DLL Transitioning to Selling Digital Tools

Disclaimer: DLL is obviously a real company and an amazing sponsor of the ICSC sales management case competition. The overall challenge outlined below is a real issue that DLL has had to address in the past but please understand that the facts and data are fictional, created solely for the purposes of case competition.

CASE INTRODUCTION:

The view was absolutely incredible. A small group of people stood at the top of a platform twenty stories off the ground that was nestled against the metal frame of what would soon become Universal Studios - Orlando's newest and tallest rollercoaster. The group was comprised of a few construction engineers from Premier Rides and sales engineers from Kone Cranes. The construction company, Premier Rides, had contracted several large industrial cranes from Kone that sat atop the platform. The cranes were an integral part of the construction as they hoisted large steel beams to the top of the twisted metal track.

Also in the group that was standing at the top of the roller coaster project was Bill Stephenson, CEO of DLL and Tom Meredith, Chief Commercial Officer of DLL. DLL created special leasing agreements between Premier and Kone Cranes that helped Premier get access to what is usually an incredibly expensive piece of equipment for the duration of the Universal Studios project. Bill and Tom had flown down to the see the project first hand and were working with the DLL sales rep, Julie Conrad, as she discussed future business opportunities with Kone Cranes.

That night, Bill, Tom and Julie went to dinner with the team from Kone Cranes. After thanking the Kone executives for their time, the DLL team left the restaurant and headed for their hotel. When they arrived, Bill invited Tom and Julie to the bar for a glass of wine. They soon found a quiet table in the back of the bar. After their drinks arrived, Bill said, "Thanks for a great day. The Premier/Kone deal seems to be going great, so nice work on that Julie. I know that we will have other opportunities with

Kone now that we have shown them what we can do in terms of custom leasing and finance agreements."

Julie was grateful for the compliment and said, "Thank you Bill. It has been a great opportunity and despite it taking a ton of my time, I think that the Kone relationship is going to be a very profitable one going forward."

The rest of the evening was spent on small talk and ended with Bill discussing his plans for retirement which would begin in 2022.

The next morning, Bill and Tom were having breakfast together in the hotel bistro before heading to the Orlando Airport. Bill said to Tom, "You know Tom, I had trouble sleeping last night because of something that Julie said at the bar. Her comment about how much time the Kone deal was eating up really bothered me. I'm sure that Julie was right about time being an issue on large accounts, but I am beginning to hear this from just about every DLL sales person I run into. More and more, I hear members of our sales team talk about how well things are going but that they also seem to have less and less time to really work on "selling". Have you heard similar things?"

Tom spoke up, "Yes, I'm afraid I have. It seems that our sales team is really struggling with the workload that this business requires. There seems to be a lot of paperwork and "red-tape" that our teams have to deal with when they sign-up a new, larger deal."

Bill jumped in, "I totally agree. I was with one of our sellers in Raleigh last week where we won a large financing opportunity with a warehouse automation company. The DLL sales rep and I were chatting about the deal we had just won over dinner and the rep said, 'Bill, I'm glad we won this, but I have to tell you, I'm dreading it a bit because the amount of paperwork and time that goes into setting everything up is huge and will hurt my ability to close a couple of other deals I am working on for later in the year. I know we have Customer Experience (CX) reps that can help but it is never quite so easy as just handing the deal over to them. There is always so much information we have to gather from

the client and I have to help the CX rep learn who knows what on the customer side. Then there are just all the meetings that we have to attend to get the ball rolling. My head is spinning a bit in terms of trying to figure out how I'm going to balance my time over the next two to three months…again I'm glad we won the deal, but I worry that we win one deal and lose two more because of the lack of attention I can pay to other opportunities.'"

Tom agreed that he had heard similar stories from the sales team. He added to the conversation by saying, "You know, it's not just the big deals that kill a seller's time. I think some of the smaller deals might make it even worse. Smaller customers are constantly reaching out to the sales team and customer service folks to ask questions, submitting paperwork on financing deals, asking the sales team to handle service issues, etc. We have lots of automation tools to offer these customers but they just don't seem to want to use them. And worse, a lot of our sellers are 'old-school' where they think they need to handle everything for the customer and they like the customer calling them because they believe it builds stronger relationships with the customers."

Tom then added another wrinkle to the conversation by saying, "Really it's an even bigger issue than just seller efficiency Bill. The technology tools that we can now offer customers are the best in the industry in my opinion. They are actually an incredible source of value that we should be leveraging in our sales pursuits. But unfortunately, I just think our sellers miss this when they sell a solution to a customer. Our sales teams still have a "it's all about the financial and leasing services" mentality when in reality, it's the technology that sets us apart; this is especially true for our small to mid-market sales opportunities. But we have a sales force that is built to sell financial and leasing services, not one that's built to sell technology and software services."

The two DLL executive leaders discussed the problem a little longer and then Bill closed the conversation by saying, "Tom, we really need to make this a priority going into 2022 and our strategic planning for next year. Can you work on identifying some potential solutions that we can review together and then build into the 2022 strategic plan?" Tom said that he would definitely look into it and get back to Bill by November 12th.

CURRENT CONSTRUCTION AND TRANSPORTATION SALES ENVIRONMENT:

On the plane ride home, Tom thought a great deal about the issue of seller productivity and not selling the technology across all of the DLL sales teams and decided that it might be best to just pick one or two teams to work on some initial ideas. After some more thinking, Tom decided that the best place to pilot some ideas would be the Construction and Transportation (C & T) sales teams. They are very similar in make-up and tend to be the sellers that have mentioned the struggle to manage time between handling existing customer issues and working to close new business. Below is a brief description of each the sales and customer service roles that exist in the DLL C & T environment.

Table 1. Large Enterprise Business Development Manager

	Description
# of Sellers in C&T Groups	≈ 10
Account Types	These reps call on larger customers who have need for complex, customized financing and leasing arrangements. These deals are typically anything greater than $5,000,000
Average Deal Size in 2020	≈ $7,500,000 (2020 min = $4,800,000 and max = $25,000,000)
Average Days Required to Close Opportunities	≈ 120 days from the time the opportunity is first discovered until deal is signed by the customer.
Average Days Required to Get DLL Services in Place	Additional ≈ 60 days after deal is signed by the customer.
Average Deals Closed/Rep/Year	≈ 6.8 deals/rep/year in 2020 (*Note: this grouped averaged 8.1 deals/rep/year in 2017 and 10.2/deals/rep/year in 2015)
Average Rep Tenure With DLL	21 Years (min = 8 years and max = 31 years)

Table 2. Mid-Market Business Development Manager

	Description
# of Sellers in C&T Groups	≈ 15
Account Types	These reps call on mid-sized customers who have a need for a mix of simple and complex financing and leasing arrangements. These deals are typically $500,000 up to $5,000,000.
Average Deal Size in 2020	≈ $950,000 (2020 min = $450,000 and max = $5,100,000)
Average Days Required to Close Opportunities	≈ 60 days from the time the opportunity is first discovered until deal is signed by the customer.
Average Days Required to Get DLL Services in Place	Additional ≈ 30 days after deal is signed by the customer.
Average Deals Closed/Rep/Year	≈ 14.2 deals/rep/year in 2020 (*Note: this grouped averaged 18.1 deals/rep/year in 2017 and 20.8/deals/rep/year in 2015)
Average Rep Tenure With DLL	14.8 Years (min = 1 year and max = 24 years)

Table 3. Inside Sales Team

	Description
# of Sellers in C&T Groups	≈ 15
Account Types	These reps call on smaller customers who have a need for simple financing and leasing arrangements. Some clients are a little more complex but are located in very hard-to-get-to locations. Deals are typically in the range of $150,000 to $500,000.
Average Deal Size in 2020	≈ $202,500 (2020 min = $112,000 and max = $980,000)
Average Days Required to Close Opportunities	≈ 30 days from the time the opportunity is first discovered until deal is signed by the customer.
Average Days Required to Get DLL Services in Place	Additional ≈ 14 days after deal is signed by the customer.
Average Deals Closed/Rep/Year	≈ 18.9 deals/rep/year in 2020 (*Note: this grouped averaged 24.1 deals/rep/year in 2017 and 26.8/deals/rep/year in 2015)
Average Rep Tenure With DLL	9.5 Years (min = 1 year and max = 19 years)

Table 4. Customer Experience Team

	Description
# of CX's in C&T Groups	≈ 20
Job Description	These customer experience reps are assigned to accounts based on the needs of the client. The more complex the deal, the more likely that a Customer Experience rep will be assigned to the account. This person helps onboard the customer and then handles customer service issues over the life of the customer.
Average CX Rep Tenure With DLL	2.1 Years
Average # of Accounts Assigned/CX Rep	12.1

THE C&T SELLER "TIME AND ACTIVITY STUDY":

One of Tom's first phone calls when trying get more information about the C & T sales team's time problem was to Charlotte Lancaster. Charlotte is in charge of Sales Technology and oversees all of the digital sales tools that sellers use on a regular basis. Tom started the call with a question, "Charlotte, I'd like to know a few things that I think you can probably help with. I'd love to know how many sales meetings it takes to close certain deals based on data in our CRM system, Salesforce.com. Also, I'd like to know if selling certain DLL services takes longer than others? You can pull that data, right? I assume you can see what type of deal C & T sellers are working on, how long it's been in the pipeline and the type of product or service the customer is interested in. Then, I'd like to see an analysis of how long certain deals take to close based on the DLL services being offered."

Charlotte seemed very uncomfortable. She hesitated for a few seconds before responding with, "Actually, I can't tell you that with much accuracy Tom. Even though we have been using Salesforce.com for several years, the number of sellers in the C & T groups that are fully using Salesforce.com is pretty low. In fact, the last time I looked, only 17% of the C & T team was using most of the features in Salesforce.com. Most of the sellers are using it to keep track of customer contacts, to send a few updates to the CX team about potential deals and to put in a few random notes from time-to-time. We ask them to put in key notes about every sales meeting and track where a customer is in the decision-process but reps don't keep up with it. In fact, a lot of our reps go back and enter

dates of when the deal started, when they gave presentations, etc. **_AFTER_** we have already won the deal; they just use a best guess of when things happened leading up to winning the deal."

"Ok, I get it." Tom replied. "So Salesforce.com adoption and usage are things we can discuss later. I guess I will have to figure out how sellers are spending their time another way."

After hanging up with Charlotte, Tom called Darren Brooks, HR Director for the C & T divisions. "Hi Darren, listen, I'd like to run a study on how the sales teams for the C & T divisions spend their time. Can you run a time and activity tracking study on the sellers in those groups and get me the results as soon as you can?"

"I'll get right on it but it'll take about a month to get you the results." Darren replied. After about 35 days, Darren sent the following Time and Activity breakdown to Tom for his review…

Table 5. Time and Activity by Role for the C & T Sales Teams

(%'s based on Avg Hours Worked/Week)

Activity	Large Enterprise Reps	Mid-Market Reps	Inside Sales Reps	Customer CX Reps
Average Hours Worked / Week	60	48	42	40
Prospecting for New Opportunities	4%	5%	12%	0%
Early Stage Sales Meetings (Needs Discovery and Relationship Building)	11%	10%	12%	0%
Mid-Stage Sales Meetings (Presentations and Building Champions for the Deal)	9%	8%	6%	0%
Late Stage Sales Meetings (Final Presentations and Negotiations)	6%	8%	2%	6%
Deal Implementation Meetings	16%	10%	2%	32%
Handling Customer Questions /Complaints	13%	15%	28%	27%
Internal Meetings with Sellers and CX Reps	10%	7%	1%	15%
Customer Related Administrative Tasks	10%	17%	18%	10%
DLL Related Administrative Tasks	5%	7%	12%	5%
Attending Training Programs	1%	3%	5%	5%
Travel	15%	10%	2%	0%
Other	0%	0%	0%	0%

SALES EFFICIENCY TECHNOLOGY:

After getting the Time and Activity Study report Tom circled back around to Charlotte Lancaster to ask about sales technology. "Ok, so run me through the sales technology that we have available to our sales teams. Tell me about everything that we have that can help our reps be more efficient," Tom asked.

Charlotte responded with, "Well, let me see. We obviously have salesforce.com which has a lot of time saving hacks in it but I'm just not sure the sales team knows how to use it. For example, salesforce.com can be used to ask marketing to send certain materials based on the stage of the opportunity. But since our sellers are not using the tool, they spend a lot of time sending emails back and forth to marketing explaining what they are looking for. They could also put a lot of helpful notes in the system so that the CX team could read what's happened with a customer leading up to a won opportunity. I think the CX teams and the sellers spend a lot of time in meetings getting each other caught up on what's happening on a particular deal. Salesforce.com is really the main tech tool that we give the sales team. Of course, not using the technology is not just a rep problem; customers are guilty as well."

Tom looked surprised, "Say more about that Charlotte."

Charlotte continued, "Well, we have built a lot of technology that the customer can use to help facilitate financing and leasing deals with their own customers but instead of using it, they call or email paperwork to the CX team member to handle or the inside sales rep if applicable. And then, if there is some sort of question about the terms of the customer's deal, the CX rep has to call the seller for clarification. Of course, sometimes the customer is just more comfortable calling the seller to begin with because they have a good relationship and then the seller works the issue themselves or coordinates with his/her CX team member. I just think a lot of the time challenges are from customers just not using our technology and apps that can make things move much faster. My best guess is that

customers are only using our customer automation tools about 20% of the time. The other 80% of the time, the customer is using the same old, slow paper, phone and email tools."

THE TECHNOLOGY VALUE PREP CONVERSATION:

Later that same week, Tom went to lunch with Terry Riley, the DLL VP of Marketing for the C&T teams, and Darren Brooks from HR. Tom casually asked Terry, "Terry, I need an honest answer about something…do you think that our sales team really understands the value that our technology brings to the table and do they leverage that in their sales pursuits? What do you see sellers putting in their sales presentations about technology?"

Terry responded, "I'm so glad you brought this up Tom. I think that our sales team gets the basics of what our technology tools do but I'm not sure they really know how to sell the value that these tools can provide a customer. Our sellers are great at explaining the value proposition we offer in terms of our understanding of the C&T markets and how to sell our financial services. But in sales presentations, they talk about the technology tools as an after-thought; they say things like 'oh yeah, we have a few tech tools that'll make life easier but our real value comes from our financial expertise'. But in a lot of cases, the customer really cares about the technology. Our competitor on a deal might be a "fintech" company that has some really cool software and apps with hardly any leasing experience at all. But the shiny object they bring to the table in terms of technology and software really excites customers. These "fintech" companies really know how to explain the value of their technology. I think this is a growing issue for our inside sales team and mid-market sales teams. But even our large enterprise sellers need to understand tech sales because it might be what differentiates us on a bigger deal."

Tom replied with, "Yes, this lines up with what I have seen from our sales team as well. So, Darren, what do you think? Is this a Knowledge, Skills, and Attitudes (KSA) issue where we just need to build more programs that help DLL reps sell technology versus financial services? Or, is it a hiring problem where we should change the profiles of who we might look for so that we bring the tech sales KSA's into DLL from outside the company?"

Darren responded with, "I'm not really sure, I guess we would need to ask the sales leaders what they think. But regardless, even I don't have much experience with building technology KSA's or know what to look for in future hires. I'm at a bit of a loss here too."

Terry added, "Or maybe it's an organization issue. Maybe we need to reorganize the sales teams and CX teams to fix the problems?"

Tom left lunch knowing that he needed to build a bigger team to tackle this problem...

THE NOT SO PRODUCTIVE MEETING:

With a little more insight at his fingertips, Tom decided it was time to call a meeting to discuss the technology challenges facing the DLL C & T sales team. Charlotte Lancaster and Darren Brooks were both in the meeting as well as the sales leaders for the C & T sales teams. Finally, the manager of the C & T CX team and Terry Riley, the VP of C & T Marketing were also in the room. Tom opened the meeting by saying, "Ok team, thanks for coming. As you know Bill and I are both a little concerned about time issues of our sales teams. Kudos to the sales leaders in the room; as best as we can tell, the close rate of our sales team is great. By my estimates, we win almost 36% of the deals that we work on which is great. The bad news is that the # of deals that we are working on is going down because the sales process, the customer onboarding and customer service processes are taking up seller time. So, in summary, we don't have a seller effectiveness problem, we have a seller efficiency problem. But, I also think we are headed for an effectiveness problem we if don't start learning how to sell by leading with our technology tools versus leading with our financial services, at least in some of our opportunities. What I'd like this team to focus on is what do we do about it and I'd like to start by hearing what you all think is the main challenge."

Terry Riley from Marketing spoke up first, "In the short term, this is a classic customer education problem Tom. Our customers are just not up-to-speed on how to use the different technologies we offer. Give me the budget and I will have my team develop some customer education programs on how to use the automation tools we offer."

All of the sales leaders shot Tom a concerned look immediately following the VP of Marketing's comments. "I take it you three don't like this idea" Tom asked.

One of the sales leaders spoke up, "With all due respect to our colleague in marketing, just adding a few "how-to guides" and education videos to a website is not going to solve this problem. If the customer isn't using the tools now, are they really going to go to a website to learn how? We need to spend more time and effort training our sellers how to use the tools and then how to talk to the customer about the tools. I just don't think the sales team is comfortable talking about the tools."

Charlotte jumped in, "Yeah, but this is the same as the customer not using the tools. The sales team is a seasoned team who are very old-school about the whole business. Are they really going to learn the tools on their own? I think that we need to spend time teaching the CX team on how to sell a customer on using the tools. I mean, give me a break…the C & T sellers don't even use our own salesforce.com platform…there's no way they can teach our customers how to use the tools."

The sales leaders were quick to come back and say, "Well, if we can put discounts in our contracts if the customers use the automation tools, that will also help and then maybe we could have a 'customer automation tools specialist' that works with our customers' staff to teach them how to use the tools."

Terry Riley shot back, "That's the exact opposite of what we should do. Our technology tools are a source of value by themselves so we should be able to get a customer to pay even more for access to them. At the very least, we should be teaching the sellers how to sell the value of these tools, not discounting deals just because we think that the tools will make us more efficient."

The leader of the CX Team jumped in at this point, "Why hire someone new to do this, just give me some budget to train the CX team to be these 'customer automation training specialists' in addition to doing their current jobs as customer service agents…"

"That won't work for the inside sales team and most of the mid-market sellers because they don't work with CX reps on every deal in our current sales organization…" one of the sales leaders argued back.

Terry Riley chimed in again, "Plus, using the CX team is great for teaching the customer how to use our technology AFTER we close a deal…but what about the point that sellers need to know how to leverage the value of the technology while they are still CHASING a deal? Are you saying that we are going to get the CX team to start working on deals much earlier and be the 'technology sellers' for each opportunity?"

Darren Brooks from HR waded into the debate, "Look this is not a training issue, this is a culture and KSA issue. We don't have a culture that embraces technology and we needed to change KSA's of both sellers and customers before we can do anything else. Personally, I think the issue is the experience level of the sales team. Some of them are just so set in their ways that this might be an impossible task. I think the real opportunity is to start hiring younger sellers into a sales trainee program so that as our current sellers start to retire, we can back fill them with younger sellers who won't shy away from technology conversations whether the conversation is internal or external."

"Oh great…so we have to put up with this problem for another 5-10 years," the VP of Marketing chirped.

The meeting was diving into chaos and so Tom intervened, "Look, there's no denying that we need to identify the KSA's that our sellers need to BOTH sell our customer-facing technologies and to use internal technologies more. But clearly, we have another issue here. We all see the problem through different perspectives and so I think we are going to have a hard time solving this ourselves. After listening to this conversation, I think it might be best if we bring some fresh views to the table. I recently sat on a flight with some pretty impressive, young consultants that help sales organizations with problems like the efficiency and technology selling issues we are dealing with. Let me reach out to them and just see what they have to say about this.

MEETING WITH TOM:

You and your consulting partner were glad to hear from Tom who you both met on a flight back from a recent customer visit. Tom shared the C & T Seller Time and Activity study and his notes from the meeting with all of the different leaders and managers involved. Tom mentioned that he thinks a fresh perspective on the problem is needed and asked that you put together some ideas as to what you believe the main challenges might be, a plan for tackling the issues, and a proposed budget of the different types of investments that will be required to improve the efficiency of the C & T sales teams as well as the "how to sell technology" problem.