

Performance Management

Real World



The Safe Choice

Standards and Goals

- Finger in the wind?
- Solid foundation?

Types of Standards

- Behavioral
- Skills
- Financial \$\$\$
- Share % (Hyster and allied)

Standards and Expectations

- Introduced during the new hire interview process
- Dealership standards / expectations of the salesman and what the salesman can expect from the Dealership set the tone for the future
- When the offer is made the detail should confirm all behavioral, financial, share, skill development in writing.

Behavioral

- Appearance
- Plays well in the sandbox with others
- Time mgmt. consistent with Dealer standards / expectations
- Territory coverage consistent with Dealer standards / expectations
- Planning requirements, i.e. monthly calendar preparation, and data base updates are consistently and timely applied

Skills

- Reference the Salesman Skills Assessment for detailed definitions

Financial \$\$\$

- Gross profit standard
- Gross profit standard
- Gross profit standard
- etc.,etc. etc.
- A function of Sales dollars, margin management and expense control.
- Where is it coming from? Finger in the wind? Solid Foundation?

Share %

- You can't eat share. Oh really??
- Targets based on information gathering on a planned basis.
- Hyster, Dealership and Salesman targets should be in lock step.
- Each dealership needs a specific number of units going into the territory each year to maintain its long term health.

Share % cont.

- Call frequencies
- Quote activity
- Participation @ 50%
- Closure @ 30% minimum
- Share % ???

Criteria

- Specific
- Measureable
- Achievable
- Relevant
- Time-Based

Gross Profit Standards

- GP from all sales related activity, new, used, rental eq. sls., finance overages, allied, ship-in/infringement income
- Year 1-1.5 \$100,000
- Year 2 150,000
- Year 3 200,000
- Year 4 250,000
- Year 5 300,000

Gross Profit Standards

- Established in the annual planning process
- Monitored and Reviewed with the salesman monthly
- A story to be told by these numbers that may be poor performance, (a story in itself), cherry picking, or solid sales performance. Drill to find out.

Share %

- Maintain the existing base
- Develop new accounts
- Plan and target strategically important accounts
- Determine the number of units, both new and used to support the Dealerships aftermarket and STR year over year.
- Determine the number of new units required to meet Hyster's share goals for the Dealership

Share %

- Equipment sales should go up as a salesman's tenure increases.
- Skill development should go up as a salesman's tenure increases.
- If the two items listed above are not happening, Fire him/her and start over!!

Sales Standards

- Year 1-1.5 30 new and 12 used
- Year 2 40 new and 18 used
- Year 3 60 new and 24 used
- Year 4 72 new and 24 used
- Year 5 100+/- and 24 used

These are standards that would be adjusted upward for bonus or other incentives. Reward excellence, not expected.



Sales Standards

SALES FORECAST

YEAR: 2008

Salesperson Name: One Year Guy Date: 6/9/2008

Product	Sell Price	Quantity	Total Sell Price	GP%	GP	% Commission	Commission
Class I	\$ 24,000.00	6	\$ 144,000.00	10.50%	\$ 15,120.00	30.00%	\$ 4,536.00
Class II	\$ 25,000.00	3	\$ 75,000.00	12.00%	\$ 9,000.00	30.00%	\$ 2,700.00
Class III	\$7,500.00	8	\$ 60,000.00	6.00%	\$ 3,600.00	30.00%	\$ 1,080.00
Class IV	\$25,000.00	6	\$ 150,000.00	6.00%	\$ 9,000.00	30.00%	\$ 2,700.00
Class V	\$28,000.00	7	\$ 196,000.00	8.00%	\$ 15,680.00	30.00%	\$ 4,704.00
Personnel Carriers	\$8,000.00	4	\$ 32,000.00	10.00%	\$ 3,200.00	30.00%	\$ 960.00
Railcar Movers			\$ -		\$ -	30.00%	\$ -
Large capacity cushions			\$ -		\$ -	30.00%	\$ -
Attachments			\$ -		\$ -	30.00%	\$ -
Batteries			\$ -		\$ -	30.00%	\$ -
Chargers			\$ -		\$ -	30.00%	\$ -
Used Trucks	\$10,000.00	12	\$ 120,000.00	25.00%	\$ 30,000.00	30.00%	\$ 9,000.00
Ship -ins at list			\$ 150,000.00	2.50%	\$ 3,750.00	30.00%	\$ 1,125.00
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
TOTALS			\$ 927,000.00		\$ 89,350.00		\$ 26,805.00



Sales Standards

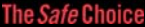
SALES FORECAST

YEAR: 2008

Salesperson Name: Four - Year Guy

Date: 4/1/2008

Product	Sell Price	Quantity	Total Sell Price	GP%	GP	% Commission	Commission
Class I	\$ 24,000.00	11	\$ 264,000.00	10.50%	\$ 27,720.00	30.00%	\$ 8,316.00
Class II	\$ 25,000.00	6	\$ 150,000.00	12.00%	\$ 18,000.00	30.00%	\$ 5,400.00
Class III	\$7,500.00	15	\$ 112,500.00	6.00%	\$ 6,750.00	30.00%	\$ 2,025.00
Class IV	\$25,000	20	\$ 500,000.00	6.00%	\$ 30,000.00	30.00%	\$ 9,000.00
Class V	\$28,000.00	20	\$ 560,000.00	8.00%	\$ 44,800.00	30.00%	\$ 13,440.00
Personnel Carriers	\$8,000.00	8	\$ 64,000.00	10.00%	\$ 6,400.00	30.00%	\$ 1,920.00
Railcar Movers	\$250,000	1	\$ 250,000.00	10.00%	\$ 25,000.00	30.00%	\$ 7,500.00
Large capacity cushions	\$180,000.00	1	\$ 180,000.00	10.00%	\$ 18,000.00	30.00%	\$ 5,400.00
Attachments			\$ -		\$ -		\$ -
Batteries			\$ -		\$ -		\$ -
Chargers			\$ -		\$ -		\$ -
Used Trucks	\$10,000.00	24	\$ 240,000.00	25.00%	\$ 60,000.00	30.00%	\$ 18,000.00
Ship ins			\$ 300,000.00	2.50%	\$ 7,500.00	30.00%	\$ 2,250.00
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
TOTALS			\$ 2,620,500.00		\$ 244,170.00		\$ 73,251.00



Estimated Compensation	Base	Units			Conquest*	Total
Est. Potential	\$ 75,000	\$ 107,500				\$ 182,500
Est. Tracking	\$ 75,000	\$ 11,500				\$ 86,500



7

1. - Enter annual forecast purchase of Hyster product by class by account
2. Enter Total annual buy for account
3. Enter Total estimated installed base for account
4. Actual / Forecast will be maintained by Dealer Development / Channel Performance
5. Estimated Unit compensation potential calculated on Hyster annual purchase volumes
6. Estimated Unit compensation tracking calculated on actual retail units booked
7. Percent annual forecast achieved (actual / annual purchase forecast)

Sales Standards - Units

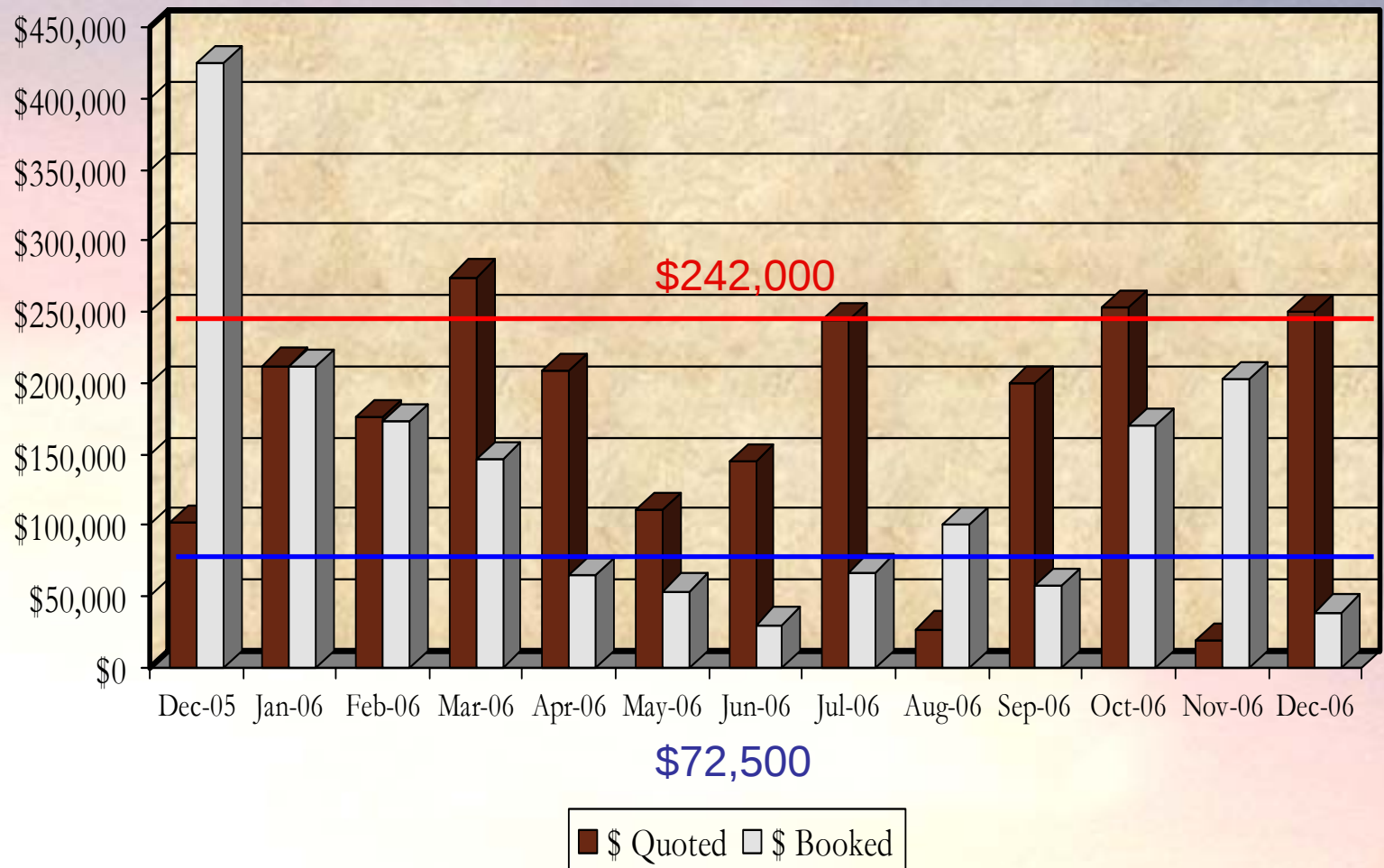
- How many quotes required to hit target for a first year salesman's goal?
- Assumes: 30 new and 12 used
- Assumes: Avg. sell for new @25,000 and used @ 10,000
- Assumes close ratio of 30%

Sales Standards - Units

Method to apply

Category	Quantity		Price		Extended
New	30	\$	25,000	\$	750,000
Used	12	\$	10,000	\$	120,000
Total				\$	870,000
Closure Rate					30%
Annual Quote Log Required				\$	2,900,000
Monthly Quote Activity Required				\$	241,667
Monthly Booking Standard				\$	72,500

Sales Standards - Units





How do we make
the numbers work?

Get reliable information to
work with?



The Safe Choice

The Labor Day Exercise

Each Salesman will ask and record each customer's buying plans for the upcoming year, be they Hyster user or competitive account.

The information will be recorded in such a way as to make it retrievable and formatted in such a way as to be the foundation of the annual planning process.



Company: GM Sales Training and Consulting

Contact: Gerald Maywright

Dept: Last: Maywright

Title: President Dear: Jerry

Source: Asst:

Phone1: (315)655-9696

Ext:

Phone2: Ext:

Phone3: Ext:

FAX: Ext:

E-mail: jmaywri1@twcny.rr.com

Web Site:

Address: 4951 East Lake Rd.

:

:

City: Cazenovia

State: NY

Zip: 13035

County Name: Madison

Merge: CM

Product Type:

Fleet Size: LTb

SIC:

Customer Number:

HERO Link:

Fields GM+View Notes Contacts Details Referrals Pending History Links

LT Salesman: Jerry

LT CSR: Pete

LT Territory:

LT Prim Supp: Crown

ITA Class: C2

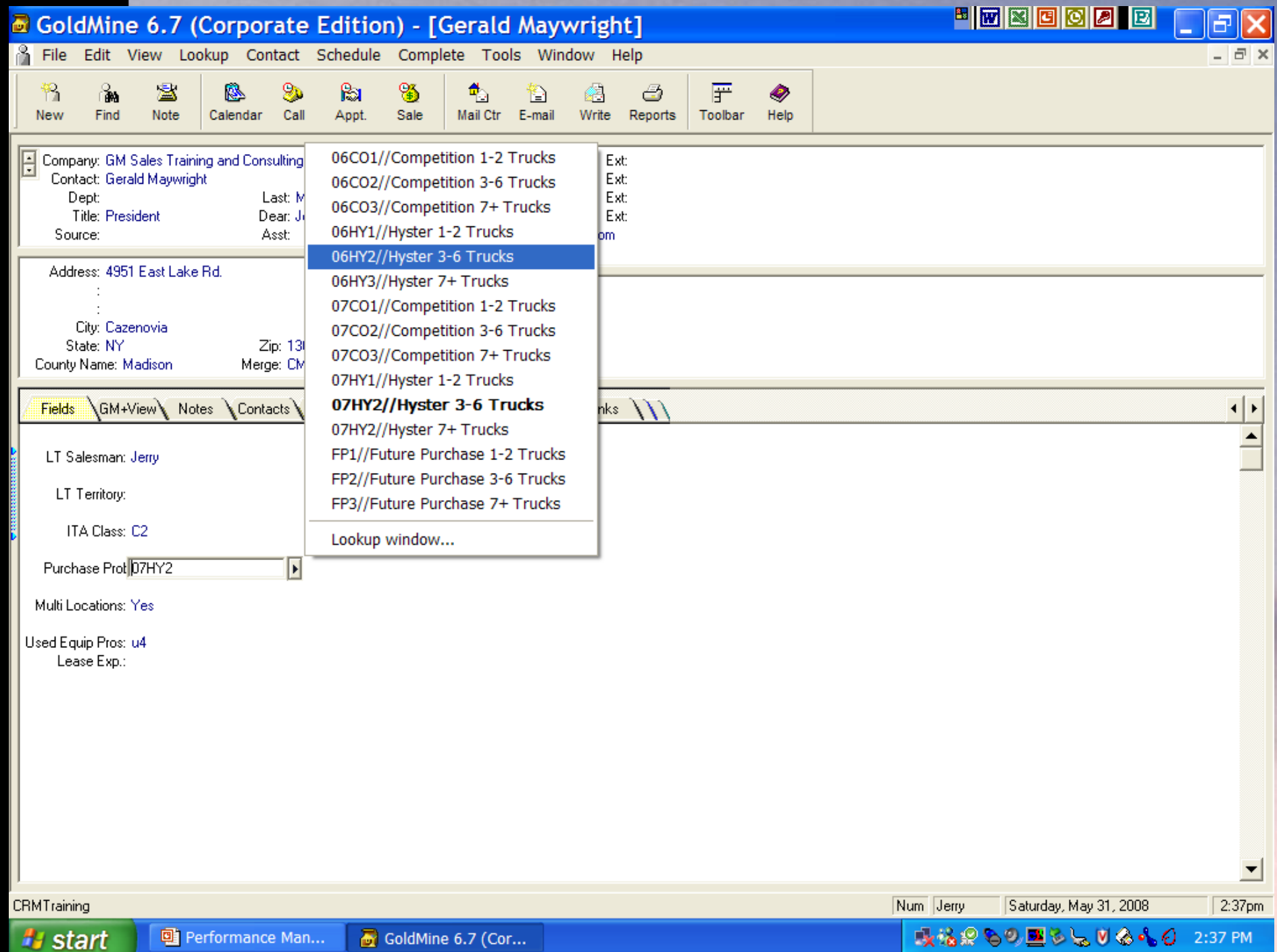
LTMaint: In-House

Purchase Prob07HY2

Multi Locations: Yes

Used Equip Pros: u4

Lease Exp.:



Now What?

- Analyze the data
- Build the spreadsheet
- Do a sanity check for relevance and achievability
- Assess competitive accounts for conversion
- Assess your customers for vulnerability

Some old friends revisited

- Closure= $\text{sold} / \text{sold} + \text{lost}$
- Participation = $\text{sold} + \text{lost} / \text{industry}$
- Share = Participation x Closure

How do we increase Participation?

- Call on more of the right kind of customers
- Plan properly, and monitor the execution by your sales reps.
- Ensure that your call frequencies, coverage model and new account development is occurring on a structured, disciplined basis
- Implement a system that will generate the kind of report generation that will allow you to monitor the above items.



Time Management

For the Materials Handling Sales
Professional



The Safe Choice



The Safe Choice

GOAL:

To maximize revenues and income \$\$\$.

To accomplish this, spend the majority of your time in front of customers and prospects who have and spend the most money on your products and services.

Time Use Functions

- Customer Face Time
- Windshield Time
- Administrative (quotes, correspondence, customer issues)
- Planning (research, prospecting, appt.setting)
- Data Base updates and Scheduling
- Personal

Time Audit

Prove it to Yourself

Analyze you prior week activities.

- by the hour**
- by the day**
- by the week**

**Calculate the % of time used by category
of the total time available.**



Time Audit

Do One!!

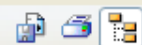
Daily Time Use Format

- 8:00am – In the territory.
- 2:00pm(approx.) back in the office or home office.
- 2:00-3:30pm- Administrative (quotes,correspondence, customer issues.
- 3:30-4:30pm(planning, appt. setting,tel.)
- 4:30-5:15pm- Data Base updates and scheduling.



The Safe Choice

What can be!



Preview

+ JERRY

History by Salesman by Fleet Size

JERRY

Lift Truck Fleet A

Bay Logistics Incorporated

Spring Lake

05/02/2006	Introduction Letter (cc:Harold Timmerman)	Sent intro letter will followup with phone call
05/09/2006	Followup Phone Call (cc:Harold Timmerman)	Call to set appointment
05/15/2006	Mutual Interest Preliminary plant review within four week	Plant review focus on S and R, storage and flow
06/06/2006	Scheduled Appointment (cc:Harold Timmerman)	Did plant review. Met with Shipping and Receiving Mgr. IC trucks on the docks are environmental issue. Limited staging area. Need review in greater depth of storage method and throughput. Electric truck alternative study is next step. Call in our systems group to do storage study.
06/28/2006	Demo walk through (cc:Harold Timmerman)	Electric demo brought in with power prover. Systems team reviewing sku's relative to storage and pick frequencies. Will stop in over the next week to collect truck data and schedule a formal review of power and storage in about a month.

Dist Group Incorporated

Grand Rapids

05/02/2006	Introduction Letter (cc:Dist Group Incorporated)	Sent intro letter will followup with phone call
05/09/2006	Followup Phone Call (cc:Dist Group Incorporated)	Call to set appointment
05/23/2006	Mutual Interest Preliminary plant review within four week	Plant review focus on S and R, storage and flow
06/14/2006	(cc:Peter Jenkins)	Plant walk through. Focus on S and R. Looking to increase storage space. Top beam is 20 feet. Could be a man down turret application. Will make a more in depth review on next visit.
06/14/2006	Distribution Group survey (cc:Peter Jenkins)	customer ready to make change based on more detailed review.
07/12/2006	(cc:Peter Jenkins)	Man down review. Need product mix info, number of SKU's pallet sizes. Storage increase targets etc.
07/21/2006	(cc:Peter Jenkins)	Based on storage hghts., limited number of sku's, high density storage, single selectiv racking will give customer 30% increase in slots and improve through put. Will generate quotation for two units.

Heinz Usa

Holland

05/02/2006	Introduction Letter (cc:Clarence Becker)	Sent intro letter will followup with phone call
05/09/2006	Followup Phone Call (cc:Clarence Becker)	Call to set appointment
05/18/2006	Mutual Interest Preliminary plant review within four week	Plant review focus on S and R, storage and flow
06/07/2006	Needs Analysis (cc:Clarence Becker)	Prel plant review. Spent time with S and R Mgr. Needs more storage space. Using CB trucks and conventional aisles with single deep rack. Need to study product types and storage

Missing Fleet Size History

<u>Assigned Salesman</u>	<u>FleetSize</u>	<u>Company</u>
Bill	Fleet Size A	Hardwoods Inc.
Jerry	Fleet Size A	Bay Logistics Incorporated
Jerry	Fleet Size A	Dist Group Incorporated
Jerry	Fleet Size A	Heinz Usa
Jerry	Fleet Size A	Herman Miller Incorporated
Jerry	Fleet Size A	L Perrigo Co
Jerry	Fleet Size A	Mannesmann Dematic Rapistan Co
Jerry	Fleet Size A	Meridian Automotive Systems Inc
Jerry	Fleet Size A	Spartan Stores Incorporated
Jerry	Fleet Size A	Steelcase Incorporated
Jerry	Fleet Size A	Total Logistic Control Llc
Jerry	Fleet Size A	Tower Automotive Products Co
Jerry	Fleet Size A	Universal Truss Incorporated
Jerry	Fleet Size B	American Seating Co
Jerry	Fleet Size B	Columbian Dist Service Incorporated
Jerry	Fleet Size B	CompX Regout Usa Incorporated
Jerry	Fleet Size B	Finishmaster Incorporated
Jerry	Fleet Size B	GM Sales Training and Consulting
Jerry	Fleet Size B	Haviland Products Co
Jerry	Fleet Size B	Herman Miller Incorporated
Jerry	Fleet Size B	Interstate Warehousing Incorporated
Jerry	Fleet Size B	K R C Incorporated
Jerry	Fleet Size B	Kellogg Co
Jerry	Fleet Size B	L Perrigo Co
Jerry	Fleet Size B	Michigan Turkey Producers Llc
Jerry	Fleet Size B	National Nail Corporation
Jerry	Fleet Size B	Old Orchard Brands Llc
Jerry	Fleet Size B	Quality Stores Incorporated
Jerry	Fleet Size B	Quality Stores Incorporated
Jerry	Fleet Size B	Schupan & Sons Incorporated
Jerry	Fleet Size B	Steelcase Incorporated
Jerry	Fleet Size B	Wolverine World Wide Incorporated
Jerry	Fleet Size B	Zondervan Corporation

Preview

New Database Additions

<u>COMPANY</u>	<u>CONTACT</u>	<u>TITLE</u>	<u>ADDRESS1</u>	<u>CITY</u>	<u>STATE</u>	<u>ZIP</u>	<u>PHONE1</u>
----------------	----------------	--------------	-----------------	-------------	--------------	------------	---------------



The Safe Choice

Your Thoughts?