

# MDMLIVE

Insights on 2020 Transformation

**2 - 3 PM EDT**  
**AUGUST 14, 2020**

**Speaker:**

- Max Meister - CEO, Ludwig Meister

**Co-hosts:**

- Mike Marks, Indian River Consulting Group
- Tom Gale, MDM

# Join the MDM 2020 Sales Transformation Network

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# Sales Transformation 30-Minute Boot Camp

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- Best of Sales GPS 2017-2019
- Key Concepts for Sales Process Transition
  - Sales model & role transition
  - Digital-enabled sales process
  - Sales compensation
  - Market/Margin/Pricing Analytics
  - Change management

# Strategy → Structure → Systems

Where should we compete?

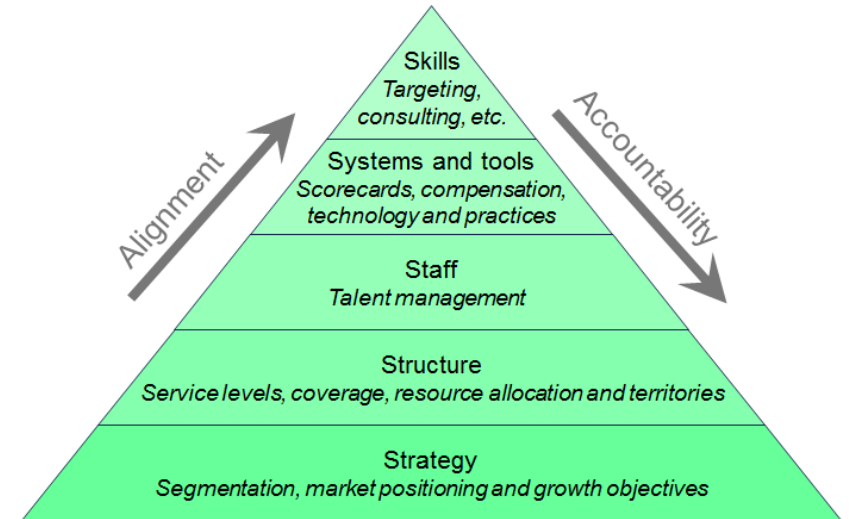
→ Strategy

What roles are required to achieve our strategy?

→ Structure

How do we measure success?

→ Metrics



*Not only are the above the most difficult, they are essential precursors to making changes to pay plans!*

# Customer Size / Buyer Generation Matrix

	Millennial/ Gen Z	Gen X	Boomer
Small Customer	Highly Electronic	Electronic	Hybrid
Medium Customer	Electronic	Hybrid	Personal
Large Customer	Hybrid	Personal	Highly Personal

Source: Jonathan Bein PhD, 2018 Sales GPS Presentation, [www.distributionstrategy.com](http://www.distributionstrategy.com)

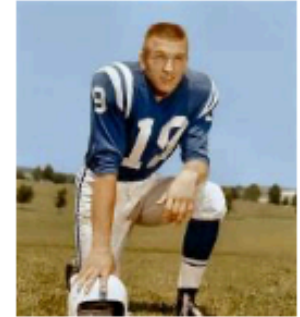
# The Sales Rep Of The Future

*Your marketing executive takes responsibility for business development using the sales force as an offensive weapon to gain and preserve share*

- Marketing creates compelling segmented value propositions and then provides sales reps with high value targets

*They must be selling a value proposition- not products or themselves*

- Scorecards are public and real time
  - Performance discussions and best practice sharing become the norm
- Geo-location services drive everything
  - Customer and market data is pushed to sales reps real time without asking (Google the term SoLoMo)
  - Everyone knows where the sales reps are- always



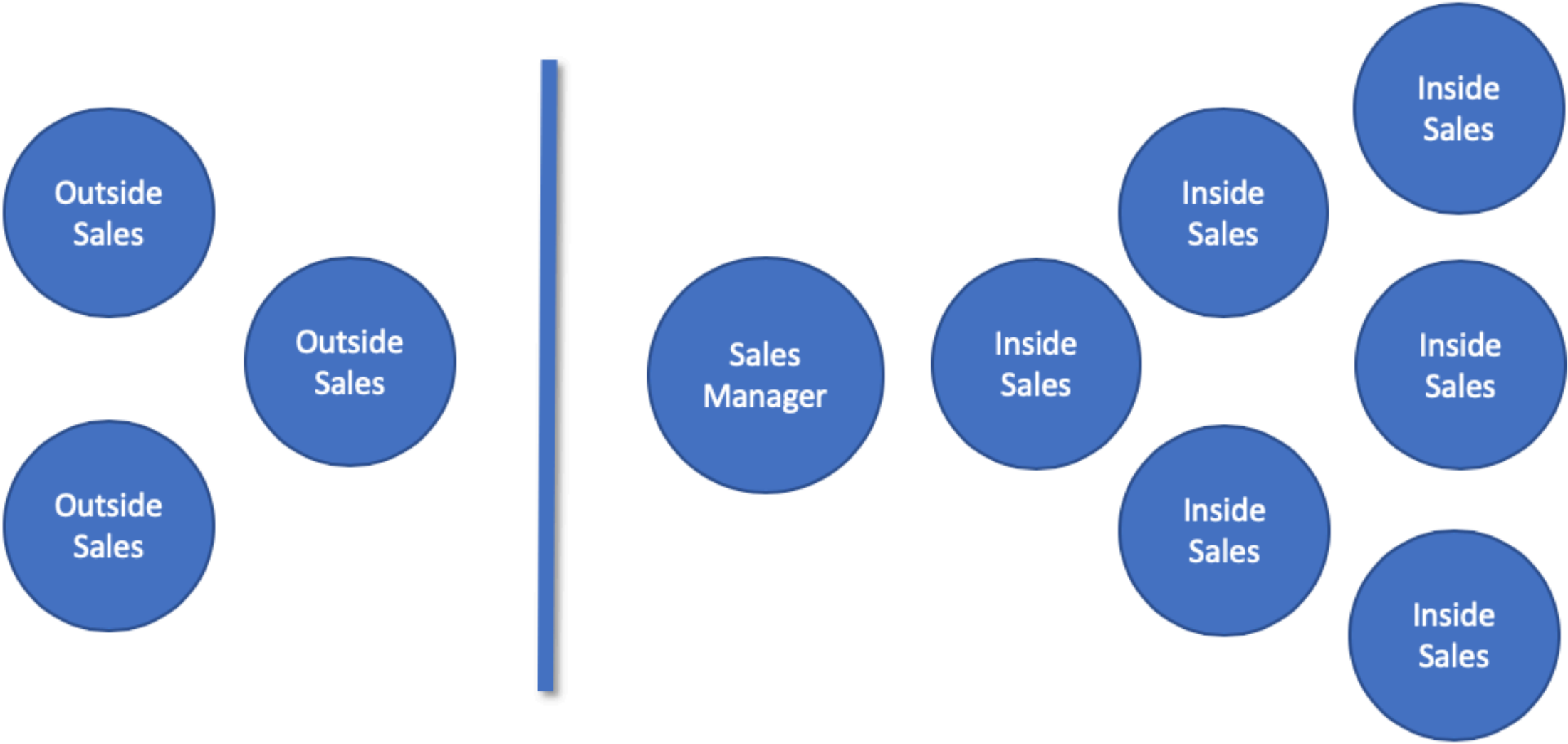


# Specializing The Sales Generalist Lowers Overall Selling Costs

Category Role	FAM Field Account Manager	IAM Inside Account Manager	ISR- Inbound Inside Sales Rep	CSR Customer/Counter Service Rep	Technical Specialist	Telesales Outbound
Typical Titles	SAM, AM, TM, FSR, OSR	AM, IAM, Segment AM	ISR, CSR	CSR	Many	TMR, TSR
Primary SOS*	Business solutions and Relationship		Technical and transactional	Transactional	Technical	Awareness
Customer assignment	Yes, by dirt	Yes, by dirt or segment	Yes, by dirt or segment	No	Periodically, by need or project	None but working off a call list
% in field	>80% Own car	Partial with a shared car	<5% No car	None	>50% Own car	None
% CSEs intercepted	>75%	Ranges from 5% to 50%	<5%	5% to 25%	Sent out as they occur	CSE interception, RFM tickler
Customer Relationship Equity Role	Primary	Primary	Primary but often shared with Field reps	Supportive	Subject Matter Expert	None. They generate activity that warrants the attention of a rep
Customer Capacity	~30	~100	Several hundred	<200	~30	Set changed periodically



# What it was like.

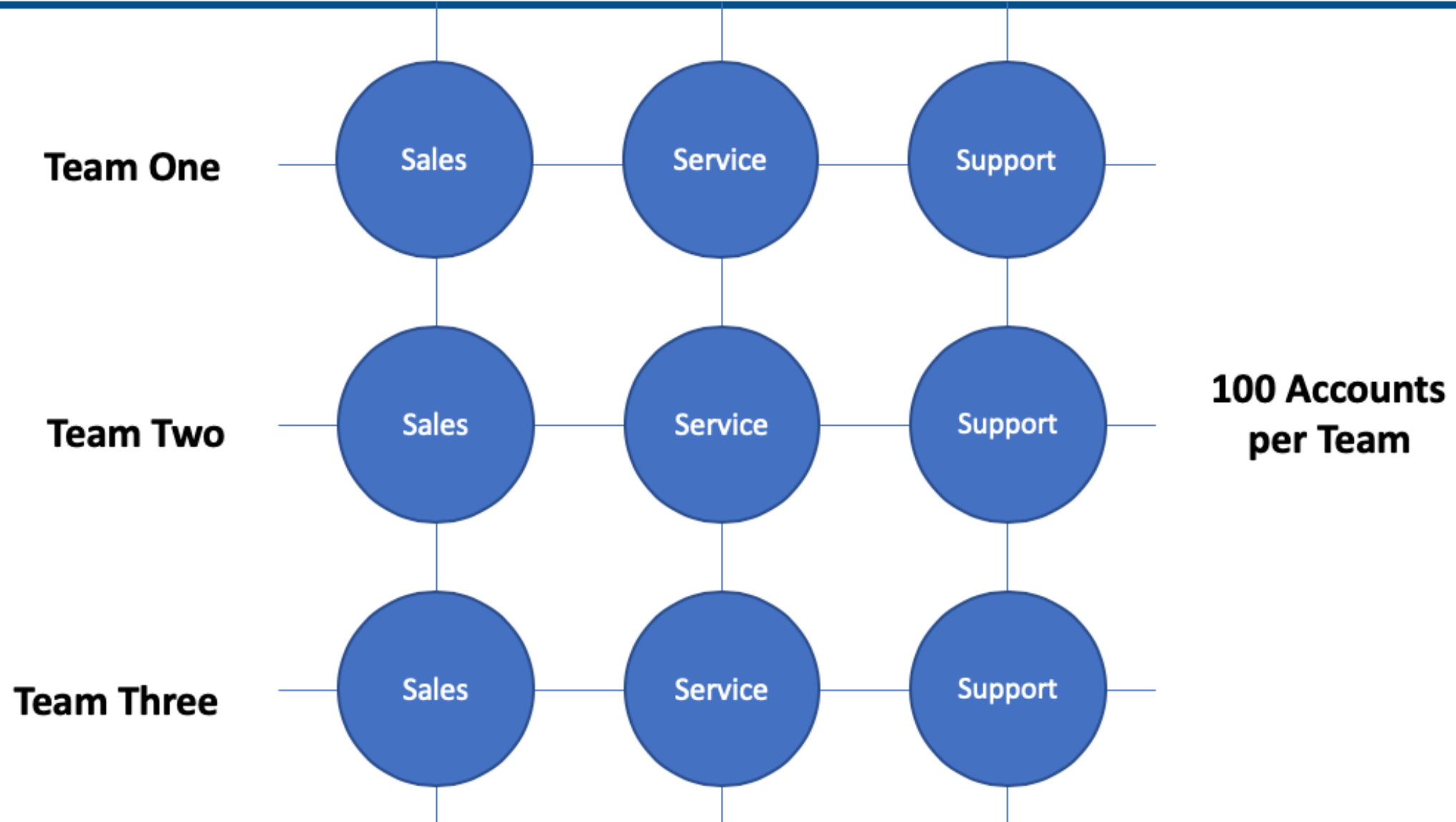


Source: Kirk Zehnder, 2019 Sales GPS Presentation, [www.earnestmachine.com](http://www.earnestmachine.com)



# Creating an Integrated Sales Team

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# Market Intelligence

- Visibility into key customer, market and competitive dynamics

## Traditional

- Data-free discussion
- Spray-paint selling
- Sales silos/cowboys
- Fire-drill Friday

## Data

- **Market analytics**
  - Market share
  - Wallet share
- **Market development**
  - Prospecting
  - Target verticals

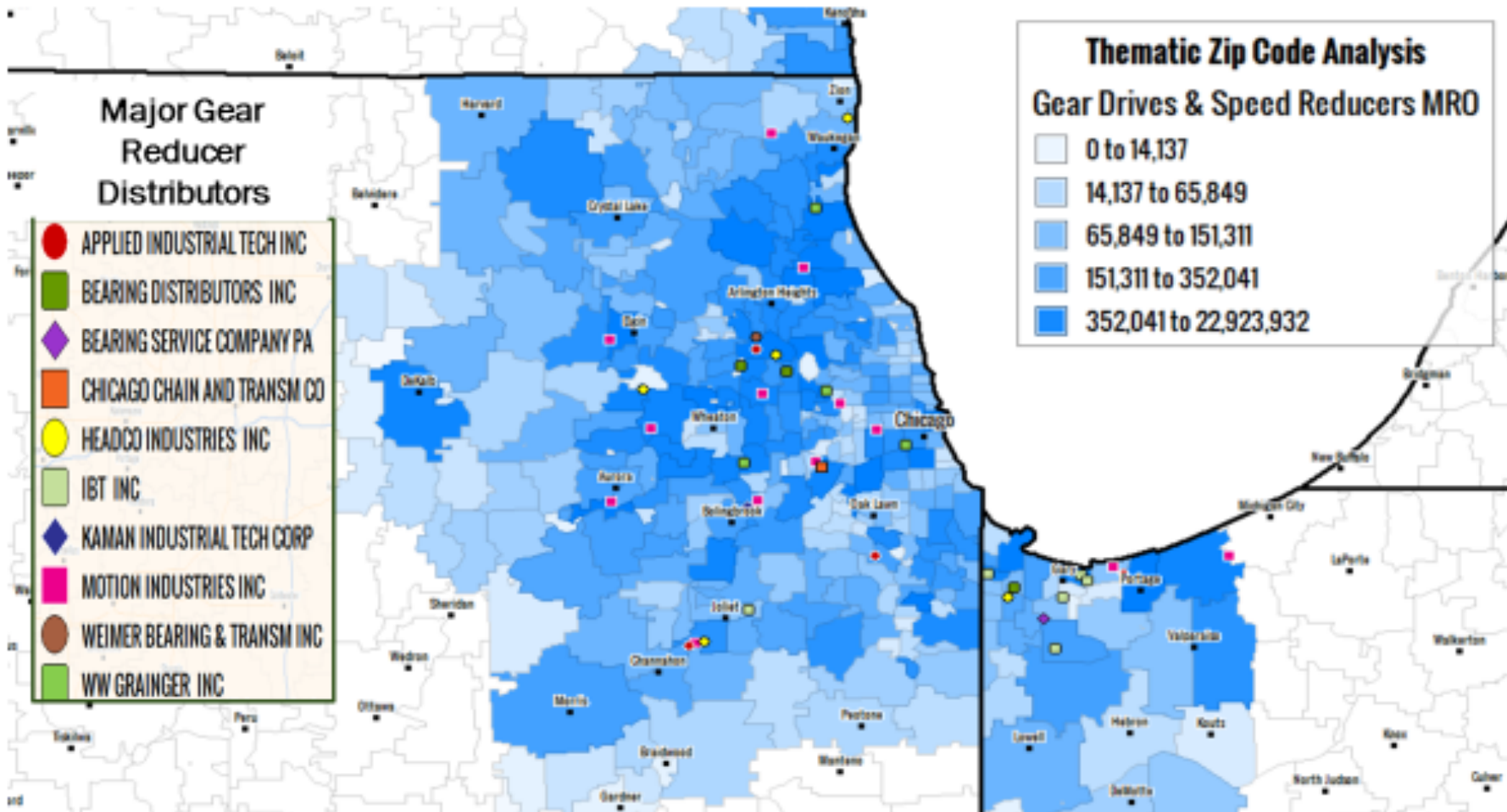
## Agile

- **Data-driven targeting**
- **Directed sales activity**
- **Integrated team**
- **Infrastructure: Process + IT**



- **Competitive gap is widening across WD sectors**
- **Analytics adoption is accelerating**

# Market Profiling (Potential – Share – Growth)



- Identify growth opportunities – organic or acquisition
- Customer segments
- Identify oversaturated markets that yield lower margins
- Key in territory sizing (Branch vs satellite)
- Share calculation – Market demand, competitor average sales/employees

- Going Forward the Entire Team Is Involved with Gaining Effective Coverage Every Team Member\* Sees Every Sales Territory Data

## Example

This compares the predicted spend on large industrial users in the territory to the rep's sales revenue

- What is the role of your own sales reps?
- Is it OK that he or she spends no time at all visiting 36% of the total industrial spend in their territory?
- How do these share numbers compare to other territories?
- Are there differences by product class?

Customer Name	IMI Predicted Demand	SIC Description	Firm Sales	Share Of Spend
Sugar Cane Growers Coop Fla Okeelanta Corporation	\$4,741,625	Cane Sugar, Except Refining	\$167,443	3.53%
Power Systems Mfg LLC	\$2,022,015	Cane Sugar, Except Refining	\$56,678	2.80%
	\$1,802,547	Nonferrous Forgings	\$89,753	4.98%
		Coated and Laminated Paper.		
Avery Dennison Corporation			\$0	0.00%
Oxbow Carbon LLC			\$0	0.00%
Florida Crystals Corporation			278,456	27.54%
Airlette Manufacturing Corp			\$0	0.00%
Hundley Farm Inc			\$87,545	14.43%
Predator Systems Inc			\$15,665	3.42%
Osceola Farms Co			\$0	0.00%
Poma Corporation	\$631,064	Not Elsewhere Classified	\$0	0.00%
		Aircraft Engines and Engine		
Pratt & Whitney Eng Svcs Inc	\$655,111	Parts	\$0	0.00%
<b>Total Predicted Demand (16 groups)</b>	<b>\$16,645,982</b>		<b>\$695,540</b>	<b>4%</b>
Spend that is serviced	\$10,641,743			
Spend that is not serviced	\$6,004,239			
Territory Dollar Coverage	63.93%			
<b>Coverage Gap</b>	<b>36.07%</b>			

Marketing provides monthly analysis on territory coverage to offset the saying,

*"I get all the business there except where we aren't competitive because you don't show me true costs"*

They share peer performance rankings

Zero firm sales indicates that the customer is not called on by the sales rep

\* They probably have an incentive based on you hitting your numbers

# Multichannel Requires Customer Self-Selection

Single channels to market (think field sales territories) still exist because they are hard to change but increasingly create revenue leakage as customers choose alternatives

- Think of the products where you are forced to buy from only one source and how you feel about it

Markets and channels evolve with power constantly flowing downstream to the customer so the primary rules for channel design are:

1. It is not about you
2. It is about them
3. If confused, follow rules one and two

Customers get to self-select based on their circumstances and values and will frequently and legitimately make variable choices

- Good multichannel design should make the choices clear- think cost to serve

# What Is the Current State of Your Organization

*Grade yourself objectively on the four-point scale of each criteria*

Factor	Definition of a Score of 1	1	2	3	4	Definition of a Score of 4
Role specialization and separation of market serving from market making	These are traditional self directed sales generalists paid a commission on their geographical territory volume					The roles are fully separated into market serving and market making where the field rep is now the point of the spear rather than the Lone Ranger
Clarity in role mapping so everyone knows what to do and how to collaborate	These are traditional selling groups outside, inside, counter, and customer service working as siloed departments					The various groups are organized as a seamless team from a customer perspective with aligned incentives where there is high visibility by every function on the others
A consistent light touch sales management & coaching process is fully in place with a clear performance improvement loop	Sales reps operate independently and management supports quotation support and oversight to ensure that they are working					There is wide sharing of performance between groups and monthly coaching discussions to improve skills, and resource allocation to opportunities
The firm is operating with a clear strategy and set of value propositions	The field sales rep is the primary value proposition in the mind of the customer and the strategy is to grow by selling service with excellent staff					Customers are segmented by how they want to buy and their value propositions are tailored and provide services that increase customer switching costs
The sales and marketing teams have analytics and tools to help allocate time and resources to opportunities and threats	Data availability is limited to transaction information out of an ERP system where there may be quotas with plan-actual-variance discussions					The team knows estimated share of wallet and net profit contribution by customer with predictive analytics to drive time allocations and pricing. The data supports better time allocation decisions by the sales force

*A score of 4 means that there is a robust process in place to ensure compliance*



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