Overcoming the Sales Rep Nightmare
Optimizing sales force territories

CHALLENGE

We've all heard the stories. The junior sales representative stuck in Nowhere, USA driving hundreds of miles per day just to scrape by while the senior sales representative gets the plush territory where she can make all her monthly metrics by spending one day in one building. Okay, so maybe it's not that bad, but optimizing sales force territories so everyone gets a fair share of reward/effort is a significant challenge for many companies.

Pharmaceutical companies deal with this challenge every day. Sales representatives perform regular visits to physicians located in assigned geographical sales territories and their performance is typically evaluated and rewarded based on the sales of different medicine in their territories since it is not always possible to track all the prescriptions prescribed by the physicians they visit. Each sales territory may have very different characteristics: from the number of physicians and proportions of different types of specialists to distances to travel and market size.

Since a large percentage of sales representatives' salaries are based on sales accrued in their territories, making a fair and efficient allocation of territories is vital. This is why Pfizer, one of the world's largest pharmaceutical companies, engaged EpiX Analytics to:

- Incorporate many variables to come up with an optimum allocation of sales territories in one of their key markets, while minimizing disruptions of current relationships between sales representatives and physicians
- Make the process objective and automated so it would update as the company's markets expand and change.

WHAT EPIX ANALYTICS DID

EpiX Analytics integrated OptQuest® software, a state-of-the-art optimization program, Microsoft® Excel® software and Visual Basic for Applications (VBA) to give the client a flexible, user-friendly model and interface to improve the client's allocation of sales force territories. The model included variables broken down by location such as market value, number of physicians, attributes of the physicians in the location, distances from other areas, and where prescriptions are filled.

Because the company wanted flexibility, EpiX built the model so the client could optimize for different metrics depending on the needs of the model's users and management's objectives. For instance, the model could optimize to:

- Equalize the monetary value of sales territories as much as possible,
- Equalize traveling for its sales representatives so no one representative is in the car for hours while another never has to travel or
- Minimize the amount of cross-territory prescriptions being filled to more accurately measure sales representatives' metrics.

The model's users were also given the ability to manually adjust the "importance" of different metrics, giving the client much desired flexibility when optimizing using multiple criteria. The user could also link locations to preserve existing sales representative relationships.

> *I have to tell you I have not seen this level of deep analysis from a third party so far. Congratulations!*
>
> Mr. Raul Melendez, Pfizer

BENEFITS TO THE CLIENT

The sale's territory optimization model that EpiX Analytics developed was successfully used by Pfizer to optimally allocate sales representatives, and has proven of great assistance to create fair and educated solutions for their sales teams. In fact, the model has been so successful that the client is exploring deploying the model in other markets.

Although the model is technically sophisticated, EpiX Analytics' use of OptQuest, Excel and VBA in Excel facilitated the creation of a flexible and very easy to use application in an environment familiar to the client, without compromising mathematical accuracy or model validity. We at EpiX have found that the accessibility and understandability of models are critical if the models are to become part of a company's everyday processes. This is what we provided in this case and is what we strive to give to each and every one of our clients.

TECHNIQUES & METHODS USED

- OptQuest® software
- Model design tips in ModelAssist
- Visual Basic for Applications (VBA)
- Custom Excel ribbon
- An automated model installer for new users
- Embedded user manual in the model solution

MORE INFORMATION

⇒ ModelAssist® for @Risk®
⇒ ModelAssist for Crystal Ball®
⇒ Testimonials

ABOUT EPIX ANALYTICS

EpiX Analytics is a leading firm specialized in probabilistic modeling. Using our analytical expertise, we help private and public institutions worldwide to make decisions in the presence of uncertainty.

EPIX ANALYTICS
Sound answers for complex decisions

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