

THE WIREMOLD COMPANY: THE FIELD SALES ORGANIZATION¹

EPILOGUE

The first step in the migration took place when Bartosch announced a small but significant reorganization in the field sales force. He formed a group of five associates to specialize on major distributors and large customers by market segment. Each of the five individuals was assigned one of the large national or international distributors and one vertical market segment. The five vertical market segments that the company selected for this initiative were: retail construction, educational construction, hospitals and health care facility construction, entertainment facility construction, and OEM furniture manufacturing.

The five associates selected for the initiative were designated Strategic Account Managers. They were charged with knowing all of the key financial and operating groups within the distributor they were responsible for, from the CEO to the warehouse supervisors. The company's message would remain the same. "Lean business practices mean more sales and profit for distributors." Bartosch and Miller, who knew many of the key players at these key accounts, would reduce their presence at the corporate level of these distributors, but would of course be available as needed in support of the new initiative.

In addition, each of the Strategic Account Managers was charged with a specific vertical market to penetrate. Each was expected to learn about and be aware of situations that would benefit from local assistance. Therefore, each had the authority to direct local field sales associates to accomplish certain tasks to facilitate business development at either a local branch of any distributor or with respect to any facility of a large user in the vertical market. In this way, the company expected that the needs of customers in the five vertical markets could be coordinated at a national or international level and products to meet those needs would be delivered seamlessly at the local level in the company's traditional territories.

The compensation plan for the Strategic Account Managers was changed from salary and commission to salary plus bonus. The bonus was based on a combination of the performance of the assigned distributor and certain penetration goals in their assigned vertical market and coupled to the company's strategic goals. Field sales management (in the persons of Bartosch and the regional field sales managers) retained control over the Business Development Managers so as to be certain that the total field sales force did not work at cross-purposes.

Additional Information: Reflecting later on the road-show, Miller said, "We only did it once. Even though a re-positioning can be a risky thing to do, we had to re-position the company away from its historical position as a seller of parts and pieces and into a new position as a company that provided total solutions for the wiring and cabling

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infrastructure of a building. After we had assembled a critical mass of solutions to deliver the promise, the road show kick-started our efforts to migrate the image of the company and allowed us to build a new position with the specifications influencers while repositioning part of our sales force to call on them. (It should be noted we closely monitored this image transformation in the field with customers to ensure that this was not too much of a stretch or a line extension that wouldn't be believed.) To do that, we had to have a credible range of real substantive solutions and provide the marketplace with a credible vision of the future. We had to demonstrate our commitment to providing solutions to their needs and to introducing a stream of new products.

Second, we had been working with the sales associates, to train them on "consultative selling" skills and focus the spec selling efforts on architects, engineers and users, and the road-show gave them an opportunity to bring their spec customers and prospects to see and hear the "solutions" message. It also created an opportunity to listen to them, which provided a feed-back loop back into our product development process.

Third, it gave us an opportunity to introduce Lean and the benefits that our customers, specifiers, and distributors would reap from our Lean business practices and how they can be more valuable to their clients. Fourth, we publicly demonstrated that we were there now and will be in the long term with this strategy.

As a result of doing the road-show, we built tremendous momentum in the marketplace, that allowed us to keep building both the range of product solutions as well as our range of services and sales support. We monitored this transformation with our customers, which took about five years to substantially change and render our image to the majority of the market as the wire and cable infrastructure solutions provider to-go-to. We kept at it with fast and continuous adding of new products, expanding our capabilities with pre-wired solutions, new acquisitions, a strong marketing communications campaign and follow-up field events and certified customer training, as well as developing our sales associates to be the source for solutions and ideas. The market could see that we were steadily making good progress for a company specializing in this area – and that they benefited from that."