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A Repeatable Sales Process for Everyone

How selecting a sales-training vendor and creating partnerships lead to better sales

(Note: Although this case study is based on a real company, at the request of the consulting company some specific information about its client has been withheld or modified.)

ABC Industrial Vehicles manufactures, sells, and globally distributes specialized industrial and construction vehicles primarily to channel partners, who rent them out to businesses and construction firms. Founded in 1956, ABC employs 2,400 people, of whom more than 110 are sales professionals. ABC is the largest company in the Specialized Industrial Vehicle (SIP) division of Acme Unlimited, a diversified global manufacturer with yearly net sales in excess of \$11 billion. The SIP division is managed out of ABC's headquarters in Portland, OR, and consists of ABC and five smaller manufacturing companies.

ABC enjoys a well-established brand in its target market, along with a reputation

for competitive product quality and excellent customer service. As a result, ABC has achieved good market share in the United States and market leadership in Europe and the Middle East. It has also achieved a significant presence elsewhere in the world, most notably in Latin America and Australia, with a growing (though small) presence in Asia.

As ABC's market matures, the company faces additional competition from a large number of global firms, some of which have manufacturing facilities in areas far from ABC's own manufacturing facilities. Since

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More from Dave Stein:
Watch as he identifies three important steps to follow when choosing a sales training program in the Selling Power video "Sales Training That Pays," available at www.sellingpower.com/sept09.

many of its specialized vehicles cannot be driven on public roadways, ABC's business model has suffered from high shipment costs. This has forced ABC to charge more for its products than some of its competitors in order to maintain profitability.

ABC has traditionally been able to justify the higher prices by providing a superior level of service. Many of ABC's sales professionals are experienced in this specialized industrial-equipment industry and have extensive knowledge of ABC's product set and the products of competing firms. Furthermore, many have worked in the construction industry and thus

THE SALES ORGANIZATION

▶ ABC employs roughly 110 sales professionals who cover four major territories: North America, EMEA (Europe, Middle East, and Africa), Latin America, and Asia Pacific (Australia, China, Singapore, Japan, and Korea). Each territory has a vice president who reports to the senior vice president of sales, who reports to ABC's president.

▶ The North America region has 54 sales professionals in eight regions, each with a regional sales manager who has two direct reports. The North America region also has a national account group of nine employees, a strategic account group of seven employees, plus three additional sales-support personnel.

▶ The EMEA region has 24 sales professionals split into three general regions (Northern Europe, Southern Europe/Africa, and United Kingdom) that have a sales manager and roughly five sales professionals each. The Asia Pacific region has 23 sales professionals who are divided into small groups (except for 12 deployed in Australia) that are structured in a manner similar to those in the United States. The Latin America region has 14 sales professionals with three regional sales managers.

understand the conditions and situations under which the vehicles ABC manufactures are typically used.

At the time of this consulting engagement, ABC set a strategic goal to grow market share. Because the sales force comprised ABC's competitive advantage, the company's management determined that the best way to increase share would be to increase the number of sales professionals deployed in the field. This strategic expansion of ABC's sales force was problematic, however, due to two challenges.

First, ABC lacked a standardized, repeatable sales process. Each sales professional had created his or her own individual sales process in order to address opportunities. As a result, it was difficult for management to assess the pipeline, make forecasts, and generally run the business. There were many estimates of future business that later proved inaccurate, along with many revenue surprises, both pleasant and unpleasant. ABC's management knew that such problems would increase in size and scope once the company increased the size of its sales force.

Second, ABC's sales reps lacked the formal business training necessary to fully satisfy the needs of their customers. Because ABC depended on rental companies to rent and sell to end users, most of ABC's revenues were tied directly to the capabilities and effectiveness of the rental yards. While ABC's sales reps had good relationships with these yards, they were generally unable to help them become more successful at renting and selling ABC's equipment. ABC's management saw this as a major liability, since helping those dealers grow their businesses would clearly have yielded increased revenues and channel loyalty.

ABC's management realized that it

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needed to create a repeatable sales process and an ongoing program to build a greater level of business acumen throughout the sales organization. ABC was therefore looking to hire a sales-training organization that could help with both of these issues. ABC had hired such firms in the past, but that training had been focused on personal coaching and various components of the sales process and did not take

a comprehensive approach.

ABC's management was also aware of sales training's dismal track record in driving long-term change in selling behavior. According to multiple surveys, approximately 85 percent of all sales training has no impact on actual revenue after about 90 days; however, because the selection of a sales-training vendor was clearly the key to success, ABC decided to hire the ES Research Group to help.

The goal of the consulting engagement was to seek a partner or partners to develop a new sales methodology and process, and then to deliver appropriate training for ABC's field sales personnel. The consulting engagement, as defined by ES Research, had four parts:

1. Initial assessment: interview ABC's sales teams in order to determine the current situation and needs;

2. RFP assistance: help ABC write an RFP in order to evaluate and select a sales performance improvement provider;

3. Evaluation support: sit on ABC's steering committee, participate in internal meetings, review RFP responses and vendor presentations, and evaluate proposals;

4. Negotiation support: work with ABC during negotiations with vendors to ensure that vendors would get all that was needed at a fair and appropriate investment level.

ES Research performed this project over a three-month period, during which ABC completed the RFP, evaluated multiple vendors, negotiated a contract with the first choice, and then began rolling out the training programs. — GEOFFREY JAMES

Yearly net sales in excess of \$11 billion; 110+ salespeople

THE BUSINESS MODEL

ABC has a hybrid business model. The majority of the company's sales come through indirect channels. ABC's field organization sells into a network of rental yards that, in turn, rent and sometimes sell ABC equipment to end users. The company thus depends on these rental companies to buy equipment and create value through renting to end users.

The remainder of the company's sales comes through the direct channel. ABC has national-account relationships with several large national and international rental companies, such as Avis and National. ABC also has a strategic-accounts group that manages relationships with very large, multinational, end-user companies, such as Dow and Halliburton.

In North America, EMEA, and Australia (where ABC does most of its business), ABC sells primarily to companies that rent and/or lease equipment to their clients. In Latin America, the market is maturing, as equipment distributors are increasingly renting ABC's type of vehicle. In China and other parts of Asia, most equipment is sold to such end users as shipyards or through equipment dealers. As support increases for adequate pricing for rental equipment, the rental channel is expected to mature there, as well.