

# Learning Without Scars

## Quarterly Newsletter

Dynamic Internet Based Learning  
TRAINING SOLUTIONS FOR EQUIPMENT DEALERSHIPS  
Construction • Mining • Agriculture • Cranes • Trucks • Trailers

Product Support Selling and Marketing

Spring 2022

An individual person sells the first machine to a customer, the product support teams and the work they do in providing exemplary service to the customer thereafter determines if you will get the replacement machine for your dealership. This is not an easy task. There are many moving pieces that are required to be done consistently and at high levels of performance. Providing solid marketing and professional selling skills will determine how effectively this is done.



### **We Never Can Say Goodbye**

From the new machine sale to the scrap heap. That is the life of a machine that defines the responsibility for an equipment dealer. The only precondition involved is that the machine has to stay within the dealer's territory.

### ***It Starts with Market Coverage***

Many dealers use the "old tried and true methods." They start with the salesperson, and the customer, and market coverage. Typically, the dealer equipment salesperson is provided a territory. Sometimes these territories are specific names of customers and sometimes they are specific geographies. For example, some are counties. The salespeople go about their business calling on customers in whatever manner they determine. They keep a "black book" of their customers and contains all of the pertinent information that the salesperson requires: name and address, personal attributes, hobbies, family, etc. of the customer, and the salesperson will go about their business. They will find out from the customer what machinery they own, the different brands, model sizes, and the machine applications. Then they will go to

work trying to upgrade the equipment that the customer owns.

Using current technology and tools, the sales function performs in a completely different manner. The dealership obtains an accurate machine population for each customer. It also obtains accurate sales information for their authorized trade area. This includes, but is not limited to, a monthly report showing every machine sold that month. It identifies the customer, machine make, model, and serial number. In this way, the dealership knows what is going on in their territory. It also knows their actual machine market share. There is little left to chance.

We will start with a customer relationship management (CRM) software tool. This tool would be used for each and every customer contact that the dealership enjoys. This is a call into the parts department or into the service department or into the rental department. This is each equipment sales call that every salesperson makes to every customer. In this manner the dealership knows their actual market coverage.

Then we can manage our success more precisely. How often does every customer receive a contact from the dealership? How many equipment sales calls are required prior to making a machine sale? In this manner they also determine the configuration of the sales territory. It is no longer a list of counties.

The dealership can determine how many machines they want to have in a sales territory as well as how many different customers. They will make this determination based on the workload of the salesperson - the number of calls that the salesperson can make to each customer and/or for each machine. This is a very different business now. The dealership manages and controls their market coverage rather than in the traditional style of the salesperson controlling the market coverage.

The business system must manage the customer profile, machine ownership, territory management, sales effectiveness, and a customer relationship management system.

### ***Territory Management***

Territory management has also evolved. Traditional sales management involves either a Monday morning or Friday afternoon sales meeting. The sales management and the sales team meet and discuss what is going on in each territory. What deals are they working on? What's the probability of a sale this coming week? It is a face-to-face meeting during which the managers are able to determine the truth behind what the sales team is telling them. They can make judgments then on the business process. These are the deals we expect to close over the coming quarter, coming month, and coming week. In so doing, they try to keep track of their sales activity. The salespeople submit call reports identifying which customer they saw and what they talked about during the call. These call reports will also highlight problems that the salesperson sees or hears from each customer. In this style of territory management, the salespeople and the sales manager have to remember a lot of details. Some people are very good at this while most struggle.

The new management is very different. The manager knows the number of calls that took place last week. They know the details of each call with precision. They know what the salesperson is expecting for coming time periods as a result of the CRM information. They know who the largest competitors are from this monthly sales data that they receive. They know which salesperson has the highest market share. They know which salesperson is the most effective, from the calls to close ratios. They know which customer profiles fit each salesperson. Similarly, they know which customer profiles do not fit with particular salesperson. This is a much more scientific, by the numbers, territory management approach. It is enabled by the use of technology. There is little left to chance.

The business system must report on call frequency and management measures of sales effectiveness: calls to close ratios, competitive deals lost and why, dealers closed without participation.

### ***Sales Performance***

For many people, the performance of the sales function is difficult to understand. The perception is that the salespeople doesn't really have to work all that hard. They get paid a lot of money. The reality is far from that. The salespeople have a very difficult task. They talk to lots of customers both face-to-face and on the telephone. Their day never really ends. The customer

can contact them early in the morning as well as in the early evening. They get lots of turn downs. They lose business. On top of all of this, they have very strong egos. They are performance driven and to them performance is measured by how much money they make. How did they do compared to the other salesperson? The management of this type of salesforce is almost an art form. The sales manager has to be able to deal with all of these diverse personalities and emotions and keep the salesperson motivated and on track. This is a very difficult task.

The performance of the salesforce using current business systems with current technological tools is equally as difficult from an interpersonal perspective. The management of the job function, however, becomes much more precise. The performance of each individual salesperson is clear. The dealership knows how many calls each salesperson makes each month. They know which customer receives the call. They know the subject of each call. The salesperson has an objective for each call and through the use of the CRM, the company knows the result of the call as well. The ability to get equipment sales information for all brands, by county, within the sales area on a monthly basis allows strong professional management. The dealership can determine which equipment sales were concluded without any contact from our equipment salesperson. This is commonly called a "coverage" management measure. In other words, what is the percentage of the sales that took place within your sales territory in which you were involved? Ideally every equipment sales transaction that took place in the preceding month was one in which your dealership was engaged. Sales management views a case when there was an equipment sale and the sales team didn't even know about it in a completely different manner. If you lose a machine sale on which you were involved, that is a very different situation than if you didn't even have an opportunity to be involved. The sales performance using technology and good information allows a very objective evaluation of each and every salesperson. This is a very different world.

The business system must allow sales management measures, providing performance dashboards by territory, measuring market coverage and market share precisely.

### ***Market Share***

The ultimate measure of performance by a salesperson, and in fact of the dealership, is the percentage of the business that they obtained. The OEM, the original

equipment manufacturer, has an expectation of market share for each and every territory around the world. This market share information is used with each dealership as a means of continuing the relationship. If the dealer is not performing in their territory, not obtaining a high enough share of the equipment market, the OEM has a responsibility to intervene. The salesperson who does not maintain a specific market share within their territory has the same type of responsibility. Sales management will have a serious discussion with the sales personnel who are not achieving the company market share goal. After a while that salesperson will be replaced. Although rarer, the OEM will replace the dealership, for lack of market share performance.

Market share is measured by category of machine, the models, as well as the specific industry in which the machine is sold. General construction, mining, forestry, road building, sewer work, oil and gas, are but a few of the different industries in which equipment is at work. There are competitors, other OEMs, who could better engage in each and every one of these industries. There are multiple brands that are all competing for this business. This is a critical measure: the machine market share.

The business system for equipment sales, new and used, must be the ultimate arbiter of these measures.

### *Support during the Life of the Machine*

Once sold, it is the role of the Product Support Representatives to help their customers maintain the availability and operational lifetime of the customers' equipment, whilst at the same time maximizing the potential revenue from ongoing parts and service offerings.

Normally, the machine is delivered with a dealership specialist that goes over the machine with the customer. The specialist will cover some of the details of the machine operation which might be different than the machine that used to be in the application. This specialist would go over the contact points with the dealership for the parts department or for the service department. They would review the warranty provisions, what is included and, more importantly, what is not included. They would enhance the buying experience with this personal contact.

The business system must assist the operating department managers of all equipment sales, new and used. Supporting the equipment, communicating the warranty terms and conditions, providing strong parts

availability and responsive service repairs and maintenance that is the job of the operating departments. It is said that a salesperson sells the first machine and product support sells everyone thereafter.

The current dealer business system technologies and the technologies integrated in the machine, telematics, create opportunities for the dealership that are very different than they used to be. Without the use of a current advanced technology business system, much is lost.

We should be making a personal statement when we deliver a machine to the customer. This is a big event. The customer has purchased a new machine. Today's equipment is normally extremely expensive relative to what it was 10 or 20 years ago. However, the productivity of that machine is similarly enhanced. Through the advances of hydraulic systems, through the use of computers in componentry, engines and transmissions, and also through the use of electronic control units connected to the dealership through telematics, there are a lot of tools that are available to the dealership today that previously didn't exist. This allows a "mission control center" approach to machine operations in the territory.

***Did you know that our podcasts  
are now available for viewing on  
YouTube and Vimeo?***

Each machine should be sold with a maintenance agreement. This means that the dealership will perform all the maintenance services for that particular machine. It would be preferred to have that machine sold with a maintenance and repair agreement. This means that the dealers will perform all of the labor work on the machine other than the required daily maintenance. By touching the machine this frequently, the dealership can reduce the owning and operating costs as a result of minimizing component failure.

The effective dealer business system allows drag and drop scheduling of labor, allows the measurement of a skill set inventory for each technician, and the system allows for training programs and personnel development management. There is no shortage of technical labor if there is a program in place to develop

skills internally and plan for the progression according to the needs of the particular territory.

### **Machine Management**

In the normal dealership operations today, the customer calls in and orders parts that they require or calls to the service department to obtain labor to correct a problem that they are experiencing with the machine. The customer drives the relationship. With the proper use of technology in telematics, the dealership is in a position to assist in the management of the machine for the customer.

The dealer knows how many hours the machine is working. They know when the engine is overheating. They know when the engine oil filter is clogged. With this type of information, the dealership can intervene on behalf of the customer to assist in the management of the machine. This is very similar to the medical community for people. With advancements in technology, people that have pacemakers will have that device communicating to their doctor's office when something goes wrong. The doctor and the patient have a completely different relationship. The doctor is managing the health of the patient even when the patient is not present.



The parts and service businesses within a dealership are in the same position today. Almost every brand of equipment sold today has telematics built in. Through the global positioning system (GPS) and electronic control units, the dealership knows where every machine is located and how each

individual system within the machine is performing. It becomes a shared responsibility today on the management of the machine. Of course, we still have the variable of the machine operator. But barring that, every other aspect of the machine performance can be monitored remotely by the dealership.

This allows the creation of a "mission control" center. In mission control, every machine in the territory can be managed and monitored. The objective is to reduce the owning and operating costs and protect the residual value. Today, the dealership has the tools to be able to do this in a very comprehensive manner. They are also

in a position to minimize downtime. Downtime is the primary concern of the customer.

We have the responsibility of managing the territory machines from birth to death. There are several opportunities presented to dealers with current technological tools and business systems.

- They can design sales territories for maximum market share
- They can monitor sales results through management measures and dashboards.
- They stay current on all sales activities of all brands.
- They have current machine ownership of all customers in the territory.
- They have a system driven customer profile.
- They manage machine deliveries
- They can manage and minimize downtime.
- They can perform all maintenance services
- They can perform all the repairs through a maintenance and repair agreements.
- They use oil sampling to monitor and manage internal wear.

They aim to do all of the labor on the machine and supplying all of the parts needs.

They know the operating costs per hour for each machine. With this knowledge, the dealer can work with the customer to replace their machines before the repair and maintenance costs become too high. It is a very different world with the proper use of the current technologies and the proper business system.

### Learning Without Scars



As a third-generation educator, it is easy to say that teaching and training are in the blood for Ron Slee. From his beginnings as a coach, through his time at McGill University, Ron developed a foundation for the work he does today.

Learning Without Scars provides comprehensive online learning programs for employees starting with an individualized skills assessment. These assessments allow us to then create a personalized employee development program. From their assessed skills, the employee is asked to select from classes designed for their skill level which allow them to address the gaps in their knowledge level. This allows the employees to move through four progressive categories of learning: Basic, Intermediate, Advanced and Expert.

### Class References

- [Market Coverage](#)
- [Territory Potential](#)
- [Territory Management](#)

### Follow Us On Social Media



### Do You Know The Answer?

**Which heavy equipment manufacturer supplied transmissions and gun carriages for tanks in WWII?**

### Educational Resources

All of the resources listed below can be found on our website : [www.LearningWithoutScars.com](http://www.LearningWithoutScars.com) under the Resources menu.



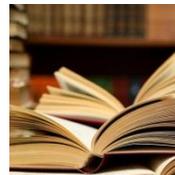
We have numerous contributors to our 'Socrates Says' blog from all over the world covering a range of topics. There is industry specific contributions and we are sure you will find something that is relevant to your job. Please see our website for more details.



We have a range of podcasts for your listening pleasure. Please visit our website to discover a series of Candid Conversations with industry leaders and experts, Class overviews to learn more about our online education, Lessons Learned in teaching and podcasts on general topics of interest.



This quarterly newsletter is offered for free. Please visit our website to sign up to receive industry specific information in areas such as parts, service and sales. We highlight some of the issues people face in their jobs. We ask that you share this newsletter with your peers.



We created a list of recommended books that have come across our table and that we thought you would enjoy reading. They are sorted by category and cover a wide range of topics to enhance your knowledge.



In collaboration with Reedz, we are offering educational audio tracks in multiple languages! We hope that you find the content engaging and beneficial to your work.



Your opinion is important to us! We are always looking to help people through engaging material. If you have a question or a specific topic you would like us to cover in a future newsletter, please email Ron [ron@learningwithoutscars.com](mailto:ron@learningwithoutscars.com)