

Operationalizing Benchmarking to Drive Profit Growth



The Pros Elite Group

- Industry experts in the execution of the Johnson Benchmark Model
- "Triple Crown" training offerings in Sales and Service Management

MFP ➔ MPS ➔ MNS
- Sales and Service Consulting supports continuous benchmark achievement of clients delivering \$82 million in bottom line profit improvement in 2017
- Pros Elite 100 dealers group largest and most powerful independent dealer group in North America at \$1.6 billion had increased equipment sales of \$130 million in 2017 (16.2%)
- PIVOT software "Automated Execution Excellence"



Benchmarked Sales Management Execution



Territory Design Benchmarking



Sales Manager Process Execution (*ultimate growth differentiator*)



Operationalizing Key Service Benchmarks (*bandwidth & predictive staffing*)



Territory Design Benchmarking



Sales Rep Career Tree

- Retail/Hybrid Rep
- Named Account Rep
- Production/Solutions Rep
- Major Account Rep



Hybrid / Retail Rep

Assignment

- Assigned a current customer base of 140-160 units of segment 2+ contracted units (B&W or B to C color)
- 1000-1500 establishments in this territory (non customers)

Activities

- Participates in all prospecting continuum activities

Expectations

- Quota \$30,000 in equipment sales revenue or \$10,000 in equipment GP
- "Net New Business only" Rep quota \$15,000
- Develops pipeline of \$450,000 year 1
- Expected mix of business is 70% current customer 30% net new
- Places 8-12 Printers or 10,000 clicks / month on MPS



Named Account Rep

Assignment

- Current customer base of 100-125 Segment 4 & above equipment or accounts with >3 but < 10 installed units & 200-300 named non customer accounts with identified segment 4+ competitive equipment or 50-100 employees

Activities

- Participates in all prospecting continuum activities

Expectations

- Achieves 90 day plus 180 day pipeline of \$1,000,000+ of identified potential
- Quota \$50,000 in equipment sales revenue or \$18,000 in equipment GP
- Expected mix of business is 70% current customer 30% net new
- Places 12-20 Printers or 10,000 clicks / month on MPS



Production / Solutions Rep

Assignment

- Assigned a base of 50 current customer production or solutions oriented installations and in addition is assigned 200 accounts that are found in vertical markets or lists of competitive production or solutions installations

Activities

- Participates in strategic account planning and review to achieve net new placements in net new accounts or to expand placements in current account environments

Expectations

- Expected mix of business 40% net new business, 10% net add on and 50% repeat business. Identifies 10 new accounts each quarter and achieves move forward step with 3 of the 10
- Achieves a quota of \$85,000 / month in equipment revenue or \$21,000 in equipment gross profit



Major Account Representative

Assignment

- Assigned base of at least 10 current customer accounts with a minimum total of 200-250 units located in 10+ unit installations; 100 non-customer accounts with 10 or more competitive unit installation or 100+ employees

Activities

- Participates in strategic account planning and review to achieve net new placements in net new accounts or to expand placements in current account environments

Expectations

- Expected mix of business 30% net new business, 20% net add on and 50% repeat business. Identifies 10 new accounts each quarter and achieves move forward step with 3 of the 10
- Achieves a quota of \$85,000 / month in equipment revenue or \$21,000 in equipment gross profit
- Places 20-40 printers or 20,000 printer clicks / month on MPS contracts



Territory Mapping by Zip Code



Territory Name: CA
NS x EW mileage: 43 mi x 26 mi
Total Sq. Miles of Territory: 1118 sq mi total sq. mi
Total Number of Zip code assigned: 6
Total Number of Devices Assigned: 353

Zip Code	Total # of Devices	Average Monthly Copy Volume
12345	47	125,320
12346	73	79,180
12347	91	128,003
12349	51	160,125
12456	38	651,000

Territory Mapping by Equipment Segment



Segment	Total # of Devices	Average Monthly Copy Volume
B/C Segment 1	7	25,737
B/C Segment 2	38	123,965
B/C Segment 3	55	180,850
B/C Segment 4	47	362,892
B/C Segment 5	7	125,013
B/W Printers	94	199,418
B/W Segment 1	10	19,728
B/W Segment 2	29	72,797
B/W Segment 3	37	80,395
B/W Segment 4	18	55,751
B/W Segment 5	1	47,509
B/W Segment 6	1	49,126
Color Printer	26	39,366
Wide Format	4	2,484

Territory Mapping by Product



Manufacturer	Total # of Devices: 482	Average Monthly Copy Volume
Brother	3	4,961
Ricoh	128	767,798
HP	250	157,911
Sharp	49	238,475
Lexmark	4	11,331
Misc	1	15,012
OKI	1	733
Dell	4	4,234
Samsung	37	77,989
Toshiba	1	94
Unspecified	1	0
Unspecified	3	3,825

Example Sales Territory



Segment	Total # of Devices: 482
B/C Segment 1	10
B/C Segment 2	30
B/C Segment 3	29
B/C Segment 4	28
B/C Segment 5	13
B/W Printers	263
B/W Segment 1	11
B/W Segment 2	31
B/W Segment 3	20
B/W Segment 4	46

Believable Sales Territories (and Quotas)



Devices	482
New Monthly Sales Quota (\$) @ 12% Market Share	\$8,205
Existing MIF Monthly Sales Quota (\$)	\$41,026
Total Monthly Sales Quota (\$)	\$49,231
Existing MIF Workload %	189%
Territory Market Share %	11.7%

Best Practices for Consistent Sales Growth



- Create balanced sales territories (determine net new quota & existing MIF quota to derive total sales quota for each sales rep territory)
- Understand territory market share in order to calculate realistic net new expectations for each territory (2% versus 30% territory market share)
- Determine current market share % for your organization
- Create 12 month sales growth plan based on desired market share increase
- Develop sales rep quota based on each reps territory that factors in the 12 month company growth plan
- Create quarterly expectations with the specific sales activities that must be achieved by each sales rep in order to attain their sales quota
- Collect daily sales activity tracking data to monitor each sales reps progress towards their quarterly plan

Sales Manager Must Do's



- Achieve Sales Team budget with 50% or more of Reps achieving quota.
- Staffing to plan and achieving 80% Sales Rep retention
- Driving Benchmark results through activity
- Maintain pipeline / funnel size, Inspect the quality pipeline additions and track move forward activity through the pipeline
- Razor Sharp forecasting process
- Has positive win/loss/churn in the aftermarket



Great Sales Managers = Great Dealerships



Achieve 100 % of Equipment Revenue and Equipment Gross Profit Plans

Maintain 100 % of staffing plan

Achieve 80% Sales Representative retention

Achieve a minimum of 50% of all Sales Representatives at quota

Communicates Activity Benchmarks for prospecting, demonstration, surveys, proposals and current customer visits and insures they are met



Great Sales Managers = Great Dealerships

- Implements weekly/monthly Sales Activity tracking system
- Insures company pricing guidelines are adhered to
- Implements an accurate weekly and monthly forecasting tool and communicates accurate forecasts to the VP of Sales or President of the Company
- Insures reporting compliance to a data base management tool
- Design and implement effective sales territories
- Insures monthly business mix which includes 30% net new business
- Achieve 50% + mix of MPS engagements in all MFP transactions

Great Sales Managers = Great Dealerships



- Oversees any corrective action or disciplinary process
- Develops Sales Manager candidates
- Designs and implements an ongoing team sales training program and conducts weekly training meetings
- Insures adherence to compensation structure
- Where applicable, strategize new business development with Major Account Representatives
- Work seamlessly with the Service, Administrative, and Financial departments to insure success
- Administers monthly plan and reviews for all direct reports
- In all situations acts with the highest levels of ethical behavior



Achieve Sales Team Budget

With 60% or More of Planned Reps Achieving Quota



- Planned Reps is the denominator...not the number of reps you have.

Example: 4 Reps and 3 make quota. Plan was to have 7 Reps.
The % of Reps at quota is 43%.

- Insures a balanced team performance and quality staffing.
- Sales Manager override is flexed by the % of Reps at quota

Override on Team Commissions	% of Reps at Quota
5%	0-49%
20%	50-60%
25%	61-75%
30%	76-100%

Staffing to Plan and Achieving 80% Sales Rep Retention

- A function of having 60% + of Reps at quota (not trying to keep dead wood)
- The higher the % of Reps at quota the better the odds of achieving 80% Sales Rep retention
- Maintain the most competitive environment and highest standards
- Maintains a pipeline of New Hire Sales candidates through active recruiting



Maintain Pipeline / Funnel Size



- Benchmark Sales Rep Pipeline size
 - \$450k @ 12 months
 - \$700k @ 18 months
 - \$1MM @ 24 months
- Inspect the quality pipeline additions perform Sales support calls on 5% of them
- Track 4 weeks of activity side by side - your CRM won't
- Utilize a quality pipeline management tool that ties to weekly and monthly sales activity tracking (sales activity tracking document)
- Quality pipelines produce 7%-10% of the dollar value of the total pipeline (pipeline management tool)

Driving Benchmark Results Through Activity



- 30% of all equipment revenue is net new customer revenue
- 4 additions to the pipeline created or discovered each week
- 10 Move forward appointments each week
- 50% of the deals with MPS
- Positive win / loss / churn aftermarket financial effect
- Minimum expectations and consequences strictly enforced



Razor Sharp Forecasting

4 out of 5 criteria required to forecast:

1. Credit check successfully accomplished
2. Printer Survey completed (brown bag)
3. Proposal presentation completed
4. Compelling buying criteria and associated pain point articulated
5. Demo or Trial completed



Delivers Team Level Positive Win/Loss/Churn

	B&W Change	Color Change	Total Copies	Total Revenue
Cancellation (Loss)	(233,254)	(25,865)	(258,119)	(\$4,679.72)
Contract Modification (Churn)	(120,300)	4,800	(115,500)	\$2,067.65
Net New (Win)	264,660	33,245	297,905	\$3,906.53
MPS (Win)	(9,458)	11,600	2,142	\$171.42
Upgrade (Churn)	99,816	41,078	140,268	(\$171.32)
Grand Total	1,464	64,858	66,696	\$1,294.56

Delivers Team Level Positive Win/Loss/Churn



	B&W change	Color Change	Total Copies	Total Revenue
Johnson	(97,765)	(11,913)	(109,678)	(\$580.34)
Curry	56,823	3,386	60,209	\$813.84
Green	(63,510)	21,875	(41,635)	\$221.27
Durant	(8,746)	14,500	5,754	\$298.17
Kelly	161,866	19,937	182,803	\$730.57
Morgan	(19,250)	500	(18,750)	(\$12.47)
Rennie	(52,004)	8,745	(43,885)	(\$285.41)
Homestead	26,050	7,073	33,123	\$130.90
Cummings	3,000	100	3,100	\$45.00
Springsteen	(5,000)	655	(4,345)	(\$66.97)
Grand Total	1,464	64,858	66,696	\$1,294.56

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



- It's important to understand Key Staffing Ratios
- Must understand Bandwidth Pickup if you Improve Your Key Productivity Benchmarks (Call Backs, Incompletes, Accountable Time)
- Goal is to Evolve into a Predictive Staffing Environment for your Service Organization

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



GENERAL SERVICE DEPARTMENT STAFFING RATIOS

- 1 Director of Service : 8 Field Service Managers / Supervisors
- 1 Field Service Manager / Supervisor : 12 - 15 Technicians
- 1 Dispatcher : 14 - 16 Technicians (without automated dispatching system)
- 1 Dispatcher : 18 - 20 Technicians (with automated dispatching system)
- 1 Parts Employee : 40 Technicians

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



Performance Results			
	Actual Performance	Benchmark Performance	Variance %
Call Back %	20.9%	10.0%	-10.9%
Incomplete %	28.2%	8.0%	-20.2%
Accountable Time Hours Per/Day (A.T.)	7.4	7.5	-0.1
# of Field Techs	16		

Compare Actual to Benchmark Performance to Understand Improvement Opportunity

(Avg # Gross Calls per/mth X Variance %) / 80 = Lost Technician Workload
 (1200 X 10.9%) / 80 = 1.6

Lost Technician Workload Due to Performance Inefficiencies	
	Lost Technician Workload
Call Back % Lost Technician Workloads	-1.6
Incomplete % Lost Technician Workloads	-3.0
Accountable Time (A.T.) Lost Technician Workloads	-0.2
TOTAL Lost Technician Workloads	-4.8

Understand the Workload Bandwidth you will Create as you Improve your Service Performance to Benchmark

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



Amount of Net New Copies and Revenue the Service Organization can Absorb if Team is Performing at Benchmark in Call Back % Incomplete % and Accountable Time (A.T.)

Net New B/W Copies to Absorb at Benchmark	7,732,800
Net New Color Copies to Absorb at Benchmark	907,200
TOTAL Net New B/W + Color Copies to Absorb at Benchmark	8,640,000

Monthly Copies You Can Absorb When Your Service Team Achieves Benchmark Performance. Avg Tech Workload = 1.8 million CPM

	Monthly	Annually
Net New B/W Revenue to Absorb at Benchmark	\$54,130	\$ 649,555
Net New Color Revenue to Absorb at Benchmark	\$54,432	\$ 653,184
TOTAL Net New B/W + Color Revenue to Absorb at Benchmark	\$ 108,562	\$ 1,302,739

Revenue You Can Absorb When Your Service Team Achieves Benchmark Performance

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



Customer Churn Document

Date Activity Occurred	Month	Activity Type	Equipment	Model	Serial	Contract #	Customer Name	Sales Rep	AMV Impact	Color	Revenue Per Mori
2/1/2015	February-15	Contract Modification	C7029	V2518d	H6826201684	CON2052-01		Claus	0	0	\$3.42
2/1/2015	February-15	State Contract	SM4384	V9233SP	V8315500135	CON11800-01		Marino	875	0	\$3.18
2/1/2015	February-15	State Contract	ST2001	VC3003SP	E154MA11151	CON11809-01		Marino	4,000	1,000	\$89.46
2/2/2015	February-15	Contract Modification	L1010	V9025SP	M6595701187	CON10750-02		Peacock	-500	0	-\$6.78
2/3/2015	February-15	Upgrade	C1457	V2554SP	G144R902045	CON11765-01		Manning	600	0	-\$9.28
2/3/2015	February-15	Contract Modification	B5641	VC9020	V2205700381	CON9336-02		Claus	-1,000	0	-\$11.85
2/3/2015	February-15	Net New	C1459	VC305SPF	W794PC00034	CON11786-01		Kauth	1,500	113	\$32.95
2/3/2015	February-15	Net New	M2578	VC305SPF	W794PC00223	CON11786-01		Kauth	1,500	113	\$32.95
2/4/2015	February-15	Contract Modification	B5700	V9060	W6915800604	CON10138-01		Claus	0	0	\$29.00
2/5/2015	February-15	Contract Modification	B3206	V2515	H6626503922	CON5526-01		Claus	0	0	\$1.92
2/5/2015	February-15	Contract Modification	B3307	V8020D	K8366840843	CON2157-02		Claus	-250	0	-\$3.25
2/5/2015	February-15	Net New	B3440	VC2525	L3675901541	CON11766-01		Claus	1,000	25	\$26.75
2/6/2015	February-15	Upgrade	C1460	SMXC402SC	4511894X	CON11773-01		Newberry	0	0	-\$6.00
2/7/2015	February-15	Contract Modification	B3918	V816MF	M0179100333	CON4814-01		Kelly	0	0	\$1.58
2/7/2015	February-15	Contract Modification	B5229	V7025	M4402108285	CON10157-01		Manning	0	0	\$4.00
2/9/2015	February-15	Contract Modification	B6120	SARM237	5505155X	B6120-01		Newberry	0	0	\$2.50
2/9/2015	February-15	Contract Modification	B1225	V2535	H7027201029	CON1888-01		Manning	0	0	\$8.00
2/9/2015	February-15	Contract Modification	B4657	V917SPF	V4499602028	CON8631-01		Newberry	0	0	\$2.17
2/9/2015	February-15	Contract Modification	B4656	V917SPF	V4499602697	CON8632-01		Peacock	0	0	\$1.50
2/9/2015	February-15	Net New	C1446	SMXB402SC	19002632	CON11778-01		Newberry	2,500	0	\$35.00
2/9/2015	February-15	Upgrade	C1462	V301SPF	W914PC00959	CON11776-01		Manning	0	0	-\$40.42
2/9/2015	February-15	Upgrade	C1451	SMXM264N	45009700	CON11777-01		Newberry	500	0	-\$8.00
2/9/2015	February-15	Contract Modification	B5706	V9050B	M5615300021	CON10141-01		Claus	0	0	\$9.00
2/10/2015	February-15	Contract Modification	B4658	V917	V4599600027	CON8633-01		Kelly	0	0	\$2.92
2/10/2015	February-15	Net New	C1463	SMXC402SC	4512714Y	CON11783-01		Newberry	4,500	500	\$95.00
2/11/2015	February-15	Contract Modification	B1071	V2518d	H6826602701	CON3815-01		Kelly	0	0	\$12.00
2/11/2015	February-15	Upgrade	C1468	VC3003	E154M561542	CON11782-01		Peacock	-1,650	175	-\$27.20

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



Customer Churn Document

Activity Type	Sales Rep	AMV Impact	Color	Revenue Per Month
Contract Modification	Claus	0	0	\$3.42
State Contract	Marino	875	0	\$3.18
State Contract	Marino	4,000	1,000	\$89.46
Contract Modification	Peacock	-500	0	-\$6.78
Upgrade	Manning	600	0	-\$9.28
Contract Modification	Claus	-1,000	0	-\$11.85
Net New	Kauth	1,500	113	\$32.95
Net New	Kauth	1,500	113	\$32.95
Contract Modification	Claus	0	0	\$29.00
Contract Modification	Claus	0	0	\$1.92
Contract Modification	Claus	-250	0	-\$3.25
Net New	Claus	1,000	25	\$26.75
Upgrade	Newberry	0	0	-\$6.00
Contract Modification	Kelly	0	0	\$1.58
Contract Modification	Manning	0	0	\$4.00
Contract Modification	Newberry	0	0	\$2.50
Contract Modification	Manning	0	0	\$8.00
Contract Modification	Newberry	0	0	\$2.17
Contract Modification	Peacock	0	0	\$1.50
Net New	Newberry	2,500	0	\$35.00
Upgrade	Manning	0	0	-\$40.42
Upgrade	Newberry	500	0	-\$8.00
Contract Modification	Claus	0	0	\$9.00
Contract Modification	Kelly	0	0	\$2.92
Net New	Newberry	4,500	500	\$95.00
Contract Modification	Kelly	0	0	\$12.00
Upgrade	Peacock	-1,650	175	-\$27.20

- Understand the Current Amount of Net New Copies and Net New Revenue You Add each Month
- Accurately Predict When You Should Hire a New Tech
- Hire the Right Tech and Have Time to Train Before you Need Them
- Understand the Impact Each Sales Rep is Having on your Aftermarket Revenue

Operationalizing Key Service Benchmarks (bandwidth & predictive staffing)



- Bandwidth Created at Benchmark = 8,600,000 copies per month (CPM)
- Current CPM added (churn doc run rate) = 798,000 CPM
- Next Tech Needed = Bandwidth Created / Current CPM Added
 Next Tech Needed = $8,600,000 / 798,000$
 Next Tech Needed = 10.7 months
- If it takes you 3 months to onboard a new tech (no experience), then hire next tech in 7 months



THANK YOU