibility and competency to perform each task in the supply chain and provide the necessary tools and experience. A co-managed optimization strategy that utilizes best practices of the shipper and advanced third-party logistics processes can empower any sales professional. The synergy created by this partnership will maximize the amount of potential customers salespeople can approach and do what they do best—sell.