



TBM for Technical Sales: Case Study Manufacturing Industry

13

13.1 Description of the Client

The example company is a division within a listed, globally active large corporation. The corporation supplies a broad portfolio of technologies for the mechanical engineering sector, ranging from complete plants to individual pieces of equipment. In addition to its headquarters in the DACH region, the group has a further 300 branches around the world. Together, these locations currently employ around 30,000 people.

The focus is on the development, production, sales, and service of a defined product range. The industrial focus is on the four areas of environment, pulp and paper, mining, and process industry. The coverage of the respective value-added chain varies greatly in the different industries, which is a great challenge for the sales department. Against this background, the strategic orientation of the business unit is to close the gaps in the various value chains step by step through product development but also through company acquisitions in order to develop from a product supplier to a system provider.

With its products, this division is known in various countries and different industries and is one of the market leaders in these special segments. This is evidenced by the market volume, which in certain industries is covered by this company to the half. The fact that this division is one of the oldest divisions of the company, which is now listed on the stock exchange, and can look back on more than 165 years of experience, underlines the importance of this division, which is per se a medium-sized company, and its significance for the entire company.

In cooperation with Klara Gölles.

The product portfolio ranges from standard products, which account for around 80 percent of the project volume but only generate a relatively small margin, to custom products, characterized by low volumes but extremely high investment volumes and long lead times. In the area of standard products, the price range for spare parts extends from a few euros to high six-figure euro amounts per unit. Success factors in this segment are quality, delivery times, and above all product performance.

13.2 The Contingency Situation

However, the business unit is also able to score time and again in the field of large-scale plant construction, thanks to its long tradition and experience, but also its outstanding technical expertise. The pronounced engineering competence can certainly be considered one of the most important success factors of the division.

In all areas, the service business is an important source of revenue and profit with high margins and good planning, especially against the background of Big Data,¹ Internet of Things or Predictive Maintenance (Lughofer & Sayed-Mouchaweh, 2019). The field of standard products is characterized by high price sensitivity, which is further aggravated by low-price suppliers from the Asian region. In order to counteract this, the company established a branch in China some twenty years ago, which today represents an essential part of the global supply chain.

The mentioned division itself has more than 500 employees and branches in five different countries. The organization follows a conservative linear organizational approach with classic management functions. The marketing department consists of a global team based at the Group's headquarters and individual local marketing managers at the various subsidiaries. The sales team comprises about 70 employees worldwide. In the EMEA area, the SME has around 40 sales experts actively working in the market, who are supplemented and supported by around 30 external sales partners, so-called sales agents.

Against this backdrop, the management team developed a new sales strategy as part of a sales strategy project (Fig. 13.1). The management set the following four targets for the project:

The focus of this project was a solid continuous growth strategy. It was the clear task to realize latent and unused potentials in the market—that is “low hanging fruits”—as quickly as possible by means of exact analyses from the Market and Business Intelligence (MI/BI) department. In this way, the investors' specifications were to be met, and on this basis, further investments in the development of personnel, especially in the area of sales, were to be approved.

A comprehensive structural analysis of the entire sales area was carried out as well as an evaluation of the external sales channels. In this context, structures of competitors in terms of number and sales focus of agents and sales generated by

¹https://en.wikipedia.org/wiki/Big_data. Accessed: May 20, 2020.

PROJECT OBJECTIVES ARE SET TO REALIZE QUICK WINS BUT ALSO LONGTERM STRUCTURAL CHANGES

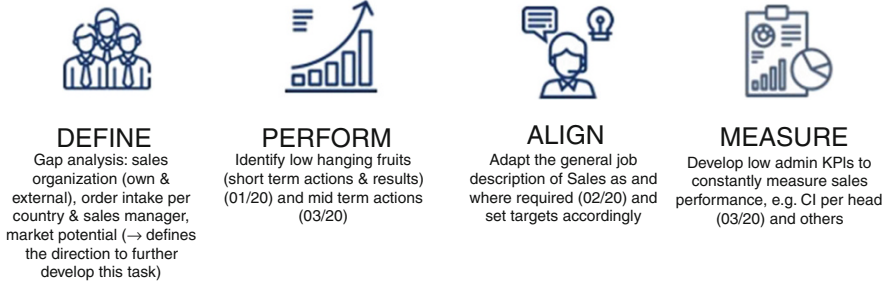


Fig. 13.1 Targets for the sales strategy project

them in relation to the company's own situation in the area of sales channels were realized. Benchmarking analyses were also carried out in relation to previously defined competitors, both qualitatively and quantitatively. The analyses showed that the network of agents and distributors was not sufficiently actively worked on and supported by the previously described orientation toward the own organization. The analyses showed the following picture:

- No clear responsibility for actively managing and supporting the external technical sales force.
- The “Commercial” department was mainly responsible for *Sales Partner Management*, with a focus on contract design, monitoring, and controlling, which was congruent with the activities of the department concerned and its orientation.
- No clear annual targets.
- Many “exclusive contracts” with agents in regions, but most of them were proven to generate only small revenues.

A touch-point analysis² also provided valuable information regarding the user-friendliness of the various contact points with the external Salesforce, but also latent deficits with regard to the corresponding support of sales activities in the respective regions as demanded by the external sales partners. Thus, long response times or even no updates and information from the company were the most important findings. The analysis of the competitors also showed that they all performed above the market trend in terms of the Compound Average Growth Rate³ (CAGR)

²Halb, F., Seebacher, U.: “User Experience and Touchpoint Management”, in: Seebacher, U.: “B2B Marketing—A Guidebook for the Classroom to the Boardroom”, Springer 2020.

³<https://www.investopedia.com/terms/c/cagr.asp> Accessed: May 21, 2020.

and had a significantly higher density of external distribution partners than the case study company. All of the analyses, their evaluation and correlation were analyzed and interpreted by MI/BI's marketing staff.

Based on the 4-week analysis phase, a sales strategy project with four relevant sub-projects was submitted to top management as a recommendation for action (Fig. 13.2):

On closer inspection, the result was always the same—channel management is an important tool for achieving the necessary revenue targets without additional costs. With the support of the entire management team, the global marketing team was given responsibility for the implementation and establishment of an active Channel Success Management. A study from 2015 shows that B2B companies, in general, do not perform brilliantly in the area of channel management if 65 percent of the external sales partners do not coordinate their strategy with their contract partners and thus act completely detached in the market on their own. According to the PDA study, the goal must therefore be to establish and ensure intensive regular communication, an intensive exchange of information and marketing materials, but also an annual target agreement and agent management process (Fig. 13.3).

This project started with an investigation of the existing sales channels. These can be different. The overview shows which type of sales partners or which contract forms were used (Fig. 13.4).

Channel management is considered at the core of a complex relationship between supplier, distributor, and customer. A relationship that is taking on an increasingly difficult and confusing form. In order to better understand and comprehend this relationship in general, but especially for this specific case, it is essential to take a closer look at the history and structure of a company. Within the framework of the project, an organizational-etymological analysis according to Seebacher,⁴ as described in the *Marketing Maturity Model* for B2B marketing, was carried out for the area of channel management.

In the case of the example company, it was shown that Channel Management has always been practiced in its basic features. Now, however, it was time to take a closer look at the activities and operations in this area and analyze the following aspects:

- How active are the agents?
- How satisfied are the agents?
- Can the agents realize their potential with the help provided by the company?

In order to provide comprehensive answers to these questions, a touch-point onlinesurvey was⁵ conducted with the agents on the basis of these data. In addition to this anonymous survey, the status quo was reviewed internally to get the best

⁴Seebacher, U.: "B2B Marketing—A Guidebook for the Classroom to the Boardroom", Springer 2020.

⁵Halb, F., Seebacher, U.: "Touchpoint Management and Customer Experience", in: Seebacher, U.: "B2B Marketing—A Guidebook for the Classroom to the Boardroom", Springer 2020.

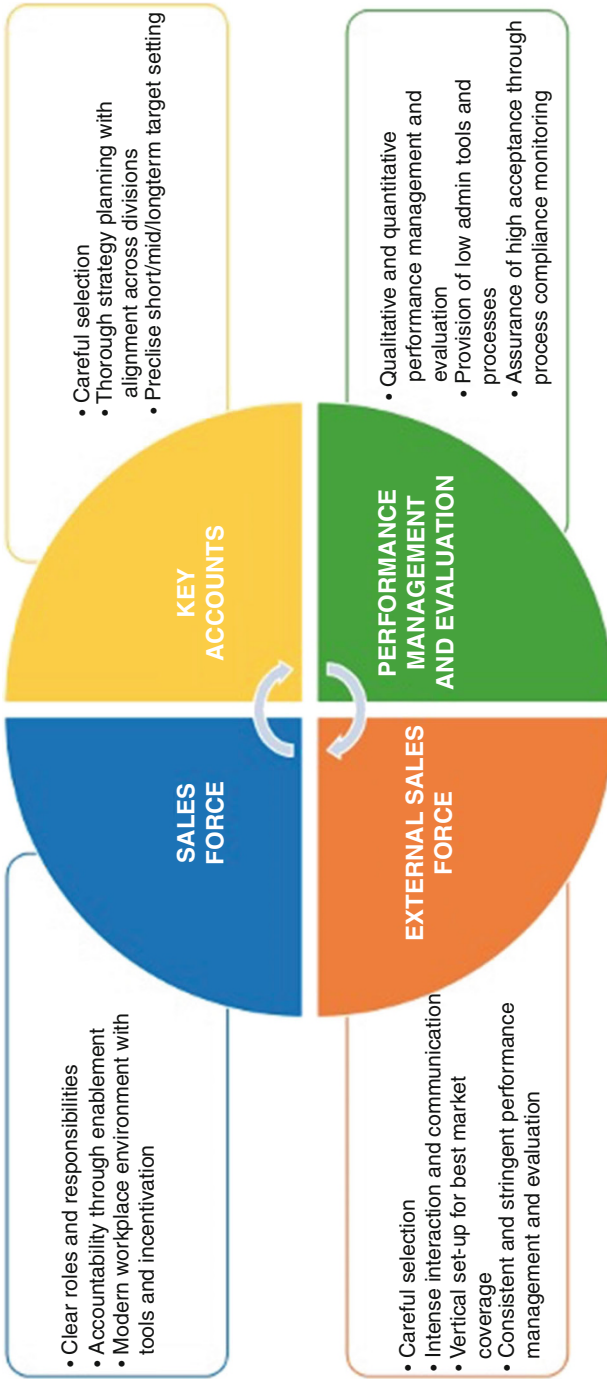


Fig. 13.2 Four quadrants for sales strategy

CHANNEL PARTNERS ARE NOT WELL STRUCTURED

PDA group study 2015

- **An active management of the sales partner** is needed to ensure their **sales performance develops** in a positive way:
 - 65% do not align their strategy with the organization
 - 61% face problems in acquiring new customers
 - 60% do not measure the traffic on their website
 - 57% do not systematically evaluate customer satisfaction data
 - 46% are not able to communicate their solutions benefit using a solid measurable fact
 - 37% do not meet or align with the marketing of the channel organization
 - 37% do not have employees specifically dedicated to marketing
 - 35% do not know how to use customer feedback to engage upselling opportunities
 - 31% do not regularly review and adapt their market approach
 - 25% have insufficient closing rates
- **Key actions to address those issues**
 - **Establish a regular communication channel** with the agents. Track and monitor their problems and issues. This process can be partly automated
 - Make sure the **partners** have efficient **marketing materials available**
 - **Implement** an annual or bi annual **agent management process** to support agents ongoingly.

Fig. 13.3 PDA study 2015. (https://www.pdagroup.net/wp-content/uploads/2017/10/Channel-Partner-Study_PDAgroup.pdf. Accessed: May 21, 2020)

possible picture of the current situation. To this end, the performance of the agents in the individual countries and whether they cover the markets accordingly were investigated.

To this end, a comparison was made with the agent networks of other, internal divisions of the Group, and external benchmarking was carried out. This revealed that the number of approximately 30 agents worldwide is much smaller than that of other comparable companies. For example, it turned out that a comparable size of other market participants used more than 40 agents in Europe alone. In addition, an industry analysis concluded that most products in this particular business area are sold through sales partners or agents anyway, and therefore the potential of these sales channels was far from being fully exploited. These and other results of this comprehensive situation analysis led to the conclusion that the technical sales network must be further developed, evaluated, and expanded, but also actively supported, managed, and controlled.

The objectives for the subproject were therefore:

- Understand what channel partners need to do.
- Development of clear roles and responsibilities for a uniform sales partner management process.
- Definition of clear KPIs to continuously monitor and evaluate the performance of sales partners.
- Review and clean up the current sales partner network to focus on the main order intake generating, successful sales partners.
- Deepening the experience management of sales partners.
- Sustainable increase and maintenance of the OI contribution of entire sales channels.



Fig. 13.4 TBM-based evaluation of forms of existing sales partners

13.3 Problem Definition and Understanding

The MI/BI evaluations showed that in most cases only one sales partner per country was contractually engaged. In other regions, there were no sales partners at all. The quantity of sales partners was too small compared to relevant competitors in purely quantitative terms and, moreover, was not properly developed in qualitative terms either. The problem is becoming increasingly transparent here, as the sales developments showed that the best sales channel partners generate high seven-digit million amounts per year. In comparison, the unsuccessful agents together only achieved just under mid-five-digit revenues, even though the relevant market volume from market intelligence showed significantly higher values in the high seven-digit range. Especially when the profit is again compared to the percentage of incoming orders of the competitors, these figures and ratios show more than clearly the significance of a stringent and consistent *Channel Success Management*.

The analyses also revealed that the company's support of the sales partners was not consistent and congruent. The analyses showed that the corresponding support was provided more at random by the company or the respective sales employee. This meant that those agents who were active and demanded support received better support. The company did not proactively approach and support the agents because it was not requested by the management and was not part of the target agreement of the internal sales team or the commercial department.

13.3.1 Sales Partner Management at Random

In some respects, this problem is also reflected in the communication with sales partners and was also partly confirmed by the touch-point analysis. An additional common challenge is the transparency of external salespeople. It is often the case that an assessment of the actual sales activities cannot be made (Krus, 2017) because they are neither regularly queried nor documented by the agents. This is also confirmed by the results of in-depth interviews with selected agents: The company scored best in terms of sales support, presence at local trade fairs, and the satisfaction of both agents and end customers with the company's products. The company received the worst rating for the training and education offered, the availability of product information, and the way the company advertises its products. Nevertheless, the company was rated better than its competitors in the industry. This in turn confirms the previously quoted PDA study from 2015 that B2B companies generally perform poorly in sales partner management.

General suggestions for improvement made by the sales partners surveyed were aimed at the following key points:

- Communication in terms of timely responses, personal visits and keeping the distributor informed.
- Regular project and product updates.
- Optimization of the response time for offers.

- Optimization and specification of delivery times.
- Improvement of the offer team in the area of standard products.
- Dedicated contact persons.

In most cases, the contact persons are the respective regionally responsible internal sales managers of the B2B companies. However, they are not only responsible for direct sales in the markets and countries assigned to them but are also contact persons for the sales partners and agents and are therefore responsible for supporting and maintaining relations with them. However, since in 90 of the cases investigated these indirect sales are not included in the annual targets of the internal sales staff, this activity is clearly not given high priority. This was another key finding from the analysis phase.

On the basis of the knowledge gained, the marketing team drew up a project plan for the area of sales partner management, which was accepted and approved by the top management (Fig. 13.5). The essential elements and success factors were:

1. Establishment of an own Channel Support Manager in the area of marketing.
2. Establishment of a Channel Excellence Framework.
3. Adaptation or extension of the job descriptions and the target agreements of the company's sales managers to include the aspect of sales partner management.
4. Establishment of an annual target agreement and an ongoing 24/7 monitoring of the sales partners with clear guidelines regarding measures to be taken if the defined targets are not achieved.
5. Adjustment of the sales partner's incentives away from a retroactive to a forward looking and therefore more cost-optimal system for the company, but also more attractive for the partners themselves.

13.3.2 The Channel Success Manager

Against this background, a new position, the *Channel Success Manager*, was introduced as part of the renewal of the sales strategy in order to relieve the workload and provide better support for the sales managers. The main task of a Channel Success Manager is to support communication with the various sales partners. This new function is intended to relieve the sales managers and to optimize and intensify the cooperation with the sales partners. The tasks of the Channel Success Manager include:

- Coordinate needs: Together with internal sales managers and external sales partners, their needs and challenges should be discussed. It is important not to lose sight of the individuality of each sales partner and to consider their circumstances separately. Not only because ways of working can differ, but also because the economic situation and the awareness of the product can vary

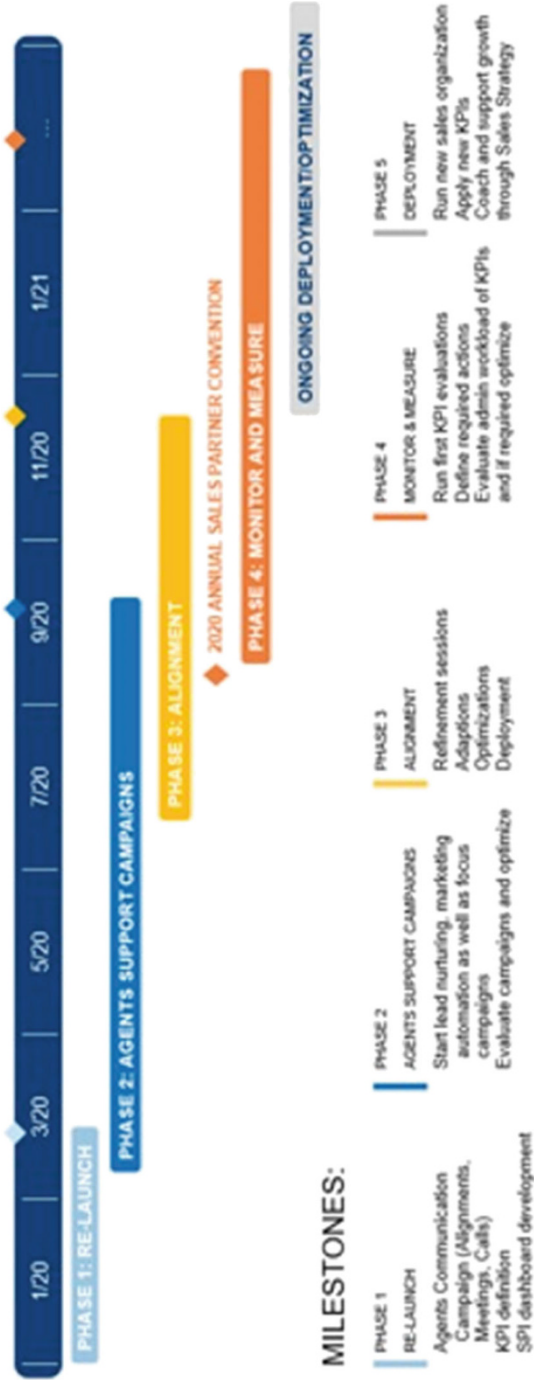


Fig. 13.5 TBM-based project structure plan

from country to country. The task of the Channel Success Manager is therefore to identify and understand these needs.

- **Manage channel activities:** Together with the internal sales managers as well as the external sales partners activities should be discussed and implemented. These activities should help the sales partners to better market the respective products. These activities can include participation in trade fairs, as well as online marketing campaigns, which can lead to concrete business opportunities. The Channel Success Manager is primarily responsible for monitoring and executing these channel activities.
- **Monitor activities:** To be able to check the usefulness of the activities, analyses, and reports must be carried out regularly. Such analyses are particularly important at the beginning in order to gain experience and make appropriate adjustments.

In consultation with top management, the global marketing director designed, agreed, and approved a corresponding position description for this new position with corresponding annual targets. In order to minimize internal costs, an existing marketing resource was initially allocated 50 percent of its capacity for this function. The marketing department supported this initiative in order to support sales even better and to be able to act even more closely with sales.

Successful large companies use dedicated channel managers to ensure good performance of their sales representatives, distributors, and consultants. A channel manager must perform most of the tasks currently performed by the internal trade, sales, and business development managers. A Channel Manager provides clear responsibilities for the active management and development of the sales network, as well as for performance analysis and the resulting derivation of measures to improve partner performance. A channel manager should be at the same level as a sales manager and work under the direction of a VP of Marketing and Sales or a VP of Revenue Management. A modern channel manager must combine excellent communication and sales skills with IT and data analysis.

13.4 Process Evolvement and Abstraction

In order to abstract the process a specific model was developed, the so-called Channel Excellence Framework (CEF). It was designed and communicated in order to provide a clearly defined structural templates-based framework of reference. The CEF describes the structural process of the newly established Sales Partner Management in terms of a value chain based on three phases “Build,” “Research and Discovery” and “Implementation and Qualification.” The CEF is operationally underpinned by precise process descriptions that have been integrated into the

division process manual and are thus part of the company's generally applicable marketing and communication processes (Fig. 13.6).

The CEF shows that within the new process, together with each sales partner in the different markets and regions the different relevant campaigns and measures are defined and the campaign managers within the marketing team of the case study company then play out the different campaigns with the aim of realizing demand generation, lead nurturing and lead generation for these external sales partners, as well as account-based marketing and customer intelligence. This is certainly one of the most important and innovative aspects of the CEF, as the generation of leads was previously reserved for the internal sales force. However, this new direction has a very trust-building effect on the relationship between the company and the external Salesforce, as the agents can directly see that the company is investing in them as part of the external Salesforce. This allows the company to differentiate itself from its competitors, making it even more attractive to agents. However, the realization of such a CEF is only possible through a leading-edge set up of an industrial marketing department and with the help of marketing automation (MA),⁶ because the system technology as well as such an MA system⁷ significantly minimize the processing effort in marketing. Without such automated processing, effective, and efficient sales partner management in this case study would not be possible with only one 50 per cent dedicated channel success manager.

The Channel Excellence Framework is the decisive reference framework for modern and sustainable B2B Channel Success Management. The decisive factor is to structure the CEF operationally into corresponding processes, along which the entire organization must work stringently. The implementation of a Channel Success Management based on a CEF is an enormous driver for the optimization of cost efficiency with regard to the entire sales process and is only possible if a Marketing Process Library (MPL), clear roles and responsibilities and a Marketing Automation System is in place.

13.5 Template Generation

To ensure that all parties involved actively implement the defined CEF, it is necessary to install the relevant structures from the perspective of human resources management. In the course of the analyses at the beginning of the project, these HR structures were also evaluated, and it turned out that for the entire internal sales department worldwide, job descriptions were sometimes not available at all or only

⁶Mrohs, A.: "Marketing Automation—Defining the Organizational Framework", in: Seebacher, U.: "B2B Marketing—A Guidebook for the Classroom to the Boardroom", Springer, 2020.

⁷Romero-Palma, M.: "Choosing the Right Marketing Automation Plattform", in: Seebacher, U.: "B2B Marketing—A Guidebook for the Classroom to the Boardroom", Springer, 2020.



Fig. 13.6 The Template-based channel excellence framework

insufficiently available. As a result, each region worked with a different frame of reference and also carried out a very different target review.

Against this background, Marketing designed a new global job description from the existing documents, coordinated with the Regional Sales Directors, and approved. For all levels involved—Area Sales Manager, Regional Sales Manager up to VP Global Sales—the areas and competences were stringently structured, defined, and supplemented with templates by the area of the newly oriented Sales Partner Management. In addition to the conception and development of these new templates, a decisive factor is the proactive and intensive training and communication of these new contents. A Channel Success Management has an impact on the entire sales organization and therefore has to be communicated in great detail in the entire structure concerned. Applying TBM goals must be set up consistently in the form of a target pyramid—similar to a Balanced Scorecard (BSC) (Kaplan, 1996)—so that they interlock vertically. This means that sales targets for a particular region must be made up of the sales of the various internal area sales managers and external partners. For this entire process, a comprehensive series of templates was developed and provided. For the individual area sales manager, this means that his targets must include his own targets and those of the agents and distributors assigned to him. On the marketing side, an innovative and dynamic, template-based target measurement instrument—the Sales Partner Intelligence (SPI)—was developed, which was initially based on Microsoft Excel. The TBM-SPI comprises four areas:

- Regional Coherence Score (RCS)
- Industry Coherence Score (ICS)
- Business Development Score (BDS)
- Process Compliance Score (PCS)

The SPI is based on a completely new type of template-based coherence measurement system that predicts developments for individual regions and relevant industries on the basis of market intelligence and customer intelligence and translates these into concrete goals. This means, for example, that a particular Area Sales Manager must achieve 40 percent of his annual turnover in Industry A, 30 percent in Industry B and 30 percent in Industry C. At the end of the year, not only is the absolute achievement of targets measured, but also exactly how closely the composition of the various target dimensions corresponds in percentage terms. From a marketing perspective, the integration of the Process Compliance Score (PCS) was a great success. It is all about the compliance with the process-related specifications with regard to CRM, but also marketing automation, follow-up times of Marketing Qualified and Sales Qualified Lead. Experience has shown that in the context of the further development of B2B marketing, the number of inbound leads generated by marketing often increases in the high three-digit (!) percentage range, but the sales department does not process these properly.⁸ In this case, the introduction of such an

⁸See Chap. 12 in this publication.

SPI in connection with a Service Level Agreement (SLA) between marketing and sales is an important step or success factor.

13.6 Project Work Implementation

With regard to the analysis of activities, it is important to define common template-based Key Performance Indicators (KPIs) with the sales partners before a new fiscal year begins. A Key Performance Indicator (KPI) is a measure of the progress or achievement of important objectives or critical success factors within an organization.⁹ Only when these KPIs are defined and aligned can channel activities be discussed and executed. TBM therefore is essential to define a commonly agreed set of KPI templates and evaluation schemes. Templates help to define the objectives for each Sales Partner and are suitable for a better and continuous assessment of the cooperation with the Sales Partner himself.

While defining the KPIs it is important to keep in mind the complexity of the Sales Partners. Sales Partners can be very different in terms of their capacities and competencies. It is therefore essential for successful channel management to bear in mind that cooperation can take many different forms. While larger companies have their own marketing departments, smaller companies are often exclusively sales-oriented and have little or no resources to implement marketing activities independently (Krus, 2016).

Based on the experiences of the example company, not only KPIs should therefore be defined, but also their importance in the sense of their weightings. In detail, this means that each KPI is assigned a percentage based on its importance. The percentages of all KPIs added together should result in 100 percent. Thus, at the end of the year, it is possible to check how many percent of the KPIs have been achieved.

Example:

At the beginning of the fiscal year, an order income of 1 million euros is agreed with sales partner XY. This KPI is classified as extremely important and is accordingly rated at 40%. At the end of the year, Sales Partner XY has only contributed 0.5 million euros—thus only half of the agreed order income. Therefore, at the end of the year he only receives 20% for this KPI. Another KPI could be the generation of new customers, for example. It could be agreed that at least three new customer contracts must be concluded in the new financial year. This KPI is in turn given a percentage rating. In this way, different target categories can be dynamically prioritized or weighted higher or lower each year.

⁹http://de.m.wikipedia.org/wiki/Key_Performance_Indiator. Accessed: May 20, 2020.

Table 13.1 Sales partner monitoring and goal weighting template

	KPI	Objective	Importance (%)	Service rendered	Achieved performance (%)
1	Incoming orders	1 MEUR	40	0.5 MEUR	20
2	Customer generation (number of new contracts)	3	10	3	10
3	Business development (number of new products on the market)	2	20	0	0
4	Channel activities (number of activities)	4	20	4	20
5	Communication/cooperation		10		10
	Total		100		60

Table 13.2 Overview comparison template

Achieved performance	Category	Description
>90	A	Very good sales partner.
75–90	B	Good sales partner.
60–75	C	Satisfactory sales partner. Activities to improve the achieved performance must be discussed.
<60	D	Unsatisfactory sales partner. A trial period is defined. If the achieved performance does not improve during this trial period, the contract will be terminated.

The percentage rating of all KPIs is finally added together (Table 13.1). Again, these weightings were integrated into the templates which looked like this:

The percentage of the achieved performance can subsequently provide information about how good or poor the performance of a sales partner has been. It is a good idea to record this data, market data, and company data in a dashboard. In this way, progress can also be reviewed during the fiscal year and, if necessary, action can be taken more quickly. In order to be able to correctly evaluate the percentages and compare sales partners with each other, it is advisable to define a value system in advance (Table 13.2). For the example company it looks like the following:

This value system is not only suitable for comparing the sales partners with each other, but also for drawing conclusions from the respective financial year, identifying weaknesses and strengths, and improving or expanding on these in the following year. The practice has shown that there is often a lack of clarity in connection with the objectives of KPIs (Neubach, 2018). A value system can remedy this situation by ensuring that KPIs are not defined at random, but ultimately have to contribute jointly to the corporate goal (Neubach, 2018).

13.6.1 Sales Partner Incentive as a Win-Win

In order to be able to expect the sales partners to achieve the defined KPIs, the case study company must provide optimal support. The company has also made appropriate adjustments in this area in the sense of a reorientation. The analyses at the beginning of the project showed that the existing remuneration system was neither attractive for the external sales units nor could it be classified as advantageous for the company.

On the one hand, the current remuneration system did not provide the agent with the opportunity to experience an improvement in his position in the event of the achievement of objectives. Such an improvement could, for example, be the increase of a discount granted for the purchase of products. This in turn would motivate the agent to generate correspondingly more sales with increased profits. However, the company had previously paid a one-time performance fee to the agent ex post with a maximum of retroactive effect. This in turn had a negative impact on the company's cash flow.

A future-oriented remuneration and incentive system was therefore designed on the basis of the marketing analyses. The aim was to introduce a model that was more advantageous for both sides. The new system does not include any one-off payments to be paid out retroactively but instead grants the respective sales partner further benefits for a period of the following period.

Example:

An agent purchases the products on the basis of his contract with the company at a price discounted by a percentage X. If the agent achieves the defined targets in the current year, the company grants him a discount X plus 5% for the purchase of products for the next 12 months. This means that the agent can purchase the products at an even lower price in the following year, which optimizes his earnings.

This model has enormous advantages for both sides. The company does not have to make retroactive profit-reducing payments for previous periods, but can, on the contrary, calculate with the success-based, increased discounts. On the other hand, the agent is even more motivated to sell more in the following period, as he will profit more than before. As part of the target agreement for the following year, the company increases the target for the agent and can thus proactively help generate and realize its own sales growth via the sales partner network. This new Channel Success Management means a win-win situation for all parties involved. The decisive factor is that the sales partners are regarded as customers, who are increasingly better known by the company, and in particular by the Channel Success Manager, in terms of their needs and their user experience through the *Sales Partner Journey*. In this way, the agents can be empowered to proactively contribute to the success of the

company in the long term, because trust is built and the “we” feeling manifests itself over time. In summary, this takes place under the term *Sales Enablement*¹⁰:

Sales enablement is a strategic, cross-functional discipline designed to increase sales results and productivity by providing integrated content, training and coaching services for sales-people and front-line sales managers along the entire customer’s buying journey, powered by technology.

Sales Enablement therefore means that the sales force is provided with the methodology and resources needed for a successful sales process. In other words, both internal and external sales must have all the information and resources to win over the buyer during the buying process (Albro, 2019). This means that it must be clear what information the buyer wants or needs. This can be new products, new technologies, new applications, or innovative topics.

13.6.2 The Sales Partner Journey

As part of the Excellence Framework, the process of selecting and onboarding new sales partners was also revised and optimized. The process was previously managed by the “Commercial” division, which, however, primarily had controlling and contract competence but no process or marketing competence. The selection process now runs via the Channel Success Manager, which in turn uses fixed processes defined in the Marketing Process Library. Since process compliance is again reflected in the target agreement, compliance with these new selection processes for new sales partners can also be precisely tracked and sanctioned in the event of non-compliance.

The sales partner strategy was also realigned in terms of content. The analyses at the beginning of the project had shown that agents tend to be able to successfully serve only one industry in the countries or regions. However, the company had previously always defined agents for regions or countries in which the agent was then tasked with serving all relevant industries. The unsatisfactory result of this old regional agent network was clearly visible in the correspondingly manageable turnover. Against this background, the following three binding selection criteria were defined as part of the new policy and approved by top management:

1. Agents are contracted in a defined region for a maximum of one industry.
2. Ideally, the agent in question can cover the entire value chain of the customer journey, including after sales and service.
3. Agents must be able to demonstrate an appropriate track record, a clean, stable financial base, and the broadest possible presence in the target region.

¹⁰<https://www.brainshark.com/ideas-blog/2013/July/what-is-sales-enablement-3-defintions>. Accessed: May 21, 2020.



Fig. 13.7 Schematic representation of TBM-based sales partner selection

If the three criteria mentioned above were met, the agent in question was shortlisted (Fig. 13.7). In order to meet the requirements of top management, each Area Sales Manager worldwide was given the target that he or she must sign up at least one new agent per quarter. Of course, the agents were actively supported and accompanied by the Channel Success Manager.

13.7 Quantitative and Qualitative Project Results

In the course of building up the TBM-based channel marketing, the example company was able to record its first clear successes after only a short time. Above all, the position of Channel Success Manager has proven its worth from the very beginning. Sales managers were relieved of their many tasks and communication with the new sales partners became more intensive. The applied templates immediately helped to identify needs, problem areas but as well to develop a commonly agreed and aligned working mode. All involved were immediately clear and aware of what was expected. The detailed monitoring via the Sales Partner Intelligence (SPI) provides 24/7 information on channel performance in terms of the individually defined goals. This interactive and dynamic SPI helps to identify any deviations, problems, weaknesses, or difficulties at an early stage and to derive effective actions. The achievement of the KPIs is not only reviewed at the end of the year, but several times during the entire fiscal year so that adjustments or corrective measures can be taken in good time.

The feedback from existing sales partners is also consistently positive. As a result of the channel management and the TBM-based better, more intensive, regular communication and cooperation, the existing sales partners have gained new élan and motivation. In addition to these positive effects on the existing, long-serving Sales Partners, the company is also recording significantly higher and faster sales growth with new Sales Partners compared to the same period last year. Whereas the benchmarks for the first substantial sales were in the six-digit range for periods of between two and three years, such sales volumes were already recorded in the first

year. The MROI can thus be set to “immediate,” as de facto no investments in terms of additional costs were made by the company.

Based on the ongoing feedback, the sales partners consider the new, and also—of course—TBM-based intensive onboarding process, in particular, to be crucial for rapid success in the market. In addition, this professional onboarding process obviously creates a unique selling proposition, which is why new Sales Partners aim for long-term cooperation with the company after only a few months, as well as a continuous inclusion of the company’s products in their range.

However, channel management has not only led to better communication with the sales partners but has also strengthened the internal cooperation between marketing and sales. The position of Channel Success Manager is a very decisive and novel interface between sales and marketing, from which both sides benefit. The establishment of this leading-edge position could be done successfully as the entire planning, designing, and deploying of its establishment happened off the drawing board using TBM. With regard to the area of marketing orchestration, such positions at the interface between marketing and sales will in future be decisive aspects of predictive profit marketing in the B2B area, which is to be established in the long term.

From today’s point of view, B2B marketing cannot be imagined without Channel Management. The market is changing rapidly, and it is, therefore, all the more important not to neglect established business relationships, but to proactively appreciate and promote them. We recommend that you also read an interesting online article on the subject of “The Essential Guide to Channel Partner Success.” This article describes the importance of cooperation between manufacturers, partners, but also with the customer. Each of the parties involved wants to gain an advantage from business relationships, so it is especially important from the manufacturer’s point of view to guarantee growth for Sales Partners.¹¹ The work in Channel Management never ends, because it begins, grows, and leads to mutual success.

13.8 “More Than We Had Ever Dreamed of. . .!”

In this case study, we showed that also in the area of technical sales TBM can be applied very easily and successfully. As all the other cases show how to improve and optimize something existing, this case clearly demonstrates that TBM can also act as a drawing board for a new department, position, or even business area, and also for new products and innovation management, as Chap. 9 has proven.

The big advantage of TBM is that it is a proven underlying management approach ensuring consistency and stringency which means that TBM—if applied correctly through an experienced templater—will throughout any process immediately raise any problem areas or uncover structural weaknesses. TBM in this sense is not only empowering but also a risk management tool as TBM systematically uncovers inconsistencies that might significantly impact the outcome of any endeavor.

¹¹<http://www.gainsight.com/guides/essential-guide-channel-partner-success/>. Accessed: May 26, 2020.