OPTIMIZING CHANNEL ALIGNMENT

A program to develop collaborative advantage

Jul	Jul 20	Jul	Aug	Aug	Aug	Aug	Aug
13	20	27	03	10	17	24	31

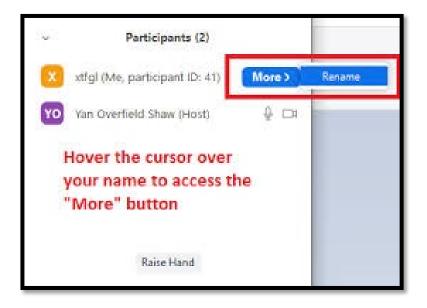






Zoom Platform Instructions

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



First Name	Last Name	Team #	Company
Katie	Bloom	Team 1	US Tool Group
Kayla	McLaughlin	Team 1	Surpless Dunn
Jared	Beach	Team 1	Jergens Inc
Richard	Geary	Team 1	INSIZE USA
Erik	Olson	Team 1	SBD
Mike	Weber	Team 2	Weber Group of Companies
Maria	Payne	Team 2	Jergens Inc
Jillian	Johnson	Team 2	SBD
Brandon	Verzal	Team 2	SBD
Bill	McElhaney	Team 2	Cutler Industrial Sales
Taylor	Music	Team 3	Pack-n-Tape
Juan	Santiago	Team 3	Jergens Inc.
David	Sachs	Team 3	SBD
Frankie	Rodrigez	Team 3	Kennametal
Lisa	Higginbotham	Team 4	Pack-n-Tape
Josh	Ashley	Team 4	Norton Saint-Gobain
Ryan	Bankert	Team 4	SBD
Raphael	Silva	Team 4	Kennametal
Jen	Huber	Team 5	Stellar
Shane	McCarville	Team 5	WD-40
Allison	D'Onofrio	Team 5	SBD
Austin	Drake	Team 5	Norton Saint-Gobain



Optimizing Channel Alignment Certification in 8 Weeks

Channel Growth (Part 1)

Supplier Perspective

Assess your current channel goal-setting process

Translate firmlevel financial goals to channel goals

Identify critical success factors for achieving channel goals

Channel Growth (Part 2)

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 Value Proposition (Part 1)

Understand the trade-off of channel value proposition.

Discover the critical elements of channel value creation.

Learn about channel compensation comprehensively using 11 forms of capital

Channel Value Proposition (Part 2)

Measure the effectiveness of channel compensation elements.

Assess current channel compensation elements.

Harness the power of channel data.

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

CHANNEL ALIGNMENT FRAMEWORK

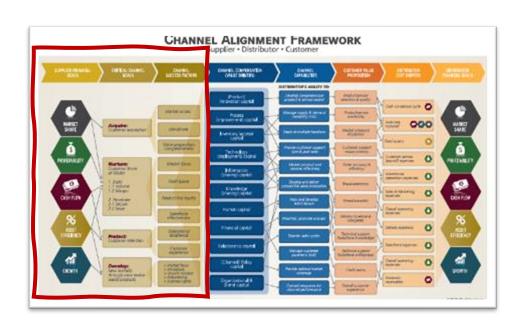
Supplier • Distributor • Customer

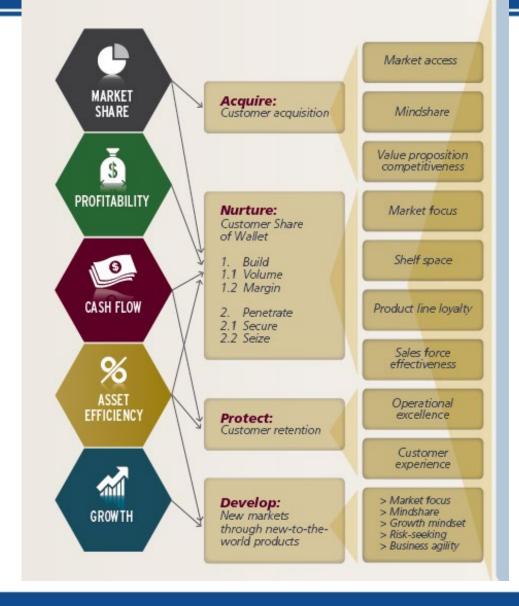
CHANNEL COMPENSATION SUPPLIER FINANCIAL CRITICAL CHANNEL CHANNEL CHANNEL CUSTOMER VALUE (VALUE DRIVERS) CAPABILITIES FINANCIAL GOALS GOALS GOALS SUCCESS FACTORS PROPOSITION COST DRIVERS DISTRIBUTOR'S ABILITY TO: Develop comprehensive Product/service (Product) product & service basket selection & quality nnovation capital Cash conversion cycle Market access Manage supply & demand Product/service Process variability (risk) availability (improvement) capita Inventory 000 MARKET MARKET Acquire: turnover SHARE SHARE Mindshare Customer acquisition Market presence Stock at multiple locations Inventory (access) capital (footprint) (8) Fixed assets Value proposition Provide customer support Customer support \$ competitiveness \$ (pre-& post-sale) responsiveness Technology (deployment) capital Customer service 0 PROFITABILITY PROFITABILITY (payroll) expenses Market focus Nurture: Market product and Order accuracy & Customer Share services effectively efficiency nformation of Wallet Warehouse (sharing) capital O operations expenses Shelf space 1. Build Develop and deliver 0 0 Brand awareness 1.1 Volume competitive value proposition Knowledge 1.2 Margin Sales & Marketing 0 (sharing) capital expenses **CASH FLOW CASH FLOW** Product line lovalty 2. Penetrate Train and develop Time-to-market talent bench 2.1 Secure 2.2 Seize Human capital Overall operating a expenses Salesforce Delivery (or-time & % % effectiveness Prioritize, promote and sell complete) O Financial capital Delivery expenses ASSET ASSET Operational Technical support EFFICIENCY EFFICIENCY excellence Shorten sales cycles Protect: (Salesforce knowledge) Customer retention 0 Salesforce expenses Relationship capital Customer Manage customer Technical support experience 111 **M** payments (risk) (Salesforce willingness) Overall operating a (Channel) Policy > Market focus expenses Develop: capita > Mindshare Provide optimal market Credit terms GROWTH GROWTH New markets > Growth mindset coverage through new-to-the-> Risk-seeking Accounts O world products Organizationa & > Business adility receivables Brand capital Commit resources for Overall customer channel performance experience

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Connecting Financial and Channel Goals to Channel Success Factors

SUPPLIER FINANCIAL GOALS CRITICAL CHANNEL GOALS CHANNEL SUCCESS FACTORS





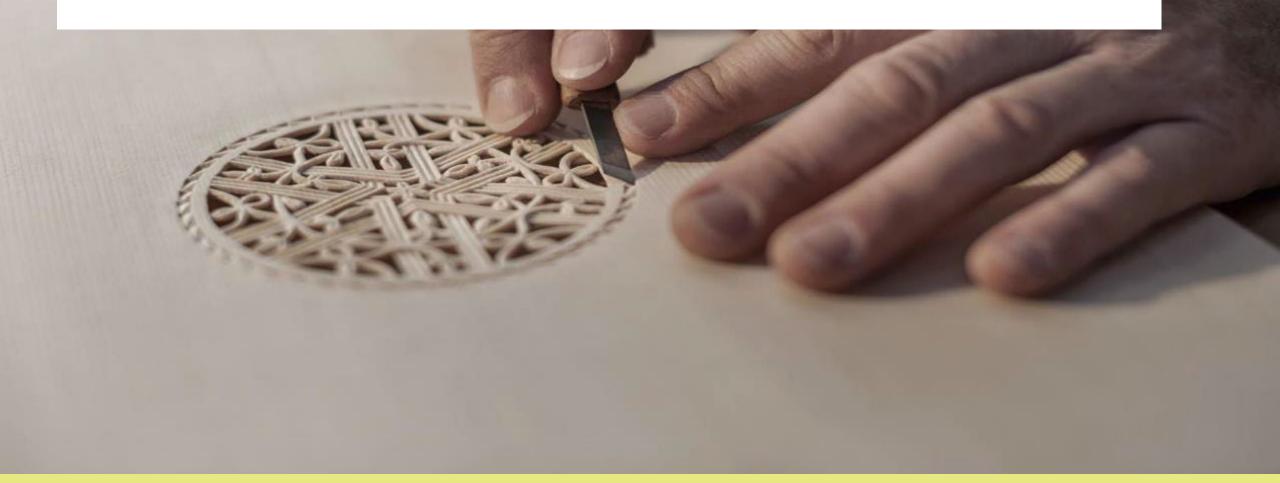


Channel Growth [Distributor Perspective]

- Learn to diagnose distributor growth challenges
- Comprehend the key elements of the generating growth framework (from distributor perspective)
- Learn about nine growth strategies used by distributors

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

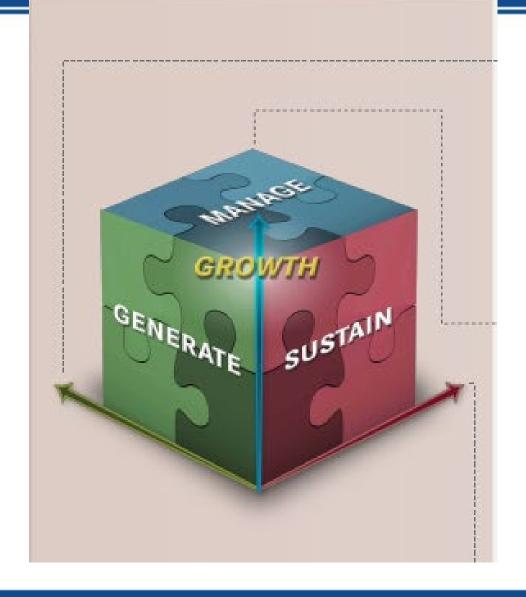
What are the different growth strategies pursued by distributors or your channel partners?



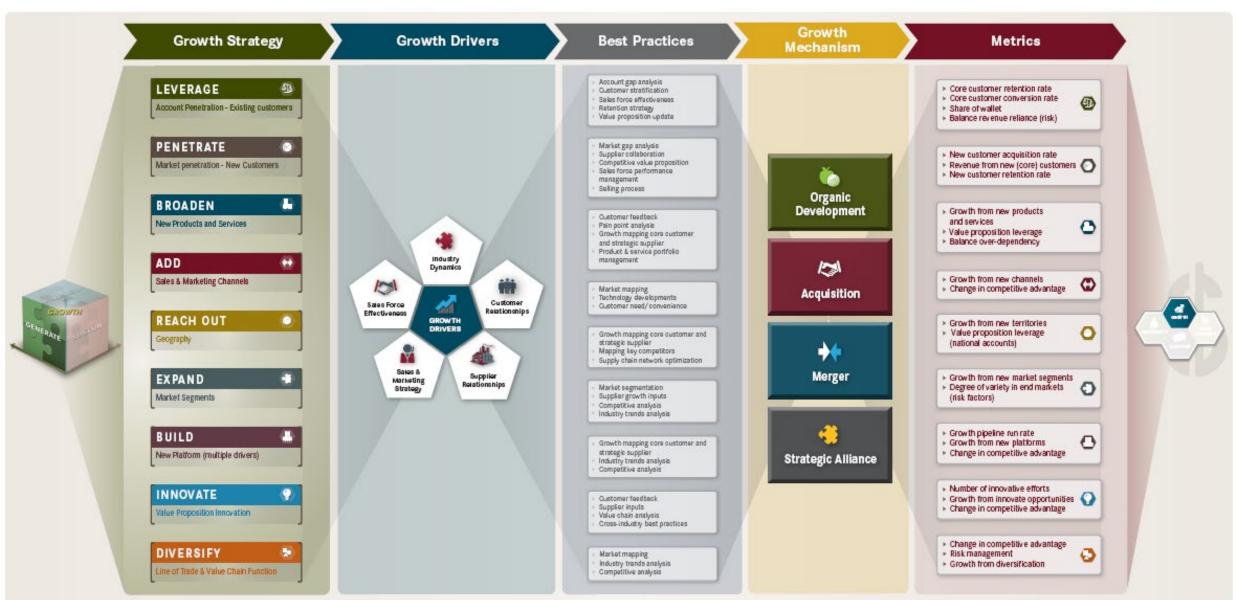


The Growth frameworks provide the utilinate distribution principosal We will definitely implement key best practices from these thismeworks to leverage our growth." Mark Kampe, President Worrant Machine Buyers A Distributor's Playbook to Generate–Manage–Sustain Competitive Advantage

Growth Dimensions



GENERATING GROWTH FRAMEWORK



Definitions

≻Growth Strategy

• 9 ways to grow revenue

→ Growth Drivers

5 ways to convert a growth strategy into a specific growth opportunity

Best Practices

Required strategic analytics for converting strategy into specific opportunity

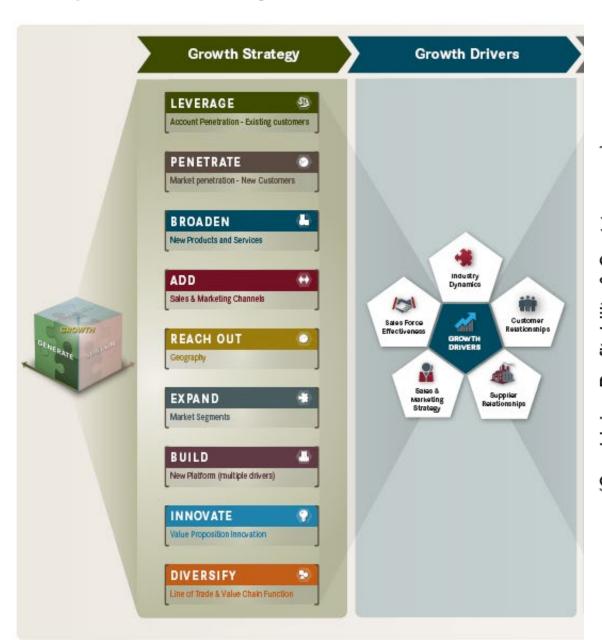
> Growth Mechanism

• 4 ways to implement a specific growth opportunity

> Metrics

Measures for each growth strategy

CUSTOMER STRATIFICATION: THE FOUNDATIONAL GROWTH ANALYTICS



(Combining Profitability & Cost-to-serve)

OPPORTUNISTIC

- High Profitability
- No Relationship
- Low Cost to Serve
- Low Volume

CORE

- High Profitability
- Sustained Relationship
- Low Cost to Serve
- High Volume

MARGINAL

- Low Profitability
- No Relationship
- High Cost to Serve
- Low Volume

SERVICE DRAIN

- Low Profitability
- Sustained Relationship
- High Cost to Serve
- High Volume

CUSTOMER LIFETIME VALUE

(Combining Buying Power & Alignment)



Driving Account Growth

All customers are NOT created equal

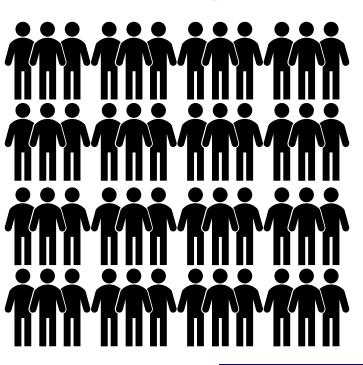
All customers are created equal

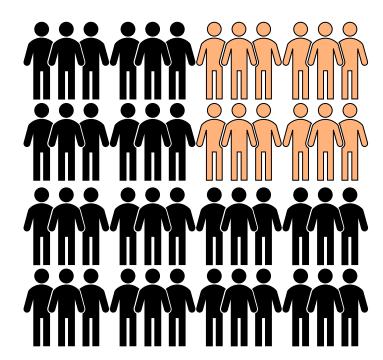


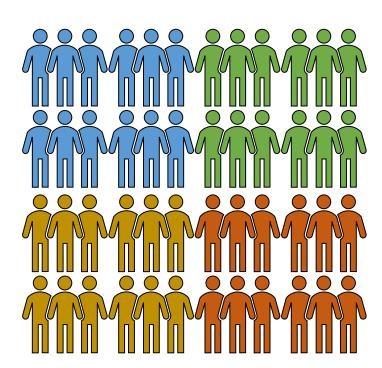
80-20



CUSTOMER STRATIFICATION







- Companies do not have unlimited resources.
- Customers have different needs and preferences.



Customer Stratification

Segmenting customers into 4 quadrants based on a multi-factor ranking

approach

(Combining Profitability & Cost-to-serve)

OPPORTUNISTIC

- High Profitability
- No Relationship
- Low Cost to Serve
- Low Volume

CORE

- High Profitability
- Sustained Relationship
- Low Cost to Serve
- High Volume

MARGINAL

- Low Profitability
- No Relationship
- High Cost to Serve
- Low Volume

SERVICE DRAIN

- Low Profitability
- Sustained Relationship
- High Cost to Serve
- High Volume

CUSTOMER LIFETIME VALUE

(Combining Buying Power & Alignment)



Account Growth: Three Key Decisions







What to talk about?



What to cross-sell?

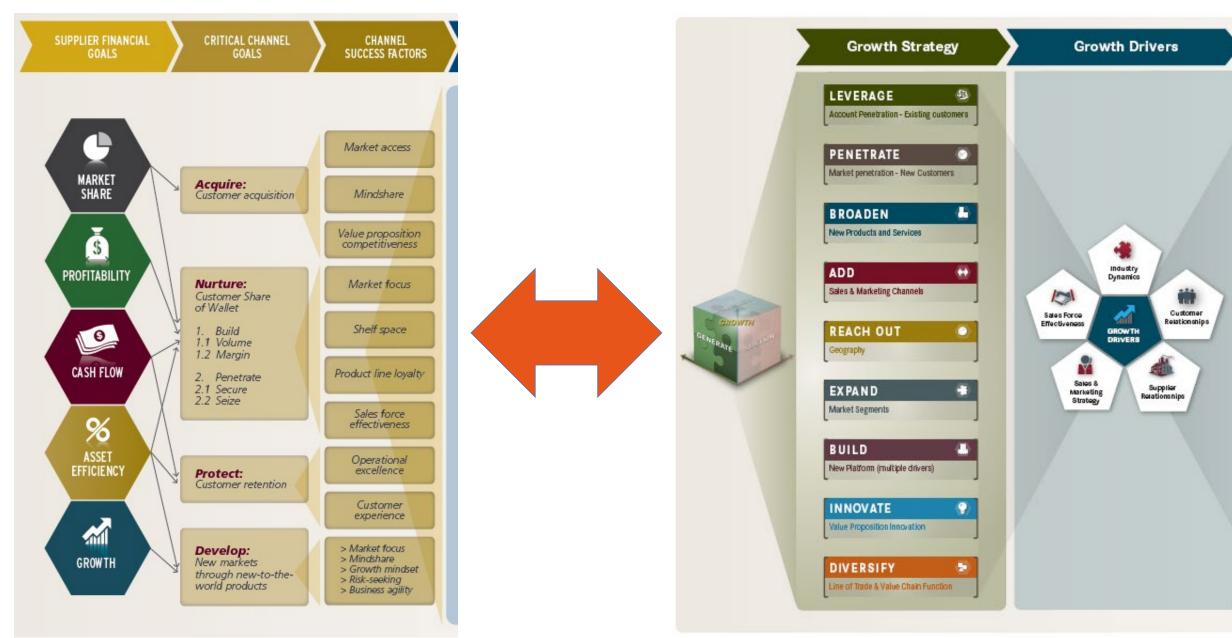


Real-World Case Study

- Channel Growth Platform
- Implementing customer stratification
 as a channel growth tool



CHANNEL GROWTH: ALIGNING SUPPLIER AND DISTRIBUTOR PERSPECTIVES



Discussion: Group activity – 5 minutes

- 1) Having learned both perspectives, what will you change in your conversation about growth strategies/practices?
- 2) What are the different growth strategies you would recommend for your channel partners?

Each group is required to summarize the responses when we come back.

Contact Information



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