

Increase New Product Revenue

Case Goods Distributor Optimizes Systems and Processes



The Overview

An International furniture manufacturing company located in the Guangdong Province of China, launched a new cabinets division. They engaged with Portco Revenue Advisors to assist one of their distributors in the New York/New Jersey region with developing a strategy for selling to multi-unit developers (Developers).

The Challenge

There was a lack of structure, processes, and methodologies in the sales department. Sellers were given the freedom to record and track their prospecting information in their own way which made it impossible to forecast revenue accurately. Prospecting data was either unavailable or inaccurate, making it difficult to formulate quantitative insights.

Inaccurate inventory impacted the sellers by causing delays in fulfilling orders, leading to customer dissatisfaction and loss of trust. It disrupted project timelines, increased costs due to expedited shipping or emergency sourcing, and strained relationships with multi-unit developers.

Inaccurate inventory management led to shipping and delivery delays for developers' projects. It also disrupted the ordering process and impacted cash flow. The order-to-payment process was measured in months and had a profound impact on cash flow and the ability to take on new projects.

The lack of transparency and communication throughout the process (cradle to grave) was inadequate and resulted in issues for all three parties.

The Process

To address these challenges, a thorough diagnostic process was initiated with the Manufacturer, Distributor, and several Developers. We initiated detailed discussions into the total addressable market for developers projects in the region, as well as key product criteria for developers (e.g., price, wood species, door styles).

We examined the tools and processes used throughout the process. Interviews were conducted to learn about the supply chain coordination, competitive market positioning, regulatory and compliance, and product fit for the target market.

Conversations were reviewed to understand the selling motion and the Developers buying decision criteria. Review of the order-to-payment process was independently conducted with all three parties.

"PRA (Porto Revenue Advisors) collaboration with Manufacturer transformed our business, increasing revenue by 78% and establishing a solid foundation for future growth. Their insights into cash flow, logistics, and sales processes were invaluable, providing a clear, efficient path to scale our operations and meet the needs of our customers."

President, Distributor

We conducted a comprehensive workshop with key stakeholders from Manufacturer and the Distributor, reviewing distributor data, analytics, and interview notes. Using a 2x2 model (effort vs. impact), we prioritized actions necessary to meet the goals of both Manufacturer and the Distributor. We developed a 13-week project plan with 1-3 week sprints to ensure regular progress and adjustments over the next 12 months.

The Action

Developers were segmented and a sales playbook was created for each. Sales collateral and a presentation was developed. A formal sales process and forecasting methodology was implemented for scale. We unified the CRM system to include both prospects and customers, established KPI benchmarks for the customer lifecycle, and developed a detailed customer engagement process.

An interactive logistics tool was installed for real-time updates, and a project plan was implemented to manage inventory, assembly, installation, and resources. A regular operating rhythm for sales and cross-functional meetings was established to ensure ongoing alignment and progress.

Payment terms were modified to reduce Distributor cash flow issues.

The Results

The results of this twelve-month engagement were impressive.

- Distributor revenue increased by 78%
- Customer Satisfaction Scores increased by 41% (from 6 to 8.5)
- Cash flow improved