

Redesigned Sales Coverage Model Helps Med Device Company Improve New Product Sales

The Situation



A leading medical device company beat its core hardware sales goal

but missed its new product goal. SG&A rose significantly higher than internal and external benchmarks. Market share at large hospital networks was flat. At the same time, the company acquired a cutting edge technology with high potential that complemented the existing portfolio.

The Challenge

Senior leadership needed to drive account penetration and reduce costs with a new product focus, customer coverage plan, field structure, and compensation program. They also needed to absorb the acquisition, transfer sales responsibility from legacy distributors to direct sellers, all without disrupting quarterly sales growth.

The Solution

Alexander Group conducted in-depth revenue, cost, and productivity analysis, and compared various customer coverage and structure options. We developed a flexible coverage model that allowed products to cycle through the portfolio from new product to mature stages. To ensure successful execution, we provided all of the detailed sales operations output including rebalanced territories, new quotas and sales compensation plans. Moreover, we created sales playbooks, comprehensive documents outlining the restructure, and step-by-step transition expectations for each field role.

The Benefit

The company achieved annual cost savings of 10% and increased field capacity by 10%. The new technology exceeded its pro forma goal, and the overall product mix shifted to the desired mix of core hardware and new products. Relevant sales playbooks for each field job helped management effectively implement the new coverage model and sellers to succeed in their new environment.