

SalesStrat

The Value Added Selling Solution



SalesStrat is a software program developed for companies who are looking to build stronger relationships with strategic accounts based on the solutions they provide. Solutions which reduce their customer's Total Cost of Ownership (TCO) and/or help their customers to accomplish their objectives.

Improving Your Profitability

The number one goal of SalesStrat is to help you improve your profitability by demonstrating why you are the supplier of choice. Every solution you provide (both service and product solutions) should help make your customers more profitable. What this means for your customers is improved operating profit. What this means for you is:

1. An Improved Ability to Penetrate Key Accounts
2. An Increased Ability to Retain Key Accounts
3. A Stronger Position to Combat Margin Erosion
4. A Better Means to Help You Meet Contractual Savings Goals

Customers are focused on reducing operating costs, which they can accomplish through a lower price or a lower Total Operating Cost. SalesStrat can help you shift the focus away from price and allow you to compete on a Total Cost basis.

A mid-sized chemical distributor that competes against national and international distributors needed to create a competitive advantage. Their strategy was not to be the lowest priced supplier, but they did want to be the lowest cost supplier based on the technical/regulatory support and solutions they provided.

They had to put their strategy to the test when one of their key customers told them they might lose the account unless they could prove why they were 4% higher than the competition on a single chemical worth \$1.7 million in sales. They used SalesStrat to show the value they provided and stopped the customer from switching to another supplier without any reduction in price!

Imagine the impact on your profitability if you could easily demonstrate your value!

Case Study



Selling Solutions on Total Cost

Creating a Competitive Advantage: Proving Value Added Savings

Many suppliers say they add value. In fact so many say they are a value added supplier that customers often discount the claim. But for those suppliers that do add value documenting it can create a competitive advantage by *proving* the value they add.

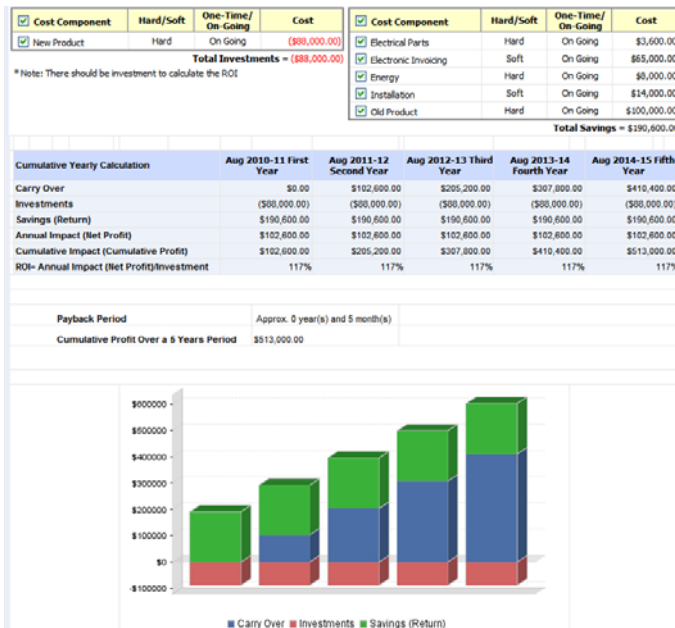
To help you accomplish this, SalesStrat comes with 60 different solutions built into it, but it is easy to add in your own solutions. SalesStrat also provides three different methods for documenting the value you add so there is always a means to show your value. The Standard worksheet is the most commonly used method and a sample report is shown to the right.

“Lewis-Goetz has always worked hard to differentiate ourselves by documenting the value we bring to our customers. However, since implementing SalesStrat in 2007; that process has become much easier, quicker and better articulated to our customers. The SalesStrat system and specifically its management reporting process is user friendly, very powerful and since using it we’ve increased our annual documented cost savings by \$15 million.”

*Dave Antoline, Corp. Manager Sales & Marketing
Lewis-Goetz and Company, Inc.*

SALESSTRAT				Report Date:	1/24/07
Value Added				ABC Manufacturing	
Level 2 Summary Information					
Event Name: Storeroom Management					
Division / Plant:	Power Systems	Customer Contact:	David Grubert, Warehouse Supervisor		
Savings:	\$ 161,250.00	Start Date:	1/21/04		
Status:	Implemented	Date Changed:	1/21/04		
Saving Type:	On Going	Dollar Type:	Hard Savings		
Supplier Organization:	Strategic Business Solutions	Sales Contact:	Tim Underhill		
Notes:					
Situation: ABC Manufacturing was experiencing stockouts around specific items. At the same time they were given an inventory reduction goal of 10%, potentially leading to additional stockouts.					
Solution: We evaluate the inventory and identify those items that could present stockout risks jointly. Utilize our storeroom software better manage those MRO items that are creating the greatest risk and cost to manage.					
Results: - Achieved inventory reduction goals - Eliminated stockouts - Reduced warehouse operating costs					
Freight Savings:					
Freight Reduction	*	Number of Shipments	=	Savings	
\$10,500.00		1		\$10,500.00	
Process Savings:					
(Past Man Hours	-	New Man Hours) * Wage Rates	=	Savings
7.00		4.00	\$45,000.00		\$135,000.00
Inventory Savings:					
Amount Reduction (\$)	*	Carrying Cost (%)	=	Savings	
\$75,000.00		21.00 %		\$15,750.00	

Maximizing Your Advantage: Selling on ROI and Accumulated Savings



Once a solution is documented you can report the savings opportunity to your customer. Obviously the ability to make total cost savings proposals is a powerful tool to sell with, but SalesStrat also provides the means to automatically generate three additional powerful selling features of your products and services: the ROI, payback period and five year accumulated savings the customer will achieve through your solution.

Combined, these four features can improve your sales process by helping you to create a true competitive advantage.

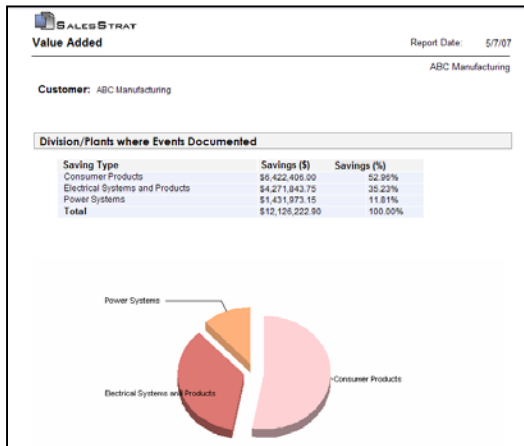
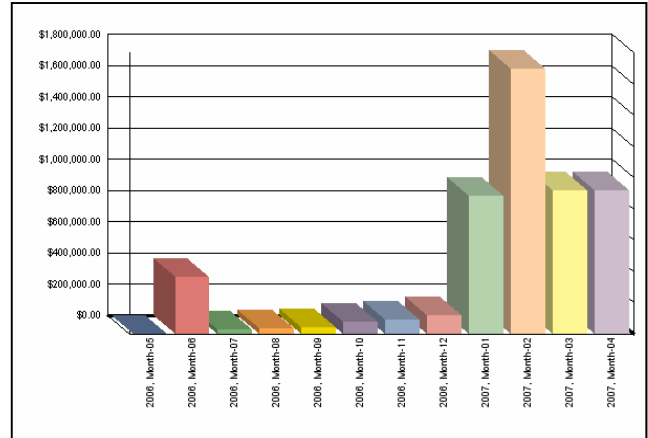


Selling Solutions on Total Cost

Customer Savings Reports

SalesStrat provides a wide range of reporting options to help you demonstrate to your customers the savings you have provided. The reports can be used to help you during business reviews, negotiations, sales presentations or included in proposals.

Some of the more popular report options include both charts and tables of the value you have added over any timeframe, as illustrated in the bar chart to the right. This shows how the savings have increased over the last year.



SalesStrat also allows you to include a number of other charts around the characteristics of the savings including:

- Savings by location (shown to the left)
- Savings Status (Proposed, Accepted)
- On-going versus One-time Savings
- Hard versus Soft Savings
- Savings within an industry
- Savings by Objective (such as Green Initiatives)

As well as several others characteristics/variables.

Each graph comes with its own table like the one shown above in order to show the dollars and percentages around each graph. And if you want just a quick list of solutions to review, the program also provides summary reports like the one shown below. Bottom line: you can show customers the value you add in any way they want it. Records can even be exported to Excel.

Wolseley Industrial Group has been utilizing the SalesStrat software for several years now to support North American MRO contracts. It allows us to have one effective platform to document and submit TCO and cost savings for multiple facility end users in the US and Canada. Our associates and customers are pleased with the reporting capabilities and the results that it has helped us achieve.

*Joe Costanzo, Manager of Strategic Accounts
Ferguson Industrial
A Division of Wolseley Industrial Group*

Value Added		Report Date: 5/7/07	
ABC Manufacturing			
Evaluated Receipt Settlement	6/29/06	Savings Accepted	\$ 2,500.00
Evaluated Receipt Settlement	6/29/06	Proposed	\$ 4,500.00
Evaluated Receipt Settlement	6/29/06	Implemented	\$ 1,600.00
Feed & Speed Optimization	1/25/07	Proposed	\$ 4,500,000.00
Freight Analysis	6/29/06	Proposed	\$ 35,000.00
Guaranteed Annual Price Downs	8/29/06	Savings Accepted	\$ 23,450.00
Hubbell Solution	7/31/06	Proposed	\$ 240.00
Killing	6/29/06	Proposed	\$ 24,180.00
Killing	6/29/06	Savings Accepted	\$ 29,040.00
Maintenance Audits	6/29/06	Implemented	\$ 6,855.00
Maintenance Audits	6/29/06	Savings Accepted	\$ 7,750.00
Material Staging	6/29/06	Proposed	\$ 2,850.00
Material Staging	6/29/06	Savings Accepted	\$ 2,355.00
Parts / Supplies Consolidation	6/29/06	Proposed	\$ 8,235.00
Parts / Supplies Consolidation	6/29/06	Implemented	\$ 13,697.00
Plateau Pricing	6/29/06	Implemented	\$ 52,000.00
Stocking Specialty Items	6/29/06	Proposed	\$ 18,800.00
Stocking Specialty Items	6/29/06	Proposed	\$ 36,221.00
Technical Support	6/5/06	Implemented	\$ 66,300.00
Tier Pricing	6/29/06	Savings Accepted	\$ 17,000.00
Tier Pricing	6/29/06	Savings Accepted	\$ 5,000.00
Vending Machines	2/15/07	Proposed	\$ 16,500.00
VMI (Vendor Managed Inventory)	1/10/07	Implemented	\$ 23,870.00
VMI (Vendor Managed Inventory)	2/22/07	Implemented	\$ 27,500.00
Total Savings			\$ 12,126,222.90



Selling Solutions on Total Cost

Documentation Guides: Making Product & Service Proposals/Reporting Fast & Easy

Question	Answer	UOM
1 What is the unit price of the original product being used?	0.0000	Dollar Value
1 What is the unit price of the replacement product?	0.0000	Dollar Value
2 Need to convert between Watts and Kilowatts, enter: 1,000.	0.0000	1,000
2 Need to differentiate the old from the new price, enter: -1.	0.0000	-1
3 How many sockets are there in the plant?	0.0000	Physical Count
3 What does it cost in labor to perform each installation?	0.0000	Dollar Value
3 What is the life, in hours, for the new lamp?	0.0000	Number of Hours
3 What is the life, in hours, for the old lamp?	0.0000	Number of Hours
3 What is the wattage for the new lamp?	0.0000	25 Watts
3 What is the wattage for the old lamp?	0.0000	100 watts
How many days does the plant operate per year?	0.0000	Number of Days
How many hours does the plant operate per day?	0.0000	Number of Hours
What cost does the customer pay for a single kilowatt?	0.0000	Dollar Value

One of the barriers companies encounter in documenting their value is simply getting the salesperson to understand the numbers behind their value added solutions. To help minimize this aspect, SalesStrat comes with the ability to create calculators that guide the user through the measurement process.

These Guides are generally set up by marketing, but used by the salesperson. They are question lists like the one shown to the left. The salesperson simply answers the questions and a record of the solution is automatically created (as shown below).

Each record shows the various cost drivers your solution impacts.

Each cost driver is automatically linked to a detailed explanation of how the savings were calculated (making it easier for the salesperson to explain the value they generated).

Worksheet: Lamp Substitution									
Revenue Enhancements Add Remove									
TCO Component	Dollar Type (Hard/Soft)	One Time/ On Going	Used/ Not Used	(A)Additional Units Produced	(B) Customer's Selling Price	(C)Customer's Cost of Goods Sold	Profit Improvement (A*(B-C))	Annual Revenue Impact \$0.00	
Asset Improvements Add Remove									
TCO Component	Dollar Type (Hard/Soft)	One Time/ On Going	Used/ Not Used	(A)Quantities Reduced	(B)Asset Value	(C)Possession Cost(%)	Profit Improvement (A*B)*C	Annual Asset Impact \$0.00	
Expenditures Reductions Add Remove									
TCO Component	Dollar Type (Hard/Soft)	One Time/ On Going	Used/ Not Used	(A) Annual Quantities Impacted	(B) Price Differences	Annual Savings (A*B)			
<input type="checkbox"/> New Lamp	Hard Dollar	On Going	Used	1,000.00	-\$3.50	-\$3,500.00			
<input type="checkbox"/> Old Lamp	Hard Dollar	On Going	Used	8,000.00	\$0.45	\$3,600.00			
<input type="checkbox"/> Utilities: Lighting Electricity	Hard Dollar	On Going	Used	600,000.00	\$0.08	\$48,000.00			
						Annual Expenditures Impact	\$48,100.00		
Process Improvements Add Remove									
TCO Component	Dollar Type (Hard/Soft)	One Time/ On Going	Used/ Not Used	(A)Past Process Cost	(B) Frequency of Past Use	(C) Current Process Cost	(D) Frequency of Current Use	Process Savings (A*B)-(C*D)	Annual Process Impact
<input type="checkbox"/> Installation: cost	Hard Dollar	On Going	Used	\$10.00	8,000.00	\$10.00	1,000.00	\$70,000.00	\$70,000.00

But Guides are only one tool we have created to make the documentation process easier

for your sales team. We have also added an "Auto-Text" feature that allows you to create a standard write up for common solutions. The write up can include fill-in the blank portions that customize it for specific situations, while greatly minimizing the time to document the solution.

Bottom Line: Your sales team can create the documentation in minutes and provide immediate reports for your key accounts.

Strategic Business Solutions

To learn more about how we can help you to demonstrate the value you bring to your customers, or for a web demonstration of SalesStrat, contact us at:

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Strategic Business Solutions L.L.C.