

Alpha Company

A Market-Partners Client Success Story

A global microprocessor manufacturer reduces its selling costs and gains efficiencies with a new approach to sales and channel management.



About Market-Partners

Market-Partners is the leading independent consulting company focused on increasing sales effectiveness. We bring proven methods, thought-leadership, and pragmatic expertise together in offering solutions that provide swift, significant, and sustainable results. We have been working with clients since 1995, from start-ups to industry giants, and have worked with literally thousands of sales professionals in more than 39 countries.

For more information about our leading Customer Acquisition Management solutions, please get in touch with us at info@market-partners.com, or 707-575-4712.

Alpha Company had been a fast growing startup, but its internal growth path combined with a maturing market contributed to business challenges that had substantially increased its selling costs, and reduced its ability to sell as efficiently and effectively as possible.

In the face of increasing competition from lower cost suppliers and longer sales cycles, Alpha Company's sales team and channel partners had been giving away engineering services to unqualified prospects as a way of encouraging them to integrate Alpha's products into their own. This was a costly problem, as the sales team and channel partners were losing valuable time pursuing prospects that were unlikely to buy. Additionally, it continually lowered the ROI for Alpha's engineering resources. In response to higher sales expenses, Alpha Company began experimenting with new methods of deciding whether to sell direct or through a channel. This created conflicts between Alpha's channel partners and direct sales teams, as clients were moved from the channel to direct accounts, and sometimes back again.

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| Client Description | Alpha Company is a global multi-sector manufacturer of microprocessor chips, with a sales team of over 900 professionals who sell both directly and through channel partners. |
| Highlights | <ul style="list-style-type: none">• Alpha Company had experienced many years of strong growth, but was facing a maturing and increasingly competitive market.• Alpha Company’s selling costs had increased and sales cycles had lengthened.• Channel partners were expressing confusion and frustration with multiple changes to how and when accounts were moved to and from the channel.• Market-Partners worked with company leaders to develop a corporate sales strategy and process that would leverage best practices, and synchronize to the buying dynamics of their clients.• Alpha Company began employing a more objective method for determining direct and channel accounts.• The first year after implementing the Sales Process, Alpha Company’s SG&A expenses decreased from 20.4% of revenue to 19.8%, representing an initial cost savings of \$9.9 million. |
| Business Challenges | <ul style="list-style-type: none">• The maturing of traditional markets, new market opportunities, and the emergence of competing technologies had led to a significant shift in market dynamics:<ul style="list-style-type: none">• The company had grown with few formal processes in place and the sales team had been allowed to allocate resources as they saw fit.• Client expectations had changed, and lower cost competition had emerged.• Alpha Company’s sales team and channel partners had been giving away engineering services to unqualified prospects as a way of encouraging them to integrate Alpha’s products into their own.• The sales team had become reactive, responding to pricing demands rather than shaping their clients’ thinking and showing why Alpha’s products provide the best possible solution.• Shifting clients to and from the channel had become “ad-hoc” rather than strategic:<ul style="list-style-type: none">• Channel partners were becoming frustrated and confused by Alpha Company’s changing criteria for determining channel vs. direct accounts.• Internal conflicts between channel managers and direct sales teams were increasing as each group sought to gain and retain accounts. |

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| The Solution | <ul style="list-style-type: none">• Market-Partners worked with company leaders to transform the corporate selling strategy in order to address a market that was becoming more commoditized and competitive:<ul style="list-style-type: none">• The selling strategy allowed the sales team to quickly recognize early vs. late stage opportunities and know when they could shape the buyer’s thinking.• The sales team was able to make better decisions around which opportunities to pursue and when to commit engineering resources.• Working in a collaborative process with over one-third of the sales force and cross-functional resources including engineering and marketing, Market-Partners gained the buy-in of senior leaders in the organization:<ul style="list-style-type: none">• Market-Partners worked with the project champion to identify key individuals and influencers, and collaborated with those influencers to gain their input into the process and the surrounding organizational architecture.• An organizational architecture was built around the new sales process that included clear criteria for:<ul style="list-style-type: none">• Selling direct vs. through the channel• Engaging engineering resources• Measuring engineering resource usage vs. sales opportunity value• Market-Partners collaborated with the internal technology team to design the sales process into Alpha’s new CRM system.• Alpha’s sales process was piloted with a group of 25 early adopters from the US, Canada and Europe that surfaced key challenges and confusion between a selling process and CRM system.• Shortly thereafter, and based on what was learned during the early adopters program, the process was rolled out to the entire Global Sales Management Team, of about 140 participants, as well as over 900 sales professionals and channel partners. The rollout included a combination of learning elements such as asynchronous e-learning, a 2-day instructor led training program, one-on-one management coaching, case studies, and reinforcement videos. |
| Results | <ul style="list-style-type: none">• The first year after implementing the Sales Process, Alpha Company’s SG&A expenses decreased from 20.4% of revenue to 19.8%, representing an initial cost savings of \$9.9 million.• Since the engagement SG&A expenses have decreased to 14.8% of revenue as a result of the efficiencies gained from the new sales process. This represents a dollar cost savings of \$206.4 million.• Using the sales process strengthened relationships between Alpha Company and its channel partners:<ul style="list-style-type: none">• Channel partners were clear as to when and why accounts were moved to or from the channel.• The sales process provided a consistent basis for joint account strategy sessions with channel partners.• Internal conflicts between channel managers and direct sales teams decreased, channel sales criteria became clear. |