

OPTIMIZING CHANNEL ALIGNMENT

A program to develop collaborative advantage

8-Week Program (Aug 14 – Oct 2, 2023)

Aug 14	Aug 21	Aug 28	Sep 05	Sep 11	Sep 18	Sep 25	Oct 2
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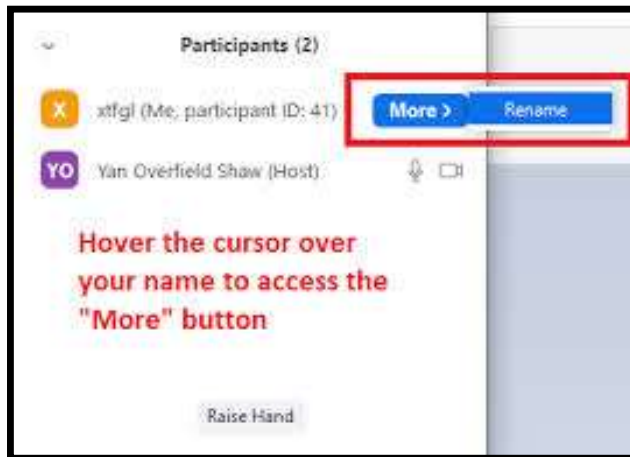


Leading the
Channel Forward®

ACTvantage

Zoom Platform Instructions

- Please Add Team # to your name, by clicking 'Rename' option
- **Example**
 - J Doe [Team 1]



First Name	Last Name	Team #	Company
Josh	Pinkard	Team 1	Martin Supply Inc.
Peter	Vagnoni	Team 1	Line Drive
Jessica	Mendez	Team 1	Norton Saint-Gobain
Cory	Kizielewicz	Team 1	SBD
Hannah	Shaw	Team 1	SBD
Hector	Flores	Team 2	US Tool Group
Jake	Bowen	Team 2	Line Drive
Hunter	DeFrees	Team 2	Norton Saint-Gobain
Jason	Motta	Team 2	SBD
Jacob	Puleo	Team 2	Kennametal
Caroline	Harris	Team 3	Vallen
Matt	Coovert	Team 3	Norton Saint-Gobain
Darryl	Woods	Team 3	SBD
Sergio	Escalona	Team 3	Kennametal
Bill	McElhaneay	Team 3	Cutler Industrial Sales
Fernando	Segovai	Team 4	Durrie Sales Company
Anja	Taylor	Team 4	ARCH Cutting Tools
Marc	Jamrose	Team 4	SBD
Sam	Stancato	Team 4	Kennametal
Tristan	Moncier	Team 5	SBD
Taelor	Simmons	Team 5	SBD
Eric	Kenney	Team 5	Kennametal
Cynthia	Gabriele	Team 5	Netplus



Optimizing Channel Alignment Certification in 8 Weeks

Program Overview

ISA Channel 2.0 Framework

Channel Alignment Framework – Research

Program Overview & Course Approach

Channel Goals

Supplier Perspective

Assess your current channel goal-setting process

Translate firm-level financial goals to channel goals

Identify critical success factors for achieving channel goals

Channel Growth

Distributor Perspective

Learn to diagnose distributor growth challenges

Comprehend the key elements of the generating growth framework

Learn about nine growth strategies used by distributors

Channel Focus

Learn to identify the right channel partners.

Assess existing channel partner performance.

Leverage purchase order data for channel relationship.

Channel Compensation

Understand the trade-offs in channel compensation focus.

Learn about channel compensation comprehensively using 11 forms of capital

Measure the effectiveness of channel compensation elements.

Channel Alignment

Assess your current channel alignment process.

Connect channel stakeholders' interest to create channel alignment.

Apply the channel alignment framework as a channel relationship tool.

Understand how to quantitatively measure channel alignment.

Channel Evolution

Understand the implementation factors for channel management processes.

Learn four phases of implementing channel performance analytics.

Real-World Example.

Roadmap: A Plan of Action

Learn to adapt to channel forces.

Comprehend the five principles of channel advantage.

The Roadmap: How to apply this at your company

8 Weeks, 75 Minutes Each Week.



Session input – Individual Activity – 5 mins.

- **What are the channel-level**
- **TOP TWO Challenges in your brand / channel / org.?**
- **TOP TWO Goals in your brand / channel / org. ?**



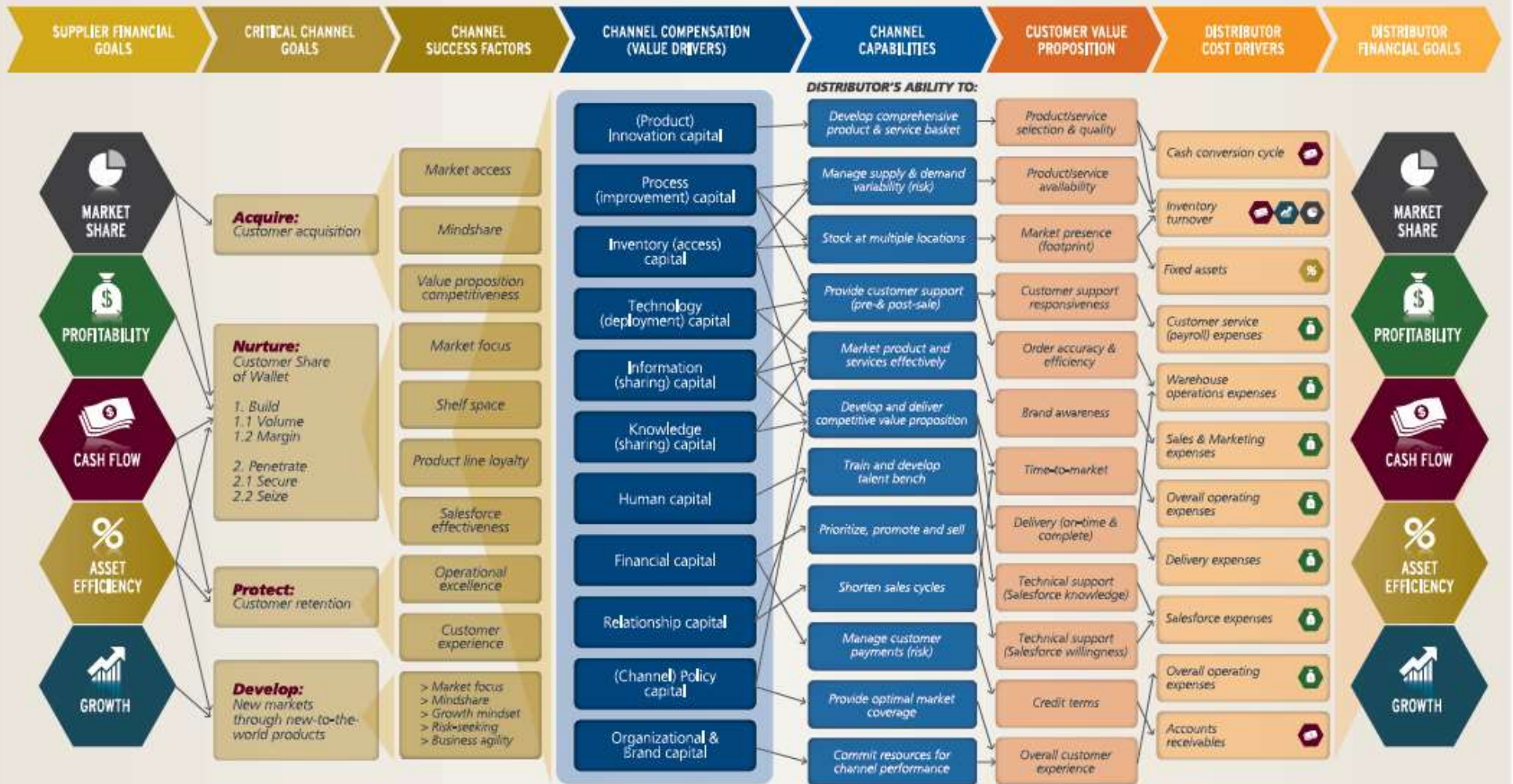
Learning Objectives

Channel Growth [Manufacturer/ Supplier/IMR Perspective]

- Assess your current channel goal-setting process
- Translate firm-level financial goals to channel goals
- Identify channel-level critical success factors (CSFs) for achieving channel goals

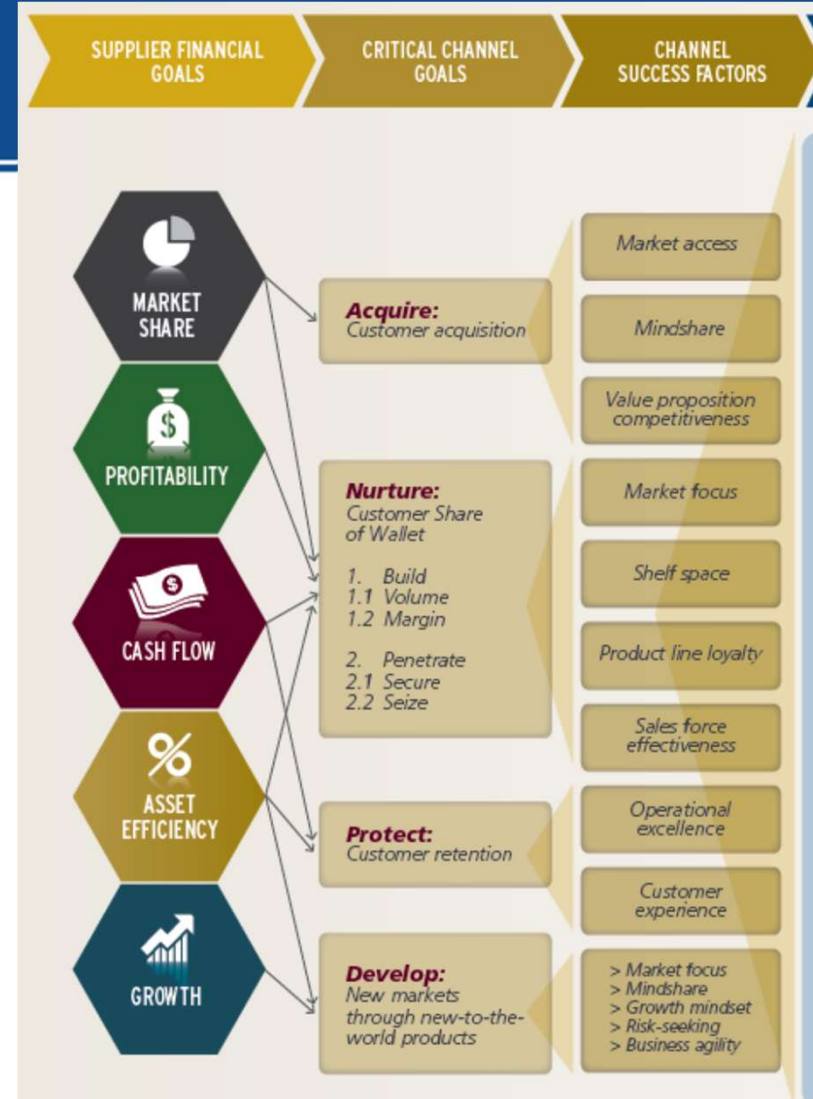
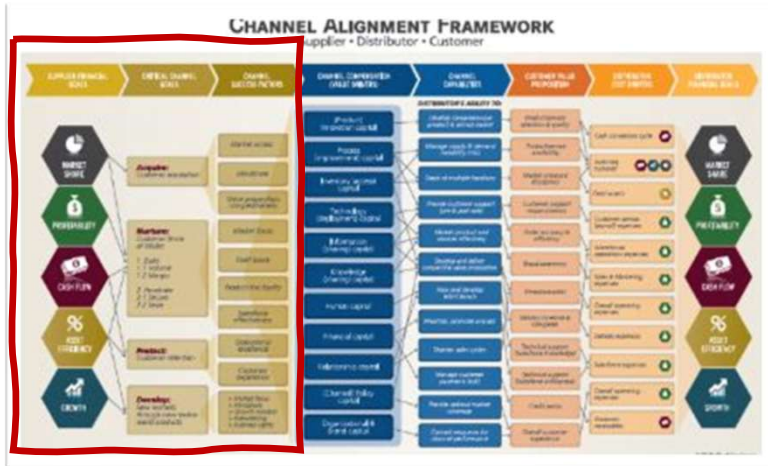
CHANNEL ALIGNMENT FRAMEWORK

Supplier • Distributor • Customer



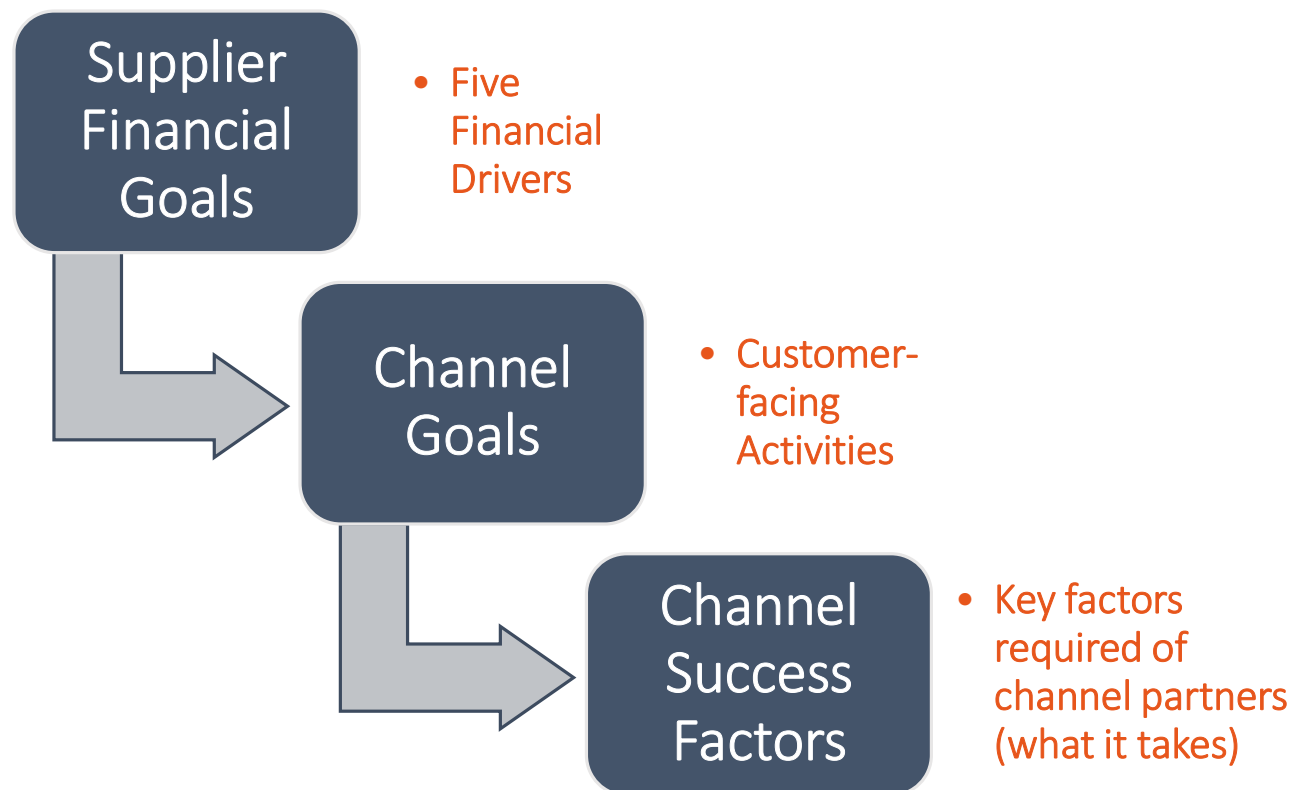


Connecting Financial and Channel Goals to Channel Success Factors



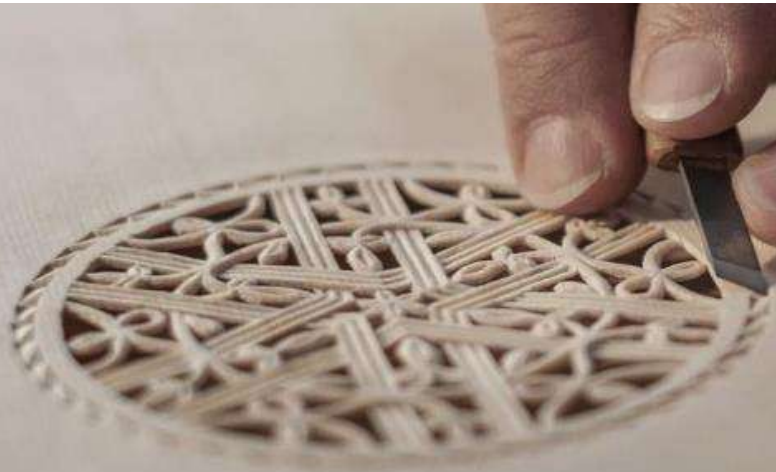


Determine Channel Goals



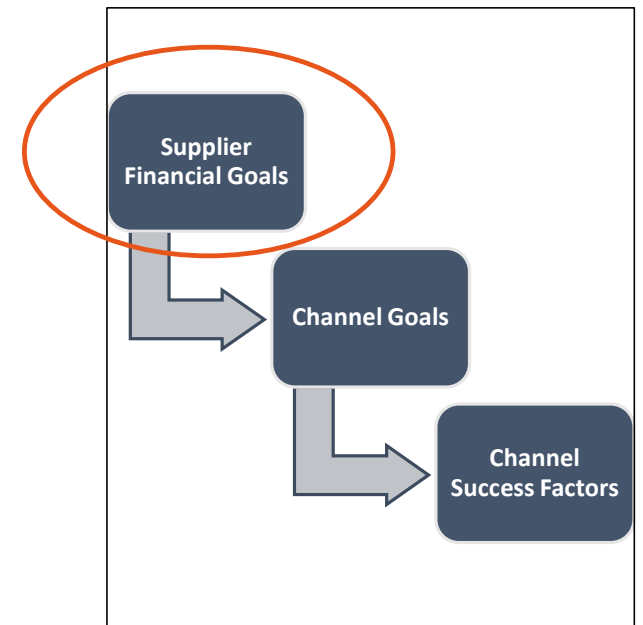
Discussion: Individual Activity – 5 Minutes (Type in the chat window)

List at least 2-3 financial and channel goals of your firm? [specific numbers are not required, just the metrics such as market share]



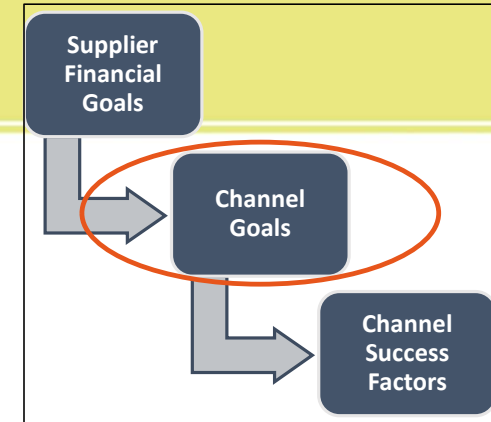
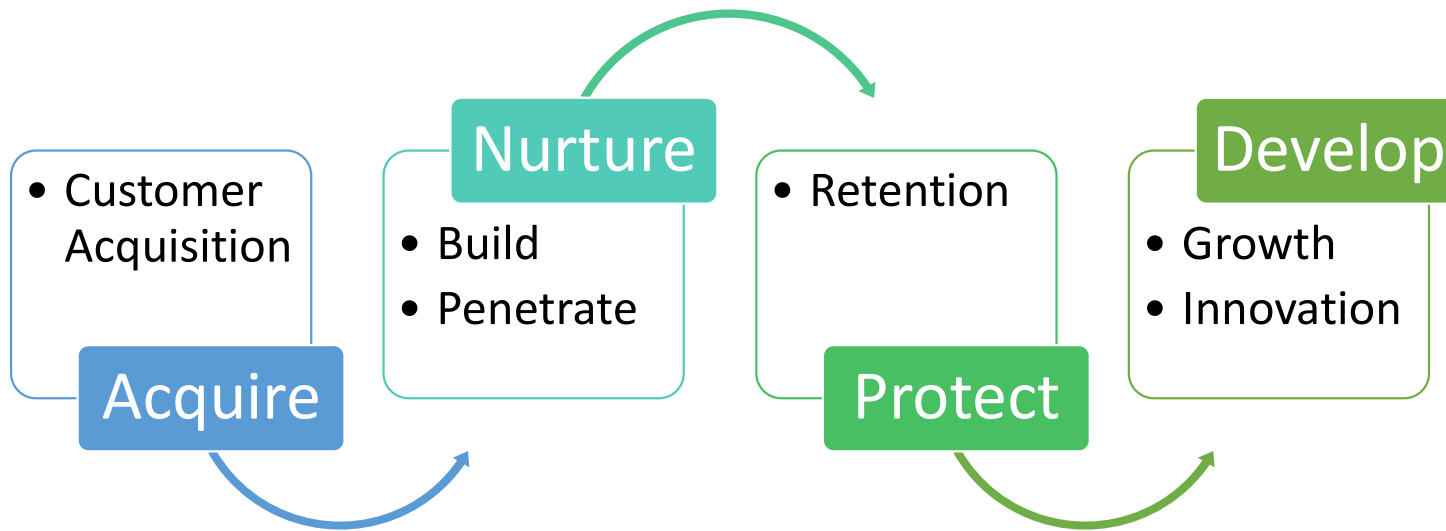


Supplier Financial Goals

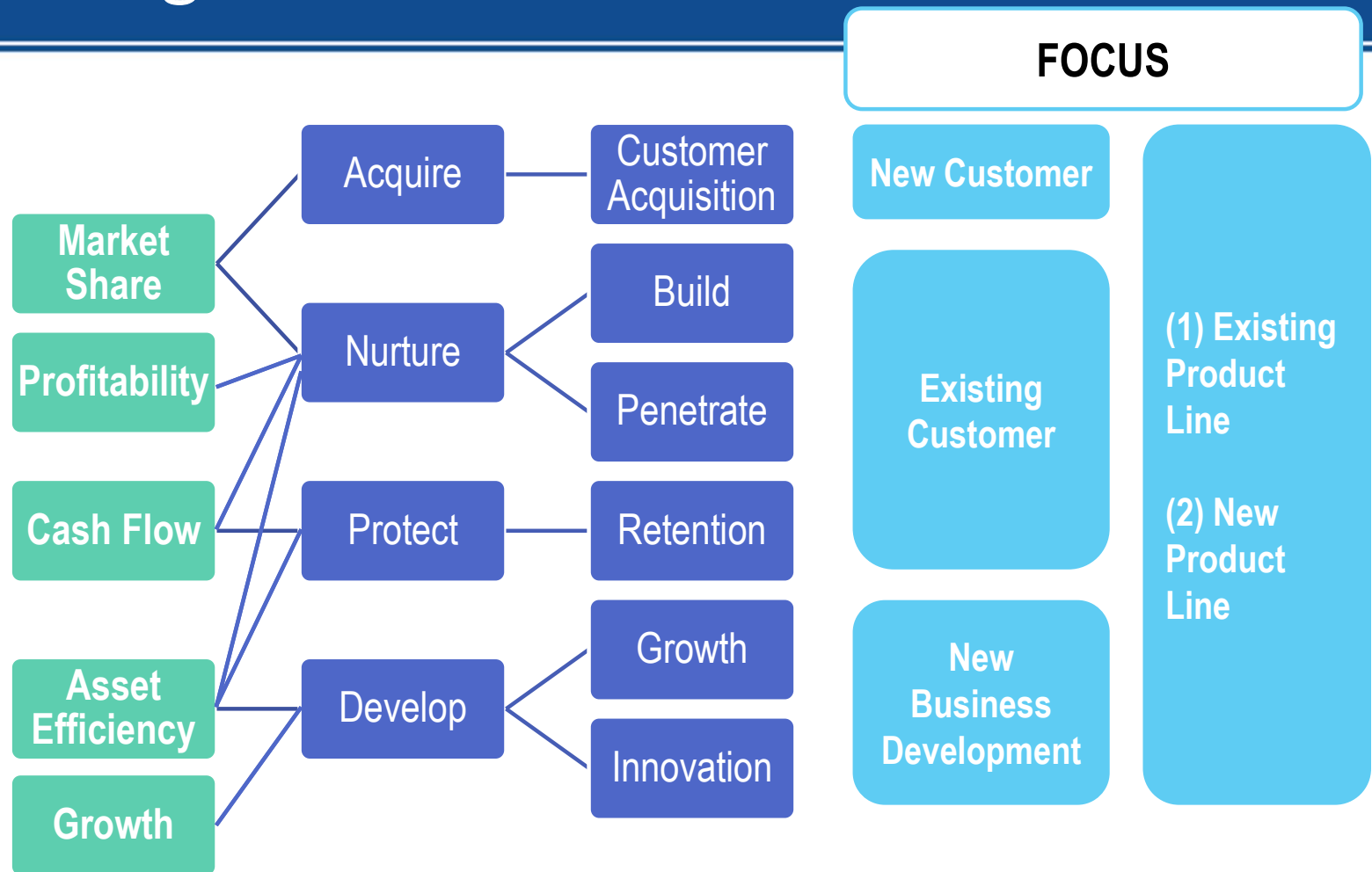




Channel Goals

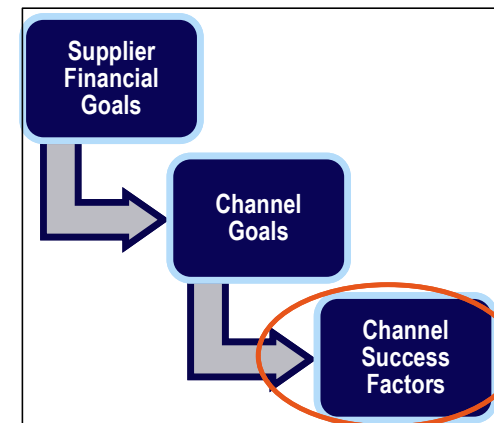
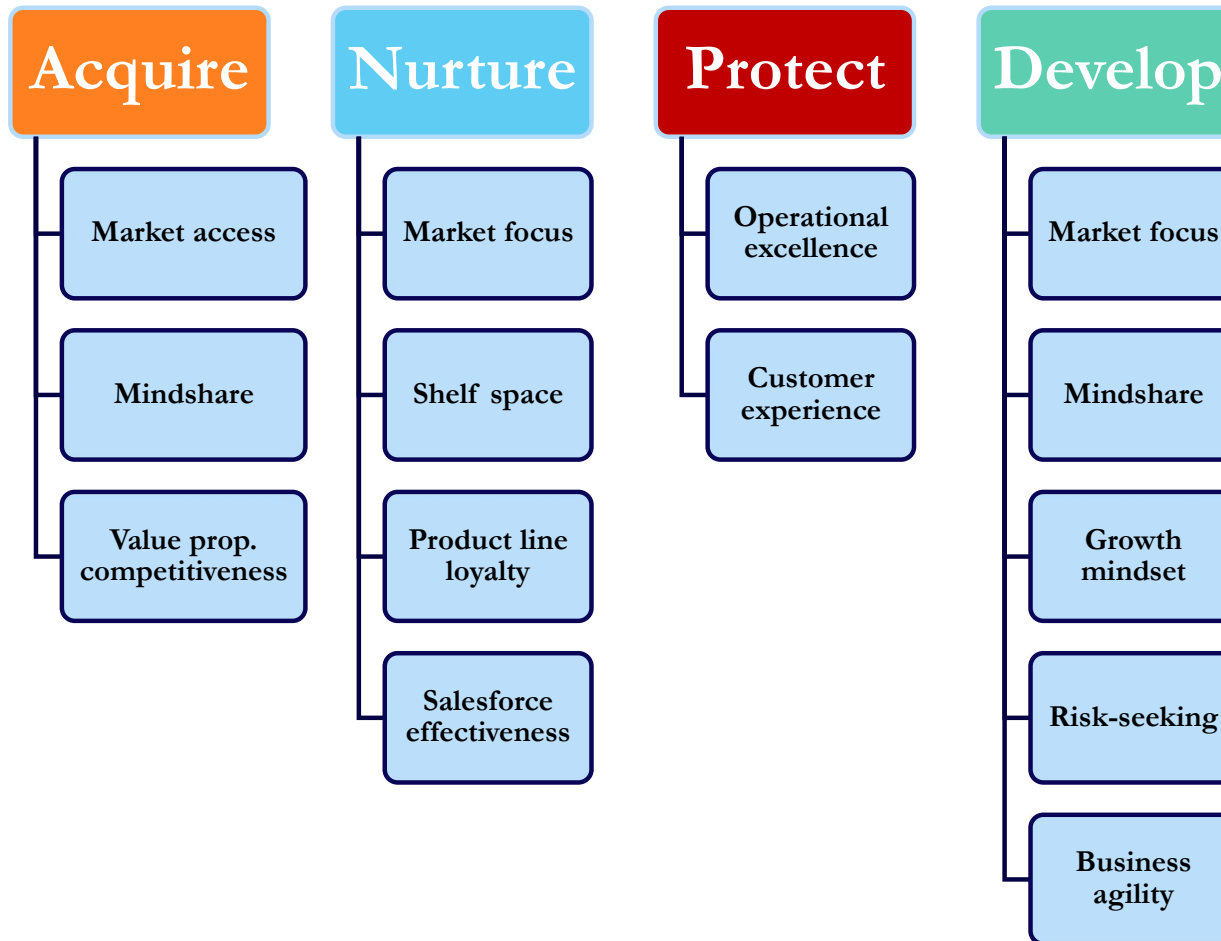


Connecting Financial and Channel Goals



Channel Success Factors

The list of critical CAPABILITIES required to achieve a channel goal



Channel Success Factors: The list of critical factors required to achieve the channel goal of Nurture (existing customers)

Market Focus

- Refers to the distributor's ability to focus resources on a key customer segment collaboratively identified with the supplier.
- Distributors grow the scope of their offerings by expanding product lines and stocking multiple suppliers.

Shelf Space

- How much inventory the distributor maintains to meet customer needs.
- Suppliers can measure their distributor's level of commitment through their allocation of working capital to support the supplier's product lines or targeted market segment.

Product Line Loyalty






- The extent to which the distributor is motivated to stock competing product lines.
- This form of distributor loyalty depends on channel context factors such as distribution intensity and pricing.






Salesforce Effectiveness

- Sales force effectiveness and loyalty is also critical to increasing share of wallet.
- Sales force effectiveness is a combination of skill development, productivity, and the quality of the value proposition.



Market / customer Focus – Nurture Example

Core Customer Profile		
	Revenue	\$74,207
	GM\$	\$18,722
	GM%	25.2%
	Days to Pay	33
	Number of Lines	8
	Order Size	\$1,532
	Returns	11%
	Quote Conversion	72%
Inventory		
	A and B Items	79%
	C and D Items	21%

Service Drain Customer Profile		
	Revenue	\$42,389
	GM\$	\$8,194
	GM%	19.3%
	Days to Pay	53
	Number of Lines	4
	Order Size	\$882
	Returns	32%
	Quote Conversion	22%
Inventory		
	A and B Items	56%
	C and D Items	44%

Insights and Visibility to Sales Teams



Sales Force Stratification

Current Year: JUL 2022 - JUN 2023; Previous Year: JUL 2021 - JUN 2022

SALESPERSON PERFORMANCE COMP..

CROSS SELL

CROSS SELL DRILLDOWN

SALESPERSON CHURN

CHURN DRILLDOWN

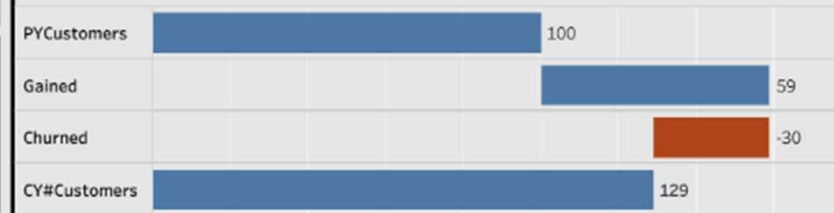
MONEY LEFT ON THE TABLE



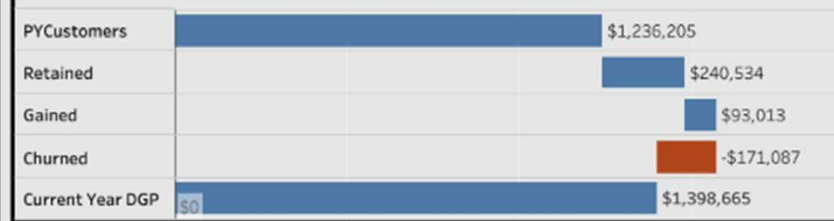
Value or Percent
Value

SalesPerson Name	PY #Customers	#Customers Net Change	DGP Net Change
	152	-24	-\$133K
	242	12	-\$83K
	83	-25	-\$82K
	100	29	-\$78K
	65	8	-\$46K
	100	-6	-\$39K
	88	0	-\$15K
	150	8	\$4.2K
	82	49	\$10K
	47	10	\$19K
	34	25	\$25K
	19	6	\$28K
	7	14	\$44K
	62	54	\$49K

#Customers Breakdown



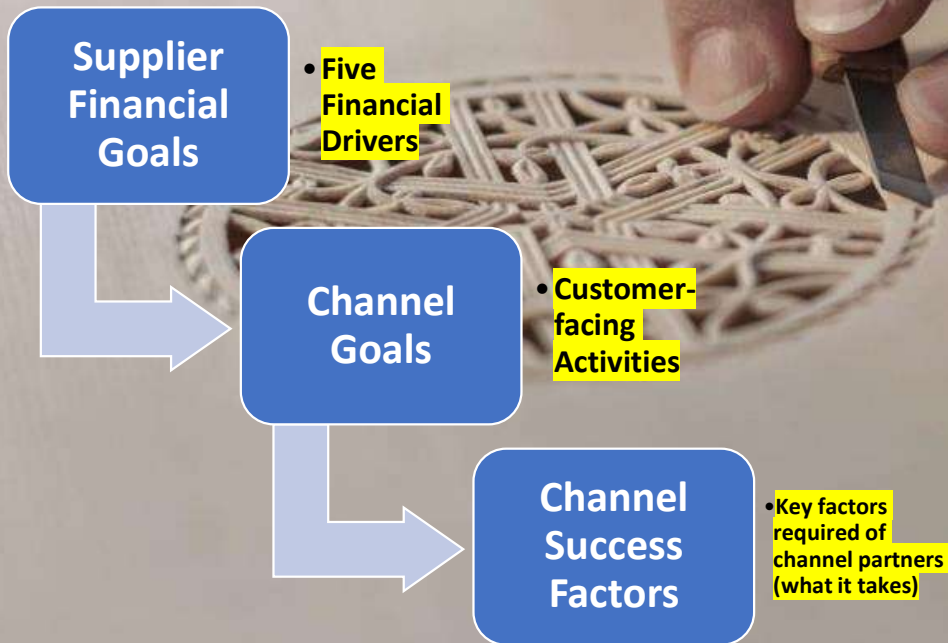
DGP Breakdown



Discussion: Group activity – 10 minutes

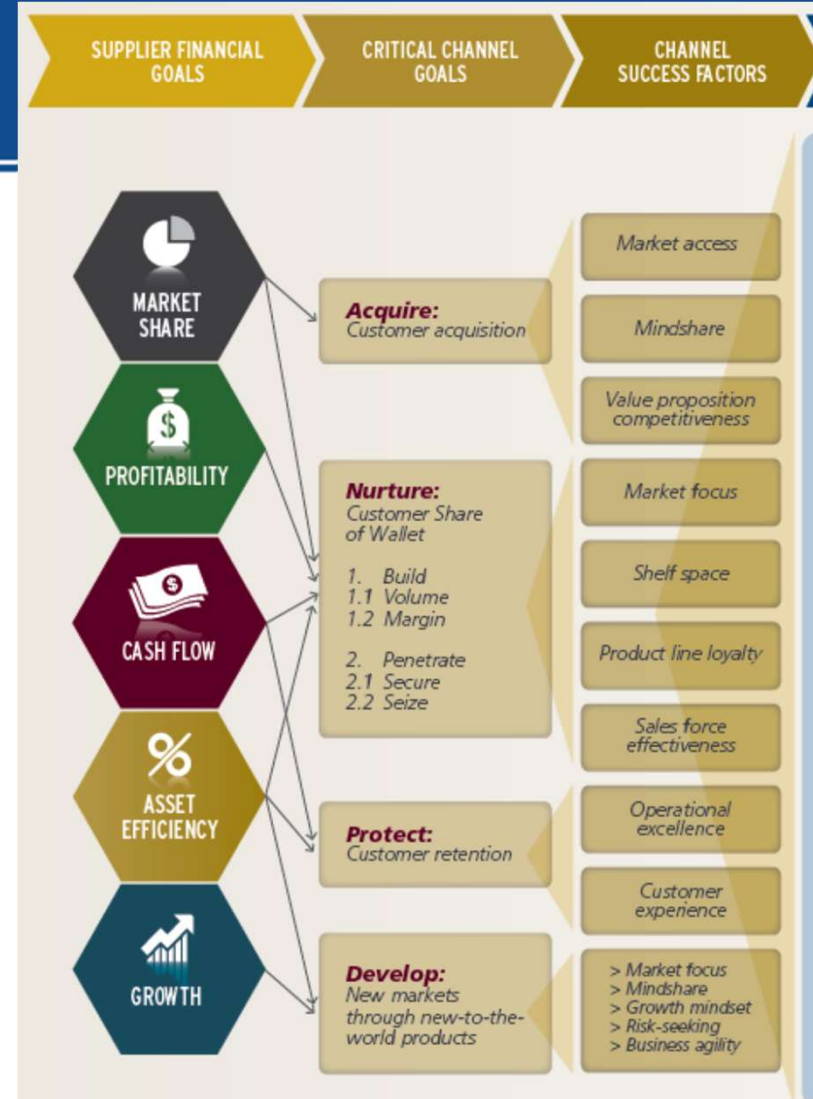
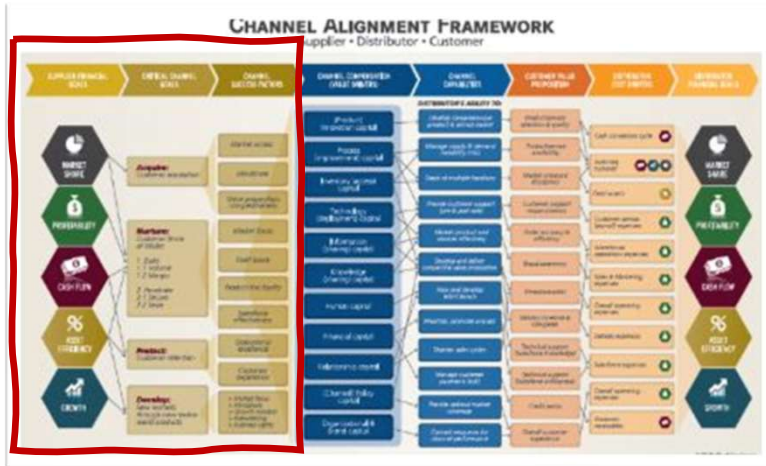
1. What is your current channel goal-setting process? What recommendations would you make to your current goal-setting process based on the 3-step best practice discussed?
2. What are the Channel Success Factors [CSF] required for your firm to achieve your financial and channel goals?

Each group is required to summarize and send their responses.





Connecting Financial and Channel Goals to Channel Success Factors



Contact Information



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