The Repetitive CPG Manufacturing Playbook for AE's and SE's

Prepared by The BlackIron Group

BG BLACKIRON GROUP

salesforce

Contact us:

Dan Corbett – Managing Partner
dan@blackirongroup.com
or (GChat) – dan@blackirongroup.com
Peter Anderson - Partner
peter@blackirongroup.com
or (GChat) – peter@blackirongroup.com

Sales Cycle in a box for Manufacturing Prospects

Document Overview

The purpose of this document is to align you with your manufacturing prospects. We intend to give a high level overview of the types of manufacturers, insight into the kinds of questions you should ask, the needs of manufacturers, ERP integration and needs, and a way to approach the sales cycle. It is not and will never be entirely complete, but it will give your team ideas on how to approach these clients and make a better, more "in tune" sales cycle.

1. Types of Manufacturing clients

There are many types of manufacturers, but for the purpose of a Sales Cycle – and for how we begin the scoping conversations, we are breaking them down into 4 distinct types:

- **Repetitive Manufacturing and Distribution** – basically "Widget" manufacturers. With its requirements for setup being minimal or having little changeover, the operation speeds can be increased or decreased to meet customer demands or requirements. Customers order products from these Prospects periodically based on demand, and these prospects warehouse their own goods in anticipation of customer orders. Product volume in this space is typically high and product is shipped in cases or even pallets. ***Prospects in this segment make items like Consumer goods (Kitchen Utensils, etc.) or Food products.***

- **Discrete Manufacturing** – Like repetitive manufacturing, discrete manufacturing also utilizes an assembly or production line. However, this process is extremely diverse, with a variation of setups and changeover frequencies. Prospects in this space typically produce order lots based on individual production orders. Like Repetitive manufacturing, products produced as a result of Discrete manufacturing Prospects are high volume – in cases, or pallets, however, a customer typically places an order BEFORE the production of the item begins. ***Prospects in this segment make items like OEM Car parts (Brake Pads, etc.), High Tech (Circuit boards, etc.) or custom packaging for consumer brands.***

- **Job shop manufacturing -** unlike repetitive or discrete manufacturing, produces made-to-order (MTO) or made-to-stock (MTS) items. These items are HIGHLY CONFIGURABLE, with multiple product "Options" and are typically produced in small batches or singularly. The production of their products are so highly customized that the production line is essentially reset each time a new product is produced. ***Prospects in this segment make items such as heavy machinery, custom sized equipment (doors) or Equipment used in other manufacturing processes (Spoolers, wire, etc.).***

- **Process manufacturing (or continuous manufacturing)** – This is similar to repetitive manufacturing as it also runs 24/7. The difference is that this manufacturing process produces raw materials such as gases, liquids, powders, or slurries. ***Prospects in this segment make items such raw materials for Plastics, chemicals or fabric.***

We will review the considerations for these prospects in detail in the next sections

2. Repetitive Manufacturing Prospects

Account Management Needs

Repetitive Manufacturers often have multiple channels that they sell through. They will often sell to retailers directly. They will also sometimes sell to distributors, who then "job" retailers - managing their products for the retailers. Finally, some of these manufacturers have a direct channel via e-commerce. Most will have at least 2 of these channels, and so the first question we ask is, how do these channels compare as a percentage?

Sales

■ Retail ■ Distributor ■ Direct ■ Other?
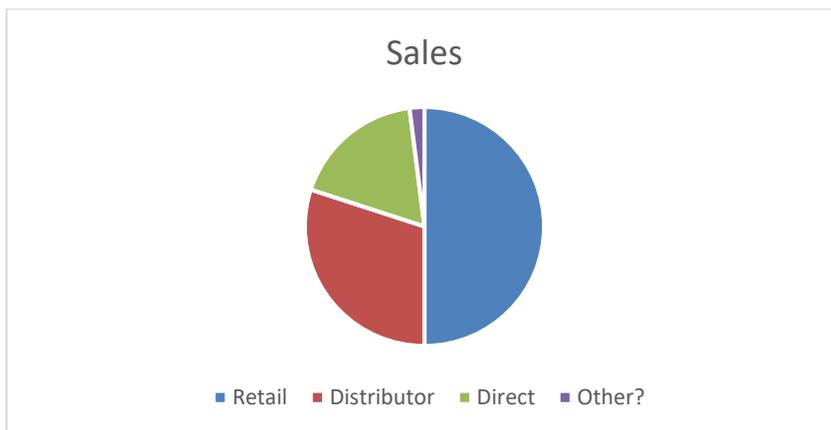
Typically prospects in this segment have Account Reps that are road warriors. An "Opportunity" is not really anything more than an agreement that a client will do business with the prospect. The exact quantity and frequency of orders is often undefined at the time of the contract completion. What drives the sales volume is demand or forecasted demand from their customers. For a food manufacturer, for example, if a client – say Whole Foods is experiencing an increase in demand for a product (tortilla chips), then our prospect needs to be front and center to make sure that their tortilla chip is getting the most shelf space and the best chance for sales. Our Prospect's Account Reps will strive to be on site with their clients often, but are typically ham strung in how to intelligently choose which clients to visit, and how often. However, these reps are not involved in the order process at all. Clients like Whole Foods submit orders using a Call Center or via EDI, so the sales data really only exists in the ERP (see below)

For Direct Sales, tracking those sales are important, but only the Prospect can determine the level they want to track. For some customers, know the direct channel without customer data is enough, for others, direct is all important and we will need to know customer information for marketing and forecasting (see marketing below)

For prospects who sell directly to retailers, in-store events are critical. Showcases for Kitchen Utensils, or customer tasting events can be key to getting the clients' customers interested in our prospect's products. Scheduling these events, though, take resources, time and money, and so the prospect needs solid data before deciding to commit. For customers, this data comes from ERP (see below). For leads, typically management approval is necessary to commit.

In addition, our Prospect's Account Managers are typically responsible for new Lead Generation as well. With no data really about the Leads, it is important to be able to visualize leads close to account, so that visits can be managed.

How can we help?

- Using base Salesforce Views we can show data regarding last visit, sales volume (assuming we are integrating with their ERP), and product mix.
- However, USING **Salesforce MAPS**, we can put this function on steroids! Maps would be a game changer for these reps
- Mobile experience would be key – even though most of the customers wouldn't even think about it. We should be talking mobile from the first conversation – start with how reps communicate trip outcomes, understanding that most of the time the answer will be "they don't". (see below)
- Using base activity management and mobile experience, we can record trip outcomes, record next steps, and track basic expenses like mileage or meals. For Prospects in our space, we shouldn't get to technical in the beginning (Concur) so keep it simple.
- Finally, workflows and approvals can help our prospects to alert and confirm trips, outcomes or events for their leads and customers.

Data Analysis Needs

The need for Sales and potentially Inventory data is critical for these manufacturers. We will definitely need to integrate to their ERP. The good news is, that this is doable for almost any ERP built after 1995! For older or non- API'd systems, we would make the disclaimer that the integration would likely be one way - from ERP to Salesforce, but using various methods from SQL views to flat file integration, we can likely get the data out of their ERP. Right now, this data is in their ERP, but:

- Reporting is convoluted and locked down
- Reporting cannot be defined or manipulated by users
- Signing in to ERP and finding reports is not convenient
- And it's not Mobile usually

We can solve for all of this by bringing that data into Salesforce and using basic reports and dashboards as a start. Eventually, if **Tableau** ever becomes a thing, we could it to get to the next level.

For a direct channel, we typically run into Shopify or Magento at this level. Commerce Cloud is a possibility but is usually priced out of the realm of possibility. When we run into Shopify or Magento, we typically recommend AppExchange Modules to solve for these integrations. ***NOTE - this requires some conversations during scoping, but not initially.*** We need to understand WHAT data they want to move and where. For instance, the really seamless Shopify integration writes data to Opportunities – so if they need Shopify Orders, we need to understand from the beginning that that is where Shopify orders will go if we use the AppExchange Modules.

How can we help?

- With **Enterprise Edition**, we could integrate to their ERP and pick up critical Sales and if necessary, inventory information.
- **Mulesoft** is a possibility, but the pricing typically removes the tool as a possibility. We can and have used Middle ware to do the integration, BUT, in our opinion, we are better served writing APEX code to do the integration. *We believe that we can do most integrations for between $12K and $15K one time (==not counting the rest of the project==)*. Middleware such as Jitterbit or Informatica can START at $20,000 a year.
- And by using this information in Salesforce Reports and Dashboards, we could deliver this analysis to the Account Reps' pocket. They can use this information to analyze sales by Product, by time (This Year/Last Year), by category – really anything we can get from ERP. We can do Gross Margin Analysis if the cost of goods can be sent in the integration, we can analyze product mix if the category can be sent. Really anything they want to see, if they can get us the data, we can draw at the account level, and then for the company/rep/time period

Quote Preparation Needs

For the most part, quoting is not a critical need for Repetitive Manufacturers. These Prospects rely on orders to come in from Call Centers or EDI. You can ask, though by starting with an assumption. *"I Assume that orders come in through EDI or call centers, and that your account reps do not enter orders directly. Is that accurate?"*

Customer Support Needs

Customer support typically revolves around "where's my stuff?" or damaged shipments. Production quality is pretty fixed for these Prospects, so lot control is not typically an issue.

How can we help?

- We can build out the basic Support features for these clients, but a great way to manage this is by building out a **Customer Community**. Using a community, clients could self-serve on order status, and could report damages themselves. If the Prospect works with big retailers or distributors, though, this becomes unlikely. We aren't really going to be in a position to ask Whole Foods to log into a community to report issues.

Marketing Automation Needs

Repetitive Manufacturers market to both leads and existing customers. For leads, our prospects could put leads created in the system on drip campaigns in either Pardot or Marketing Cloud and work to educate leads on the products the prospect makes.

For existing customers, *new product introductions (NPI)* are critical to customer growth. Sending alerts and studies or testimonials about new products via Pardot or Marketing Cloud can give these prospects a critical early advantage.

In many cases, these kinds of manufacturers have relationships with their end customers as well. Social Studio can be a GREAT way to manage these relationships, however, in order for that to work, they may need to have their end customers' data available to manage those interactions.   *NOTE –the Prospect will need to be in a position to create this content. We won't be able to do this for them, but if the Content is available, we can help deliver that content to the leads.*

Understanding the Need

We call this the "Rotation of Neglect"! Which of these business process is the most important initially? Knowing the biggest pain point can help us to determine the initial approach, AND can help us with future Opportunities with the Prospect once they become a client:
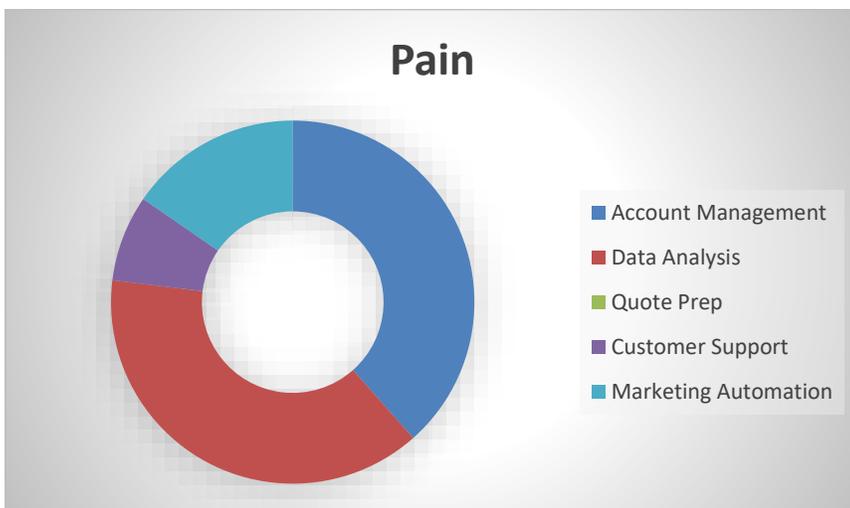
Scoping Questions

- ◆ Are you doing ANY CRM activities? (Tracking Calls, etc.) IF so, how? (CRM, Spreadsheet, Outlook). I bet they hate it if they do!
- ◆ What is your Channel Mix? How does the mix drive your Account Reps Daily Routine?
- ◆ How do you decide when (and who) to Visit? Is there any data analysis when trips are scheduled?
- ◆ How do you report meeting outcomes? How do you communicate next steps? Do you need other resources to help? (Event coordinators, category managers, etc.)
- ◆ How do you analyze Sales data? (ERP, Spreadsheets, PDF Reports, etc.)
- ◆ How much of your business is New Clients vs Existing Clients
- ◆ How much of your business is New Products vs Existing Products?
- ◆ How is the Contract process managed? Do you have contracts with existing customers?
- ◆ What is your ERP System for Retail and Dist Channels?
- ◆ What is your E-commerce engine for Direct Channel?
- ◆ How do you identify new Leads? How do you engage with them?
- ◆ How do you track early stage leads?
- ◆ Do you market (email) to Leads? What kinds of communications do you send? How (Mail Chimp, etc.)
- ◆ Do you market to existing customers? What kinds of communications do you send? How (Mail Chimp, etc.)

- What kind of data do you need on the road? Is the data in ERP? Outlook? Spreadsheets?
- Is your ERP data in good shape? Do you have tons of dups, old or dirty data (we can sometimes fix – but usually need something like Cloudingo to help on the Salesforce side or some other way to clean after integration)
- How do you collaborate within the company? (Quip, Chatter, etc.)
- How do you track Events (or do you?)
- Do you track any kind of Event Effectiveness? Do you know if an in store for example was effective in increasing sales?
- Is there any kind of analysis between Visits and Sales?
- Are you aware of trends? Declining sales by Product, declining sales by customer, etc.? (BTW, the answer is almost always "no")
- How do you assign Accounts and/or Leads? Is there a geo distribution?
- If a Rep leaves, how do you "Institutionalize" the account relationship history? (I bet they don't!)

Challenges and Risks

- If Data Analysis is a big issue, our first risk is integration – not IF we can integrate, but IF they have money to spend on it. Knowing in advance that the total project cost is going to START at $25K means that we need to make sure they have a $25K problem
- Are we high enough? Most of these clients in our space are family owned, which means, that there is 1 or 2 people at the top who make all of the decisions. We need to make sure they are with us right from the beginning. A VP at Salesforce has an ingenious way to handle this. Make the first meeting after the Prospect is qualified to you a **"CXO/VP Introduction"**. Hold out for this meeting and don't proceed until we get it. At the meeting, we do a broad overview of Salesforce as market leader, an explanation of CRM (sometimes the customer doesn't know). This meeting also sometimes tells the prospect what we don't do. For instance, we don't do ERP! We don't do production control, we don't do warehousing!
- Is the client mature enough? Sometimes we see clients who do this work in Spreadsheets. They are desperate to get away from this, and they know that staying on spreadsheets or QuickBooks is a limiting decision, but they don't have the money, resources, or processes to make the move from those tools to Salesforce. We can recommend things like Accounting Seed or Matrix Velocity to solve for some of these problems, but if the upfront costs are prohibitive, or if the prospect does not have the resources to commit to such a big project, its probably time to part friends. Clients who take on this much change are a **GREAT candidate for CSAT issues** later and potentially Carve Backs…
- Does the client have rigid business processes? Salesforce and system in general LOVE rigidity. Back to spreadsheets, if the solution to a problem with production is "add a row", we can't always manage that kind of change. We should understand the processes in that first meeting before we commit to spending more time.

3. Trade Adjustment Assistance Centers (Money for our Prospects)

TAAC

Trade Adjustment Assistance Center (TAAC) is a non-profit, regional center that provides federal funding assistance for ***manufacturing and service companies*** that have been impacted by foreign competition. Basically, if your business is affected by important (and the affect can be as little as 5%) then you can be approved for a Grant from the US Government to pay for Technology initiatives such as Salesforce.

Funding is provided to the TAAC by the U.S. Economic Development Administration through the Department of Commerce under the national Trade Adjustment Assistance (TAAF) for Firms program. (There are 11 dedicated TAAF centers nationwide)

Positioning this Assistance can be tricky, as it will delay the sales cycle, but ESPECIALLY RIGHT NOW, I think that this could really help us to find customers – and engage them in a sales cycle. This could give companies money to pay for technology, and get it up and going WHILE this coronavirus is paralyzing business. It gets us into Sales Cycles and helps us to talk to customers about the process.

Read about the TAAC offers here, and find your local chapter here.