



THE
DISTRIBUTION
TEAM

ANALYZING CUSTOMER PROFITABILITY (60-75 MINUTES)

Are all customers created equal? Isn't that what we teach our customer service people? If we asked our people to list the top 10 customers, how would they rank them? If we asked them to list the top 10 most profitable customers, would we receive the same list? In many organizations, the people that work with us and for us equate our largest customers with our most profitable. During this session, participants will learn how to rank their customers based on contribution to net profit. By understanding which customers contribute to our overall profitability, we can allocate our value added resources to those folks who help us grow. Conversely, we can begin to reduce services to those customers who make us jump through hoops, drive down prices and continually pay slow. Distributors have a finite amount of money to invest in service. Let's make sure that we are investing in the right customers.

LEARNING OBJECTIVES:

1. Learn how to calculate the net profit of a customer
2. Determine areas that detract from net profit
3. Communicate findings in a confidential manner
4. Learn which customers to sell deeper into