

## Sales Optimization At Foodservice Fresh Produce Distributor: Assessing Sales-force Effectiveness and Developing A Commercial Operations Turnaround Plan

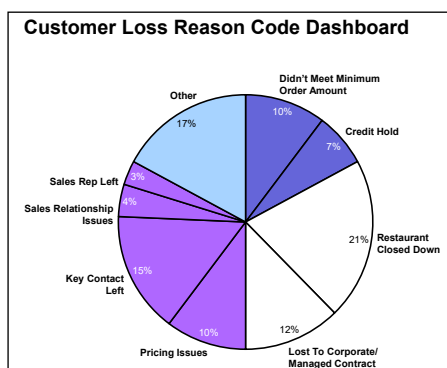
**The Challenge:** Our client, an entrepreneurial regional fresh produce distributor serving foodservice customers, was recently acquired by a PE firm as a platform to scale the business by driving organic growth and acquiring smaller distributors. However, the business was facing challenges as evidenced by increasing customer attrition, rising salesperson turnover, and EBITDA that was falling short of plan. As such, the client engaged Gotham to identify the root causes of these performance challenges and develop a turnaround plan for its commercial operations, including: 1) identifying the drivers of customer attrition, 2) assessing the effectiveness of the sales organization, 3) identifying and helping resolve sales processes, tools, and operational gaps, and 4) establishing a set of KPIs to track commercial operational performance and ensure accountability throughout the turnaround.

**Salesforce Effectiveness Assessment:** Gotham employed a combination of quantitative and qualitative approaches to perform an in-depth assessment of the company's salesforce and uncover the primary drivers of customer attrition, including:

- Conducting interviews across the entire sales organization from the VP of Sales to individual reps and including all key functional leaders to understand sales processes, attrition drivers, operational challenges, support gaps, and team morale, and to assess sales organization effectiveness
- Undertaking an in-depth customer attrition analysis to identify root causes by: refining the definition of attrition; benchmarking it against both company and PE owner metrics; and analyzing sales data by customer segment, high-value accounts, and individual sales reps to pinpoint key drivers
- Interviewing ~20 customers to gather insights on market dynamics, competitive landscape, and our client's reputation
- Mapping and assessing current processes, uncovering inefficiencies in customer retention, account management, and new business development, and identifying areas for improvement
- Reviewing the existing performance measurement tools and KPIs for alignment with business objectives and sales accountability.

### Controllable Root Causes Accounted For 44% Of Total Customer Attrition

Although management had hypotheses about potential causes of customer attrition, they lacked a clear understanding of how much was being driven by internal factors vs. external circumstances. Our analysis of customer losses in the past 2 years revealed that 44% of attrition was controllable, stemming from factors such as delivery issues, quality concerns, and sales performance, while the remainder was due to non-controllable factors such as customers not meeting minimum order requirements, business closures, or credit issues. With a clear view of the primary drivers of customer attrition, Gotham developed and implemented solutions to actively manage controllable attrition risk, including: a mechanism to flag at-risk customers; a Critical Care process to ensure flawless operational execution and account management for at-risk accounts; a defined set of attrition KPIs to monitor program effectiveness; and a temporary Excel-based tracking tool for immediate use, with a moving forward plan to transition to Power BI for real-time visibility and proactive intervention.



### Gotham Shifted Sales Organization From An Individual-Driven Model To A Structured Hunter-Maintainer Organization With Inside Sales Support

Gotham established that the sales team operated under a highly individualistic model, shaped by management gaps and an influx of senior sales hires over the past 2 years. Senior sales representatives, responsible for large books of business, had limited capacity for proactive account management, while junior reps lacked the experience to acquire new customers, leading to missed opportunities and uneven service levels. At the same time, the street sales team was burdened with administrative and service tasks due to a customer service team primarily focused on order taking. In response, Gotham introduced a hunter-maintainer sales model that rebalanced responsibilities by focusing senior reps on key accounts and assigning junior reps to manage existing customers under revised incentive plans. Additionally, a customer-facing inside sales support structure was designed to improve responsiveness, elevate service levels, and free up the street sales team to focus on new business development.

### Gotham Rebalanced An Over-Indexed New Business Focus By Establishing Sales Processes For Existing Account Growth And Implementing KPIs To Manage Overall Commercial Performance

The sales organization over-emphasized new business acquisition at the expense of account retention and growth, with no clear metrics to track performance. To address this, Gotham first established a structured meeting cadence with weekly, monthly, and quarterly forums and set agendas to drive accountability and improve visibility. Gotham then recommended building a clearer view of existing customer performance by introducing structured sales views at product category levels and equipping reps with tools to track customer-level trends. With this visibility in place, Gotham formalized account management processes and launched targeted product programs to strengthen retention and expand share-of-wallet. In parallel, Gotham designed an end-state vision for new customer management, including a structured 90-day onboarding and retention process to ensure seamless execution along with sustained growth. To support these changes, Gotham developed a new set of KPIs aligned with business priorities, facilitated by real-time, one-button dashboards to enable active performance monitoring and proactive sales management.

**The Outcome:** Gotham identified the root causes of customer attrition, recommended sales organization improvements, and enhanced processes for existing accounts, onboarding, and new customer acquisition, estimating a 6-8% increase in revenue and 10-12% improvement in EBITDA. We developed immediate plans for quick impact and a long-term systemization plan, providing hands-on support and the tools needed for successful execution.