

Mack Hanan's
***CONSULTATIVE
SELLING***TM

Fast-Penetration PlannerTM
For Account Managers

The Hanan Formula
for High-Margin Sales
at High Levels

FORM 1.2**MISSION FOR PARTNERING
WITH**

[LINE OF BUSINESS MANAGER]

We plan to contribute \$_____ [000] of incremental net profits after taxes
[NPAT] to the _____ Business Plan.
[YEAR] / [YEAR] [LINE OF BUSINESS]

In return, our own profits will be improved by \$_____ [000].

1.3-1**OUR CONTRIBUTIONS
TO CUSTOMER OBJECTIVES****HOW TO CALCULATE
THE CUSTOMER'S
PROFIT : INVESTMENT RATIO
IN PARTNERSHIP WITH YOU**

The Standard of Performance for Fast-Penetration Planning is met when your customer's line of business manager realizes your planned annual incremental profit objectives through your Profit Improvement Proposal PARTNERED STRATEGIES PORTFOLIO.

You can meet the Standard of Performance for a business partner by the impact you make on the customer's PROFIT : INVESTMENT RATIO = $\frac{\text{PROFIT}}{\text{INVESTMENT}}$

This ratio evaluates the productivity with which you plan to convert each incremental dollar that the customer invests with you into incremental profits. The higher the profit : investment ratio the higher your productivity as a manager of customer assets. The customer's proposed total profits and the total investment required to realize them can be calculated by adding the proposed profits and investments for all Profit Improvement Proposals contained in the PARTNERED STRATEGIES PORTFOLIO. Use FORM 1.3-1 to summarize your customer's annual positive (profits) and negative (investments) contributions.

FORM 1.3-1

CUSTOMER PROFIT : INVESTMENT RATIO IN PARTNERSHIP WITH

[LINE OF BUSINESS]

[1]PROFIT CONTRIBUTION*
BY US
TO CUSTOMER ["OUR PRODUCT"]

[2]INVESTMENT CONTRIBUTION
BY CUSTOMER
TO US [OUR SALES REVENUES]

[3]CUSTOMER PROFIT : INVESTMENT
RATIO [CUSTOMER ROI]

[\$000]
<hr style="width: 20%; margin: 0 auto;"/> [÷]
<hr style="width: 20%; margin: 0 auto;"/> [=]
<hr style="width: 20%; margin: 0 auto;"/> %

* [TOTAL PROFITS CONTRIBUTED BY
FAST-PENETRATION PLAN PARTNERED STRATEGIES PORTFOLIO]

1.3-2

**CUSTOMER CONTRIBUTIONS
TO OUR OBJECTIVES****HOW TO CALCULATE
YOUR
PROFIT : INVESTMENT RATIO
IN PARTNERSHIP WITH THE CUSTOMER**

The Standard of Performance for Fast-Penetration Planning is met when you realize your planned annual incremental profit objectives from the customer's line of business through your Profit Improvement Proposal PARTNERED STRATEGIES PORTFOLIO.

You can meet the Standard of Performance by the impact your customer makes on your PROFIT : INVESTMENT RATIO = $\frac{\text{PROFIT}}{\text{INVESTMENT}}$

This ratio evaluates the productivity with which you plan to convert each incremental dollar that you invest to accelerate the customer's profitmaking into your own incremental profits. The higher the profit : investment ratio the higher your productivity as a manager of your own assets. Your total profits and the total investment required to realize them can be calculated by adding the proposed customer investments for all Profit Improvement Proposals contained in your PARTNERED STRATEGIES PORTFOLIO and multiplying them by your average percent profit margin. This will yield your profits. You can calculate your investment by adding up your total direct and indirect costs to prepare, propose and implement your Profit Improvement Proposals. Use FORM 1.3-2 to summarize your annual positive (profits) and negative (investments) contributions.

Use FORM 1.3-3 to summarize your annual HIT RATIO (CLOSE : PROPOSE RATIO) of PIPs FUNDED BY CUSTOMER to PIPs PROPOSED TO CUSTOMER.

FORM 1.3-2

**OUR
PROFIT : INVESTMENT RATIO
IN PARTNERSHIP WITH**

[LINE OF BUSINESS MANAGER]

[1]PROFIT CONTRIBUTION
BY CUSTOMER
TO US [OUR PROFIT ON SALES]

[\$000]

[÷]

[2]INVESTMENT CONTRIBUTION*
BY US [OUR COST OF SALES]

[=]

[3]OUR OWN PROFIT : INVESTMENT
RATIO [OUR ROI]

_____ %

*[TOTAL COST OF GOODS SOLD, G&A,
SALES & ALLOCATED SALES SUPPORT AND MARKETING COSTS]

FORM 1.3-3

**OUR
HIT RATIO
IN PARTNERSHIP WITH**

[LINE OF BUSINESS MANAGER]

[1] #PIPS FUNDED
BY CUSTOMER

[2] #PIPS PROPOSED
TO CUSTOMER

[3] CLOSE : PROPOSE RATIO
[OUR PRODUCTIVITY]

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	[=]
	<hr style="width: 80%; margin: 0 auto;"/>
	_____ %

FORM 1.4

PORTFOLIO OF PROFIT IMPROVEMENT PROPOSALS IN PARTNERSHIP WITH

[LINE OF BUSINESS]

[YEAR]

TO IMPROVE THE PROFIT CONTRIBUTION OF [FROM TITLE]
□
□
□
□
□

IMPROVED NET PROFIT CONTRIBUTION [FROM PRESCRIPTION] [\$000]
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____

TOTAL IMPROVED NET PROFIT CONTRIBUTION	[=]	\$ _____
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