



Sales Strategy Growth & Performance



Roadmap

After initial analysis is completed a comprehensive list of items to be addressed will be provided.



Take action items and execute them on your own



Pick action items that you want Tom to implement



Have Tom implement the entire plan

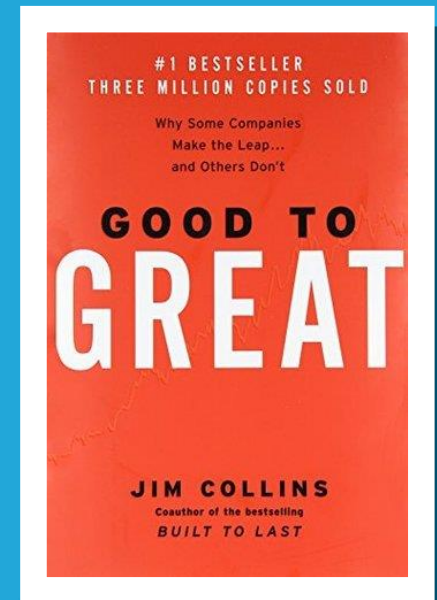


Keep in mind...

After initial analysis is completed a comprehensive list of items to be addressed will be provided.

CHANGE

- *“Whatever was good enough to get you here is no longer good enough to keep you here.”*
--Strategic Selling by Steven Heimen
- The 7 words that kill every business are.... *“ We have always done it that way.”*
--Unknown
- *“The definition of insanity is doing the same things over and over again and expecting different results.”*
--Albert Einstein





Keep in mind...

After initial analysis is completed a comprehensive list of items to be addressed will be provided.

KEYS FROM 'GOOD TO GREAT' BY JIM COLLINS

- *“Leaders are concerned with getting the right people on the bus (and the wrong ones off the bus) before you worry about where to drive it.”*
- *“The key is to understand what your organization can be the best in the world at, and equally important what it cannot be the best at – not what it ‘wants to be the best at’. The Hedgehog Concept is not a goal, strategy, or intention; it is an understanding.”*
- *“The key psychology for leading from good to great is the Stockdale Paradox: Retain absolute faith that you can and will prevail in the end, regardless of the difficulties AND at the same time confront the most brutal facts of your current reality, whatever they might be.”*
- *“Stop doing lists are more important than ‘to do’ lists.”*



Framework for Growth

Enhancing Sales Performance



STRATEGY

- | | | |
|---|---------------------------|---|
| 1 | Coverage Model | <ul style="list-style-type: none">• Identify & Focus on profitable customer segments• Focus on profitable product mix• Develop key account growth strategy |
| 2 | Org Structure | <ul style="list-style-type: none">• Optimize territory coverage• Evaluate sales resource deployment• Product portfolio management• How to improve customer segmentation |
| 3 | Approach To Market | <ul style="list-style-type: none">• Identify what you are the best at as a company.• Develop a market approach specific to your customer segments• Leverage product portfolio effectively |



STRUCTURE

- | | | |
|---|-----------------------|--|
| 4 | Sales Process | <ul style="list-style-type: none">• Assess sales team skills• Understand & development of a selling skills training program• Develop sales process• Create pipeline & forecast models |
| 5 | Sales Training | <ul style="list-style-type: none">• On-boarding program for new rep hires• Training program developed for continued product and sales training• Training becomes a process vs. an event |



MANAGEMENT

- | | | |
|---|----------------------------|---|
| 6 | Performance Metrics | <ul style="list-style-type: none">• Dashboard key metrics across key company initiatives• Monthly discussions with leadership to review performance |
| 7 | Field Coaching | <ul style="list-style-type: none">• Define the amount of management time spent in field• Understanding of expectations by sales team• Immediate feedback to sales rep |
| 8 | Quotas Sales Comp | <ul style="list-style-type: none">• Quotas set both top down and bottom up• Variable comp component driven by more profitable products & customers• Develop a pay for performance culture |



Strategy



Identify top revenue/
profitable customers



Identify highest revenue
& profitable products



Strategy for
growth



Sales
deployment



How difficult is it to
retain sales people



How easy is it to order
off of our website?

1| Identify top revenue/profitable customers

- Hospital customers: Report of the top hospital customers by revenue and GP\$.
- Non-hospital customers: Report of the top 50 customers by revenue and GP\$.

2| Identify highest revenue & profitable products

- Report on 80/20.
- Do you develop a 'mall' strategy?

3| Strategy for growth

- Growth by increasing penetration within existing accounts (stick to 10 mile radius).
- Growth by expanding product portfolio for existing customers.
- Growth by expanding geographic coverage.
- Tote model for small customers.

4| Sales deployment

- 1 rep call on hospital customers and 2-3 others reps call on non-hospital customers.
- Could an inside sales team be more effective for smaller yet profitable accounts?
- How to divide this space up. Hospitals, non-hospital and inside sales?

5| How difficult is it to retain sales people

- What is the biggest problem in retaining good sales talent?

6| How easy is it to order off of our website?

- Is it this important to customers?



Strategy

Coverage Model



Strategy



Product Portfolio
Management



Sales Team Alignment/
Resource Deployment



Customer
Segmentation

1| Product Portfolio Management

- Should a sales rep be capable of selling all the key product categories today?
Are they?
- Do reps understand the profitability of different product categories?
- Are there certain product categories that have greater 'stickiness' with customers that can be leveraged better?

2| Sales Team Alignment & Resource Deployment

- How many accounts on average does a sales rep cover today? (How many can they cover?)
- How many sales reps do we have and how many do we need?
- How are sales territories currently designed today? (Are we efficient in our rep alignment?)
- Who is the sales lead for reps right now? Protocol for manager field rides?
- Is management spending too much time on 'non-sales' functions vs. driving sales growth?
- Who can take busy work away from the sales team to allow more time for selling?

3| Customer Segmentation

- How can we segment our customers across our sales resources more efficiently?
- Could an inside sales team 'prospect' small customers or handle them entirely?
- Is leadership directly involved in key accounts?
- Should there be a 'Key Account Manager' (KAM) structure to allow for greater penetration into our key targeted accounts?
- Do reps/managers understand the profitability difference by customer segment?



Strategy
Org Structure



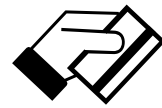
Strategy



Leverage



Identity



Rewards Program

1| Leverage

- Howard Medical identity...what are we today? What are we the best at? What are we not?
- What is the strategy in how we approach the market as it relates to our key customer segments?
 - Hospital
 - Non-hospital

2| Identity

- How can we leverage our key product portfolio, services offerings, website, etc. to drive increased value to our customer base (by segment)?

3| Rewards Program

- Do we have specific programs for the different market segments? A Rewards Program?
 - See Appendix 1
- What programs today drive the best customer retention and are they profitable?
- What products today do our customers request the most?



Strategy
Approach to Market



Structure



Sales Process



Sales Training

1| Sales Process

- Assessment process for sales team to determine current level of knowledge
- Strategic Selling Skills (see Appendix 2)
 - Understand the key 'buyers' in each account
- Tactical Selling Skills (see Appendix 3)
 - Product / system presentation
- Technical Selling Skills (see Appendix 4)
 - Product knowledge across all product categories
 - Competitive product knowledge
- Understanding of the 'Steps of the Sale' (see Appendix 5)
 - Initial meeting to determine interest
 - Build your case
 - Validate Solution
 - Gain 'Executive Sponsorship'
 - Group Meeting of key staff
 - Finalize solution
- Pipeline / Forecasting (see Appendix 6)
- Management reinforcement of all of the above



Structure
Approach to Market

2| Sales Training

- New sales rep 'On-boarding' process . Structure program for a set period of time to bring all new hires up to speed & efficiency in a targeted timeframe. (see Appendix 7)
 - HR paperwork
 - Computer / phone
 - Company policies
 - Market / Customer review
 - Initial key product introduction
 - Selling skills
 - Pipeline / Forecast management
- Selling skills program
 - Strategic selling – Identify buyers
 - Tactical selling – Sales presentation
 - Technical selling – Technical knowledge
- Steps of sale
- Training sessions once per quarter
- Managers and VP of Sales must be engaged in all aspects of training program
- Manager field rides serve as 'weekly' training events for coaching, feedback and evaluation



Structure
Approach to Market



Management



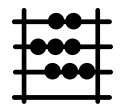
Field Marketing



Sales Compensation



Performance Metrics



Quotas

1| Field Marketing

- Define expectations around manager time to be spent in the field with reps
- Manager's schedule of field rides set one month in advance
- Clear understanding of managers expectations during field days
- Manager cannot take over sales calls for the sales reps
- Field evaluation model to give immediate feedback on day(s) with sales rep (see Appendix 9)
 - Sales calls made
 - Assessment of selling skills
 - Understanding and effectiveness of sales process
 - Evaluation of sales presentation
 - Closing skills
- Discuss 'pre-call' plan for each sales call
 - Purpose of the call (move sales process forward, gain interest, etc.)
 - Desired outcome of a successful sales call
 - Plan for possible objections that might come up
- Discuss both what went well and what did not

2| Sales Compensation

- Variable sales compensation adjusted to pay differently for the different profitability of product categories to drive sales efforts in the most profitable areas
- Fixed sales compensation portion is adjusted yearly based on previous year's performance to quota
- Unlimited income potential based on performance
- Develop a 'pay for performance' culture



Management

Org Structure

3| Performance Metrics

- Identify key metrics to measure reps/company by
- Create 'dashboards' published on results (daily, weekly, monthly?) (see Appendix 8)
 - Sales / GP\$ growth vs. PY
 - GP margin vs. PY
 - Sales / GP\$ performance vs. quota (by rep)
 - Sales /GP\$ in key product categories vs. PY
 - Hospital
 - Non-hospital
 - Sales /GP\$ to key customer segments vs. PY
 - Hospital
 - Clinics
 - LTC
 - Others
 - Sales expenses as a % of sales, GP\$
- Dashboards distributed to all key leaders within the organization
- Standard Performance Improvement Process (PIP) in place and implemented when sales performance fall below minimum expectations

4| Quotas

- Set quotas both from the top down and bottom up to make sure the sales team understands how to attain the growth required (for reps and regions)
- Potential quotas set for each product category based on company profitability goals
- Performance to quotas released monthly to entire sales and management team
- Manager meeting to be held before quota release to make sure that first line sales managers understand and buy into the FY plan
- Set sales plan 1% - 3% above company's financial plan (stretch goal)



Management

Org Structure



QUESTIONS?