

# 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

Fall 2022

### Insights from Experience by Steve Day



Steve received a degree in Electrical Engineering and then served in the US Navy. He started with Komatsu America 1978. For the next twelve years Steve worked through various equipment sales positions before becoming the Vice President of Parts, Vice President of Service. During this period Steve sat on the board of a major distributor in the North east US as well as Hensley Industries. After twenty-five years Steve moved from the OEM side of the business to the Distribution side by joining Tractor and Equipment Company in 2003 as Vice President of Product Support.

Throughout his career Steve has learned the industry from the ground up. This allowed him to have a very clear view of what was needed to support customers, employees and owners in their pursuit of excellence. Working at high levels in both the Manufacturing and the Distribution side of the business gave Steve some great learning opportunities and chances to develop insights.

Steve retired in January of 2020. After spending 40 plus years in an industry we are very pleased to be able to share some of Steve's insights with you and honored to consider Steve a friend.

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When Ron asked me to write another article for his wonderful quarterly newsletter, I am sure it has something to do with the fact that my hourly rate to him is zero. Despite having retired over two years ago, I feel that I might still have something valuable to say about the topic.

The Product Support business has the greatest opportunity for growth and margin in our companies yet many of us think it is entirely based on the machines our sales department has put out there. We

stand there with our glove on like a kid in the outfield waiting for somebody to hit something to us. I think a better analogy might be a very, very long-distance race.

Did you ever enter a race late and see that your competition was so far ahead they were almost out of sight? If so, you understand how many of us felt when we first understood where our major competition was in comparison to us. Of course, this also requires us to be honest with ourselves. The good news is that our race is a never ending one so we do have a chance to catch up. The bad news is that you will never catch a competitor that is faster than you. Competition never ends and when we get even with our competitor, they are probably going to try to trip us. You can't win a race that never ends but you can lead.

Carrying this analogy perhaps a bit too far, sometimes we discover a competitor we didn't even know was in the race has us beaten in certain areas. Complacency in our parts and service businesses over the years has let businesses like NAPA, Sam's Club, Walmart, Costco, Tractor and Supply and others take valuable commodities business away from us. How do you get your oil and DEF business back from somebody that sells really good roast chicken?

In the Equipment Distribution business, I break our Product Support sales down into the same categories most of you do. Parts Counter Sales, Product Support Representative sales, Service Selling, and Other which includes telephone sales, social media, Internet Sales, Store Front sale and advertising media.

The products we can make are biggest gains in are:

- a) Service Labor
- b) Commodity parts.

Captive parts pretty much walk in the door. We can enhance their sales with effective Service. Commodity parts are very profitable but very competitive. You want to up your parts sales? Take it from your competitors.

### The Parts Counter

These folks talk to more of our customers in a day than anyone else in the company. How do we make them effective driven sales people? Many of them are great “parts” people in that they can look up and order a part quite well but rarely do we see counter people who aggressively chase extra sales. It is not how we trained them. I know from experience that you can teach an old dog new tricks. When properly incentivized and retrained, I have seen 20-year veterans catch fire and sell far beyond what I believed they were capable of. Customers comment positively about their change in demeanor. If they can’t get onboard then you need to find them something new to do and bring in a motivated counter sales person. Even if they don’t have the technical knowledge of their predecessors, they will make for a better customer relationship and they will quickly get up to speed on the technology.

You want to pay incentives to the counter sales employees on commodity products that also go on your competitors’ machines. Oil, filters, hoses, GET, hardware, shop supplies and the like. Having store front displays in your parts area give them something visible to sell. There is no need to put incentives on captive parts and you always need to be looking for new products for them. I promise they will get very good at increasing sales and they will do it in ways the customer sees as helpful.

You also want to train the counter in sales techniques and in keeping the customer happy. The counter becomes a great source of intelligence when you include them in the process and pay them for their talents. You will occasionally get some friction between the Counter sales group and the Product Support Sales group but I like the competition and the customer tells us a lot by who they choose to call.

### Product Support Sales Representatives

Some people focus this important sales force on selling Parts and some people put the emphasis on Service. I like to have them do both but the major focus is on those parts the customer can buy from anyone and on flat rate service of things like oil changes, undercarriage sales and installations. Bigger service jobs deserve the attention of the Service Manager but the PSSR can be a great bird dog.

I know that the majority of my major filter accounts and GET accounts are the result of the PSSR’s efforts. Most undercarriage sales are the work of the PSSR. If you don’t have these folks out there you won’t have

much market share. The PSSR is also a great source of intelligence and maybe the first person to be aware of any issue. I believe in giving them lots of products to sell and backing them up with office staff that takes care of logistics while they focus on the sale.

I have talked about managing PSSR’s previously but it is critical to keep them directed on a core group of customers. If they are not calling on someone, we quickly reassigned the account. One of my best benchmarks for their effectiveness is how they do with bonus parts sales. Customers who have PSSR coverage tend to be categorized as a medium sized customer or larger but they have a disproportionately high level of your business. Commodities are something every customer needs and they can carry a good margin if you can buy right. Commodities also give you lots of customer touches. Our PSSR’s are constantly in our customers warehouses helping track inventory. It gives you a great chance to see new things to sell and to figure out what you might be missing out on.

When choosing commodities in the past I often made the mistake of adding products with little sales opportunity. Tire repair kits come to mind. Make sure your market for a product is big enough to get preferential pricing on, if you get appropriate growth. You don’t want to waste time training people on minor product lines. If you can’t get excited about a product, I assure you that your people won’t be excited about it.

*At Learning Without Scars, we understand the importance of being inclusive and offering education opportunities to everyone, especially those with a hearing impairment.*

*We are now in the process of updating the video segments of our online Service classes to include Closed Captioning. We will continue this process with Parts and Sales & Marketing in the coming months.*

### Service Sales

Ron has written about this hundreds of times and I ignore most of it. My mistake. He convinced me (following some legendary arguments) to add appropriate numbers of shop foremen and to initiate an inspection on everything that comes into the shop. He also suggested it might be a good idea to actually do something with the field inspections we made. I am

NOT a fan of telephone marketing. More on that later. However, the most effective phone marketing for me by far has been customer calls to explain the results of inspections. Not only did the customer usually ask us to complete the work on what we found, they often express irritation at a competitor who missed a problem on a machine in their shop and sent it back in need of further repairs. You may even want to have specialized inspectors in your largest shops. I have almost never seen a machine come into the shop that didn't need something beyond what the customer brought it in for. About ten years ago I was looking at a newly installed undercarriage when I noticed that the track frame was cracked virtually in two. I asked the Service Manager how we missed that and he was smart enough not to try to make any excuses. Customers bring in legitimate opportunities every day.

The other effective telephone sale I have seen is calling to schedule an oil service and asking if there are other machines on the job that we could take care of while we are there. You can sell your time and save the customer a travel and mileage call. After many years, customers are becoming convinced that a distributor who performed oil services, end up increasing machine life and performance. We help them to see the punch coming with oil sampling. Take advantage of the fact that we are doing something right. Foremen that are able to sell additional work should receive a monetary reward. We must be above reproach with these sales. Back up the quotes with pictures and invite the customer in to see for themselves. Reputation is everything.

### The Store Front

Some distributors have had items for sale in front of the counter for years. Other distributors have remodeled and added this feature. I am surprised every time I see a storefront added with commodity parts and displays at the increase in sales. Customers seem to be amazed that we are selling something that we have sold for years. They are a great way to show you are in the business. They give your people talking points. They give the customer something to do while they are waiting for a part to be pulled. They usually save the customer an extra trip which is always appreciated.

### Telemarketing

I am not a fan except in the few cases I mentioned earlier. Cold calls usually do little more than get our numbers blocked. Tele-spam has pretty much killed effective telemarketing. Every cold calling campaign I

ever ran was a horrific disaster. If you have a different experience, call Ron. He will let you write an article.

### Social Media

This is a potentially great way to get in front of customers. I have seen motivated counter people work wonders on social media with products offered by distributors. They have created some great personal Facebook sites that sell their companies' products. That is a motivated employee.

If you have a Facebook presence you need to make sure it is up to date and worth visiting. Some Facebook accounts may have a last post that is months old. Not a good look.

### Websites

Our websites usually just give our customers an idea of who we are and where we are. The best additions are sites that allow you to make a purchase, check availability, and give the customer visibility to machine information. I would be investing in those areas.

### Advertising Media

I am not feeling the love for old media anymore. Advertising in industry magazines really doesn't seem to get much traction. Does anybody actually have a copy of the Yellow Pages anymore. Google it.

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Back to the race. Some of you are already doing everything I mentioned and are thinking about new things. Good for you. You are winning your race. If you are ceding sales to Walmart, NAPA and Rural King and traditional competitors because you are not reaching out aggressively to your customers you can expect things to get worse.

If you're not trying to get into your competitors pocketbook and you are not marshaling the great resource that you have in motivated employees you are missing out on the most fun you can have in business. The race never ends but leading is great fun.



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

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Do You Know The Answer?

What heavy lifting specialist company built the largest crane in the world known as "Big Carl"?



Learning Without Scars is a fully accredited provider of continuing education through the International Accreditors of Continuing Education and Training. IACET accreditation sets us apart in our field as we are the first and only education provider to hold outside accreditation. All students will

receive CEUs when they take a course through Learning Without Scars.

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.



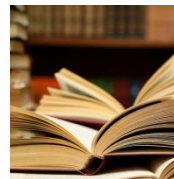
We have numerous contributors to our 'Socrates Says' blog from all over the world covering a range of topics. There are industry specific contributions and we are sure you will find something that is relevant to your job. Please see our website for more details.



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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.



Lectures are hosted by us as an additional learning opportunity. The lectures are created by an assortment of experts from the professional and academic disciplines; covering topics such as Customer Service, Operations, Selling, Leadership, Finance and Marketing.



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)