



Project report: Strengthening of the Field Representatives in an Industrial Company

- :: The project was carried out with the consultation and accompaniment of flow consulting gmbh.
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Reason

The company markets their product to their distributors via their field representatives. In the past, the sales strategy was product orientated: critical for this strategy was product differentiation. Key role for the field representatives was customer product training, introductory events for successive and new product lines as well as presenting product features. However, the competitive advantage via the product continuously decreased; product innovations quickly being copied by the competition and essential product distinctions are barely given. Pricing becomes an ever more central aspect of sales pitching between the field reps and distributors.

As an alternative to product and price orientated sales, basic approaches in customer orientation and relationship marketing are to be implemented. Accordingly, the companies management asked the following questions:

- How can we strengthen our customer orientation, to generate competitive advantage and reduce or avoid price battles?
- Which value add and benefits can we generate for the business?
- Which optimization potentials are given in the collaboration process?
- How do we support our strategic partners to survive the competition, enabling us to substantiate our position as market leader?

For the field representatives, who were the focus of this project, this meant: A new understanding of their role and new customer orientated behaviour with extended competences and skills. In future, the rep will not be a product explainer and order writer, he will be a problem solver and consultant who is able to lay the foundation for this new form of value-add-partnership.

In the phase of concept development, it quickly became apparent to all parties concerned, that simple seminar-concepts would hardly be able to help in solving this task. Next to structural questions, there were also the questions of strategic alignment, company culture, mental disposition as well as the competencies and abilities to be addressed. A change process will have to be controlled, which takes all of these aspects into consideration. On the back of this, those responsible decided to implement the learn process for the field representatives with the help of Action Learning elements. The concept was planned long-term; the individual consultation steps were developed in the process of the joint undertaking. This provided the necessary flexibility.



Action Learning – What is it?

“In Action Learning, managers (or employees) are encouraged to explain their own point of view (...) and their own solutions to other professionals (...) which make this approach to an effective workshop, where the participants (...) search, sharpen and test their judicious abilities respecting the invisible and unknown. The managers could be taught none of this in formal tutoring; everything is learned (...) through exchange.”(Reginald Revans in Donnenberg Action Learning, Stuttgart 1999, P. 33)

Spectrum of Action Learning Activities

Individual Learning

- Preparation and Review
- Observational action
- Keeping a logbook
- Appraisal

Learning with the Contractor

- Periodic conversations
- Conferences

Learning with the Promoter

- Coaching conversations
- Preparation and review meetings
- Design of change initiatives

Learning with other Stakeholders

- With suppliers, customers, competitors and superiors

Group Learning

- In functional teams
- In task forces
- In mixed learning groups
- With participants from different organizations

Complementary Experimental Learning

- As required by the participants
- Depending on the course of the Action Learning
- Seminar, Learn-Project, Coaching, One-to-Ones, Dual Exchange
- Field Analysis, Input via evaluations or research

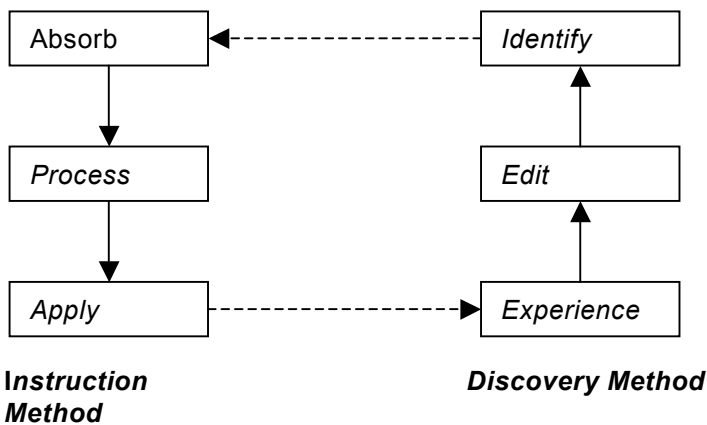
(according to Otmar Donnenberg, Action Learning, Stuttgart 1999)



Procedure

The challenge in the project is multi-dimensional. There is no singular correct solution that merely needs to be conveyed to the participants and autocorrects everything; on the contrary, first the terrain requires examination. The solution is unknown; there is a lack of customer knowledge and of the route to be taken, to achieve the set goals. In such a diverse staging, it is more promising to organize the learn process in a conjoint compilation of the knowledge base of the participants. This strategy is described as the “Discovery Method”. In Action Learning, this is the focal point and can be integrated into the “Instruction Method”.

Two Learning Methods



In the following, you will find the description of an outtake of steps from the implemented Action-Learning-Program.

1. Field observation

Initially the flow consultants had to get to know the context. They travelled with the field representatives, went on site to the distributors, experienced the sales processes and held meetings with the distributors as well as the end customer. The results of these “Embedded” – studies were presented to the employees and management, offering management an insight into the on-site activities. In this phase, the first problems with the pattern of the customer relationship became apparent, as did possible angles for directional optimization of the relationship.

2. Personality-Seminar with Customer Typology and Customer Analysis

As the change of the role in the fieldwork requires a review of ones own attitude, the Jungian Personality Profile was employed in the course of the Personality Seminar. The differences in how a person perceives and judges things became apparent and with it, the spotlight was drawn toward the individual customer perception. Customer specific strategies came into focus. A selection of customers were analysed through different methods from which customized customer strategies derived.



Worksheet example

The individual case – Customer Analysis

1. *Distributor structure of the region*
2. *Is-Analysis of the business relationship*
3. *Contacts, employees, relationship diagram*
4. *Specific problems – past approaches*
5. *New customer building ideas*
6. *Goals – Routes – Measures*

3. New Sales Structure

In small workshops, it soon became apparent to the participants, that the current sales structure was counter-productive given the new goals. Based on this, management made the decision to re-structure the sales division. The new regional sales structure was complemented by a customer care structure, i.e. the first key account management was deployed. To allow for detailed planning and conveyance of the new structure, preparatory workshops were held. The changes of internal processes that would be necessary for the customer care were tested in simulation. Hence, possible customer reaction and market changes were brought to the drawing board. The field representatives discussed strategic and tactical questions and developed new patterns for customer dialogue. This helped minimize resistance and strengthened the security of operating in the new situation.

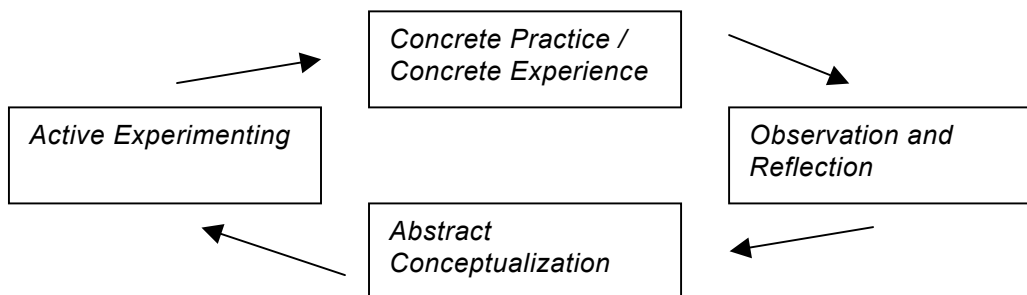
4. Accompaniment

After implementing the new sales structure, the flow consultants again accompanied the sales representatives. This was not a mandatory exercise, but voluntary. However 30% of the sales representatives carried out the accompaniment, so that a large number of customer visits were captured. The accompaniment served as cross check, to assure the functionality of the customer care structure. Additionally it provided the opportunity for give the field representative's feedback on their operational pattern in the new role. Individual coaching sessions concluded the exercise.



Learning Cycle according to David Kolb

In the process of Action Learning, reflection on the learned, the gaining of experience, plays a major role. A continuous learning curve is what we are looking for, not a one-off execution. This continuous learning needs to be initiated (acc. to David Kolb, Experimental Learning, New Jersey 1984)



5. Evaluation workshops

In a joint effort with several groups of field representatives, the consultants discussed, compiled and reviewed the central conclusions, which could be drawn from the insights gained from the customer reaction observed during the accompaniments. This allowed for ideal coordination of the successive optimization process. Amongst others, the following questions could be answered: What does the new structure imply on the market? With which typical patterns does the company operate in the market? What are the actual customer needs? How helpful is the new structure in promoting the relationship-management? To ensure a general understanding of the market place, the customer requirements and personal influence potential

6. Immediate implementation of necessary accompanying measures

Some conclusions of the work to date refer to organizational measures: fine-tuning of the cooperation between inside sales and customer service, more effective filtering of information and shifting of administrative responsibilities etc. Managerial measures were decided on and immediately implemented. One other suggestion was made pertaining to pricing: A coordinated exchange between all field representatives was to be established. To compliment this, internal experts on the subject were invited. A better understanding of the process was conveyed during the pricing workshops; which helped a better on-site deployment of the pricing goals of the company. The field representatives were enabled to act as pricing experts, reasoning with the customer being more profound. Over and above this, the topic "End-Customer-Price" was handled.



Pricing Workshop

1. *Theoretical advice*
2. *What do we know about pricing?*
3. *Who makes and influences our pricing and in which form?*
4. *How do the prices of our competitors come about?*
5. *What role does the customer play?*
6. *Practical advice*

7. Development of Learning-Sponsorships and Learning-Projects

Further insights gleaned from the accompaniments provided the source from which to identify learning areas, which, in the next step, were handled in teams of two field representatives. For this task, the field representatives were provided with support from the flow consultants. Special learn projects were initiated which would support the deployment of the strategy i.e. building learning groups with selected distributors, customer forums, regional price screenings, location analysis, end customer research etc.

8. Exchange and Learn Synergies

The learning experience of the two man teams were reflected and published. What have we compiled? How can the colleagues profit from this? How does that impact us and our next steps toward implementing the new strategy? How do we profile the new role and how do we learn from each other? The results were highly interesting for everyone; innovative momentum developed and cooperative learning strengthened. The results of this work were compiled by the learn groups and presented to management.

9. Measuring success factors

During the full process, typical work patterns and customer care functionality were captured in several phases and the results cross checked with the help of quantitative key figures and qualitative factors.

Result

After two years, success has become visible: customer loyalty toward selected distributors has improved and long-term business relationships to key customers have developed. These customers are growing within the market place and generating a large part of the gross turnover of the company. Competitive advances on these customers are hardly possible, as this kind of customer



relationship is not easily copied. The quality of the customer relationship has therefore become an important part of competitiveness.

The field representative has come to see himself as a learner, to whom new opportunities have opened up. He is becoming increasingly aware of his personal responsibility and using his enhanced competencies by implementing his own ideas in the individual customer care.

The Action Learning method has taken root in the company and is finding more and more acceptance. Expansive and complimentary projects are being conducted without the support of consultants. The ability of management and employees for organized learning have been visibly developed and enhanced. This enables the company to take a fast, flexible and successful stance against new challenges.