



## Quantum Profit Gram #21

Most firms are stuck fine-tuning 25-50 year-old practices — answers to yesterday's questions that are irrelevant to today's conditions — and their results are about what you'd expect. If you're working too hard to make too little by selling commodities as a price-taker, will intensifying past practices really get better results?

There's a three-step process for building a solid bridge to sustainable long-term profitability:

- ask the right questions (especially those most relevant to current conditions) about drivers of segment profits and losses;
- define tactical guidelines for answering the questions quickly and accurately;
- develop a strategic plan with targeted tactics to protect viable and profitable business segments, and for permanently correcting unprofitable ones.

Go back and cover all three steps to develop a new and effective approach suited to the current environment. The most important questions: What most (potentially) profitable customers best fit your firm's natural service strengths? How do we retain and sell these accounts better and more deeply?

Some Tactical Guidelines:

- Rank your customers by net profit contribution.
- Identify what common pattern or niche many of the best may be in.
- With the help of a few core customers, collaborate to define the service metrics that will deliver the best service value equation.
- Identify the most popular, common items that they buy.
- Beef up those items and cross-sell to the best customers not already buying them
- Measure, achieve and get paid for the new value equation.
- Put your best reps on the best (upside) net profit accounts and switch their incentive pay to growth in net profits. (Realize that less-aggressive, caretaker reps may be smothering the upside potential of growth accounts.)

Easier said than done? Where are the cook-book, how-to formulas and all the necessary supporting information for implementing these guidelines? What activities should you weed to make the time to implement the new formulas? Where is the new information that will build management team consensus and overcome dated opinions and habits? Where is the low-cost MacDonal'd's "french-fried automation" system that can be used to drive fast and scalable returns?

The answers to these questions begin at [www.quantumprofitmanagement.com](http://www.quantumprofitmanagement.com) where you can begin to learn about Waypoint Analytics' "quantum profit management service". Watch past webinars, sign up for upcoming ones, read the profit grams and request a demo of the service for your management team. Do you want to start turning new insights hiding in your financial numbers into new profit formulas? Leave the past practices to others, and be the one with the big returns.

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## Questions, Guidelines and New Formulas Drive New Profits



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