



Commercial Engine Review

FICTITIOUS MACHINERY MANUFACTURER

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OVERVIEW

The purpose of this research is to obtain the commercial team’s insider view of the company’s commercial strengths, and weakness. Although facts and details are uncovered, most of the research provides employee opinions and predictions pertaining to the health of the commercial engine.

The two-step approach collects data and opinions from a self-assessment questionnaire and recorded interviews. For the self-assessment, a group of key commercial employees answer questions online spanning 15 commercial topics. Answers follow the Likert scale, which ranges from strongly disagree to strongly agree. They may also respond that they do not know. Responses are turned into numerical scores, and an initial priority set of strengths and weaknesses is created from this self-assessment. Then, one-on-one interviews with the same employees are conducted. Respondents provide details, facts, and opinions that form a detailed, subjective picture of commercial engine health.

THE 15 TOPICS RESEARCHED

1. End Markets
2. Customer Needs
3. Messaging
4. Lead Generation
5. Lead Nurturing
6. Customer Loyalty
7. Sales Effectiveness
8. Marketing Budget
9. Existing Product Performance
10. Profit Goals
11. Channels
12. Competition
13. KPI Management Tools
14. Staffing Levels
15. Future Performance Prediction

PARTICIPANTS IN THIS RESEARCH

| Employee | Completed Online Questionnaire | Participated in Interview |
|-----------------------------------------------------|--------------------------------|---------------------------|
| Global Marketing and Service VP | Yes | Yes |
| Global MarCom Manager | Yes | Yes |
| Global Sr. Product Manager (former field sales rep) | Yes | Yes |

Note: This is just an example. Full reports include four to 10 more people, such as President, Sales Mgr., Service Mgr., Sales person, Service person, etc.



RESEARCH RESULTS

SELF-ASSESSMENT QUESTIONNAIRE SCORE

Here is the self-assessment summary. The data represent an average for all participants. Participants respond to an online questionnaire. Their answers follow the Likert scale. Likert scale responses are one of the following: strongly agree, agree, neutral, disagree, strongly disagree, and I don't know.

Responses have been converted to numbers. The top score is 5 representing strongly agree, and the bottom score is 1 representing strongly disagree. Any response of "I don't know" is removed and does not influence the score.

Here are the self-assessment average scores for all 15 commercial topics.

| Commercial Topic | Self-Assessment Score for All Participants |
|----------------------------------|--------------------------------------------------------------------------|
| End Markets | 3.1 |
| Customer Needs | 3.3 |
| Messaging | 2.0 |
| Lead Generation | 2.0 |
| Lead Nurturing | 2.4 |
| Customer Loyalty | 3.0 |
| Sales Effectiveness | 3.0 |
| Marketing Budget | 3.0 |
| Existing Product Performance | 3.0 |
| Profit Goals | 3.4 |
| Channels | 4.0 |
| Competition | 4.0 |
| KPI Management Tools | 3.0 |
| Staffing Levels | 2.7 |
| Future Performance Prediction | 2.3 |
| Overall Commercial Engine Health | 60% (average is ~64% for all manufacturing companies, all industries) |



FAIRMONT INTERVIEW SCORE

After completing the online self-assessment, Fairmont conducts one-on-one interviews with each participant to uncover details into the inner workings of the company. For each of the 15 topics, we obtain participants' perceptions regarding strengths, weaknesses, and sometimes corrective action that could be undertaken.

The overall Fairmont scores resulting from the one-on-one interviews are provided below. Any response of “I don’t know” is removed and does not influence the score. Comments by those who are positioned to evaluate company performance weigh heavier in our evaluation than those who are not. Similarly, those who appear forthright have greater influence on our opinions.

Fairmont interview score results

| | Outsiders View | Insiders view |
|----------------------------------------------------------------------------|---------------------------------|-------------------------------------------|
| Commercial Topic | Fairmont Interview Score | Self-Assessment Score (from above) |
| End Markets | 3.0 | 3.1 |
| Customer Needs | 3.0 | 3.3 |
| Messaging | 2.0 | 2.0 |
| Lead Generation | 2.0 | 2.0 |
| Lead Nurturing | 1.0 | 2.4 |
| Customer Loyalty | 3.0 | 3.0 |
| Sales Effectiveness | 3.0 | 3.0 |
| Marketing Budget | 5.0 | 3.0 |
| Existing Product Performance | 2.0 | 3.0 |
| Profit Goals | 3.0 | 3.4 |
| Channels | 3.0 | 4.0 |
| Competition | 2.0 | 4.0 |
| Staffing Levels | 4.0 | 3.0 |
| KPI Management Tools | 3.0 | 2.7 |
| Future Performance Prediction | 3.0 | 2.3 |
| Overall Commercial Engine Health (Average for all manufacturers is 63%) | 54% | 60% |



COMMENTS AND OBSERVATIONS REGARDING INTERVIEWS

(This section is abridged, as it is based on only four of the 15 topics.)

1. End Markets

The Fairmont score of 3.0 was driven primarily by the fact that, on the positive side, they have a strong internal coding structure for segmenting prospects and customers into usable end markets. “We segment our markets by... our own coding system and it breaks down each quoted prospect or customer into three categories of end market, the material they cut, and whether they are doing work for in-house or they are a contract shop,” said the VP of Global Marketing.

However, the data entry is not as strong as many feel it should be, and they only occasionally use this segmentation information to send specific content to target end markets. “... unfortunately, most of the content that we send out is generic for all,” said the Global Marketing Communications Manager.” Some customers support multiple end markets. Sometimes someone supports a market that's not included. Then, other times people are just lazy and everyone's aerospace because it's the first alphabetically,” said the Sr. Global Product Manager.

Fairmont rates the effort to make significant improvement as a 3. Specifically, they should consider identifying and improving key interactions with the marketplace. They might also consider Marketing Automation software to aid in sending the right content to the buyer or customer at the right time. Sales training is needed to ensure data entry into their custom end market classification system is executed properly – starting first with checking the classifications of all customers.

2. Customer Needs

The Fairmont score of 3.0 was driven primarily by the fact that they have conducted excellent VOC research for their primary market, albeit 4 years ago. They have the customer needs written down and use them to some extent. This VOC research is significantly more robust than other similar machinery manufacturers we have worked with. Unfortunately, little ongoing transactional customer satisfaction data is collected or used.

This comment sums up the positive and negative aspects. “We've got the high-level needs, but I'd go dig in deeper to make sure we understand the needs, not at the general level, but at that individual goal of whatever that program is...,” said the Global Marketing Communications Manager.

Fairmont rates the effort to make significant improvement as a 3. They should establish ongoing customer satisfaction surveys to rate individual transactions and conduct VOC research more often. VOC research is the primary input for creating an effective Customer Experience program that can increase customer retention and loyalty, which will raise profitability and morale. In addition, VOC research should be targeted not only at broad groups, but specific market segments. More departments (beyond marketing) should be highly interested in obtaining and utilizing customer needs information.



3. Messaging
4. Lead Generation
5. Lead Nurturing
6. Customer Loyalty
7. Sales Effectiveness
8. Marketing Budget
9. Existing Product Performance
10. Profit Goals
11. Channels
12. Competition
13. Staffing Levels

These 11 topics not included in this sample report so as not to bore you with fictitious detail.

14. KPI Management Tools

The Fairmont score of 3 was driven primarily by the fact that they have strong marketing and financial KPIs that are managed well. "... marketing has a number of KPIs. The track the number of new leads generated by month versus planed versus the previous year. Similar KPIs are also in place for website conversions, new website visitors, marketing campaign performance, number of sales ready leads generated, etc.," said the VP Global Marketing. "Financial KPIs are probably the strongest of any KPIs in the company, followed by those used by production."

Yet the staff feels the company as a whole can better use KPIs and view them more as a management tool than a punishment tool. "... more visibility on the KPIs. I think they need to be thought of as a help to grow the business, and not a negative... looking at it and putting your heads together and saying, "What's going on with the business?" said the Global Marketing Communications Manager.

Fairmont rates the effort to make significant improvement as a 4. Sales KPIs of revenue and quotations needs to be expanded to include win rate, activities, and forecasting accuracy. This will involve repetitive CRM training. The marketing, sales, and customer service teams should consider defining their funnel more clearly, and then tracking funnel health (volume and velocity) through KPIs.

Utilizing VOC data and the strong market segmentation system in place at this company allows them to install end market specific KPIs. Such tracking would bring the company closer to the marketplace and provide a clearer view toward continuous improvement.

15. Future Performance Prediction

The Fairmont score of 3 was driven primarily by the strong position in the marketplace that often enables them to be considered as a vendor finalist, but they have squelched their R&D that will damage the technology pipeline for this machinery manufacturer.

"...business performance will not improve because we are not investing anything in R&D, and that eventually catches up to you, especially for a company based on technology... As competitors improve their products, they will not have the cost infrastructure that we do, and it will be harder and harder for us to maintain the premium that we need..." said the VP Global Marketing.



“Increase service and support to make the value proposition clearer so they know they should partner with us,” said the Sr. Product Manager.

Fairmont rates the effort to make significant improvement as a 3. Most of the things that the staff feels will drive better decisions and improve the future performance of the company are easy and inexpensive to execute – they are leadership based. The leadership should direct more of their funds and attention to R&D to fill the technology pipeline, and add service people to increase customer support and company reputation. Create a customer focused company-wide initiative to improve customer retention, customer loyalty, and employee morale, and drive decisions downward by involving managers in strategic discussions and empowering managers and staff to act immediately to solve customer issues.



SUMMARY OBSERVATIONS

(This is abridged, as it is based on only four of the 15 topics.)

This company has a reasonably healthy commercial engine. They currently have a strong brand position and are able to command a premium. Some aspects of their marketing and sales are well-developed and performing well, but they still have significant areas to improve in both departments. Their service team appears to be understaffed and without significant process control or customer focus. Fairmont believes this company, without change, will see revenues rise and fall with the economy, and slightly declining market share over the next 5 years.

If we sort our findings by Fairmont’s interview score, we see the following priority set.

| | Outsiders View | Insiders view |
|-------------------------------|---------------------------------|-------------------------------------------|
| Commercial Topic | Fairmont Interview Score | Self-Assessment Score (from above) |
| Lead Nurturing | 1.0 | 2.4 |
| Messaging | 2.0 | 2.0 |
| Lead Generation | 2.0 | 2.0 |
| Existing Product Performance | 2.0 | 3.0 |
| Competition | 2.0 | 4.0 |
| End Markets | 3.0 | 3.1 |
| Customer Needs | 3.0 | 3.3 |
| Sales Effectiveness | 3.0 | 3.0 |
| KPI Management Tools | 3.0 | 2.7 |
| Future Performance Prediction | 3.0 | 2.3 |
| Profit Goals | 3.0 | 3.4 |
| Channels | 3.0 | 4.0 |
| Customer Loyalty | 3.0 | 3.0 |
| Staffing Levels | 4.0 | 3.0 |
| Marketing Budget | 5.0 | 3.0 |

This summary report would then continue on to describe how the greatest weaknesses (at the top of the list) and greatest strengths impact company performance. In addition, we would help decipher how the various areas each other and the overall health of their commercial engine.



APPENDIX

SELF-ASSESSMENT SCORES

The following table is an example of online questionnaire results. Questions are answered via the Likert scale (strongly disagree, disagree, neutral, agree, strongly agree and I don't know). Responses are converted to numbers, with strongly disagree = 1 and "I don't know" = blank.

| Fairmont Concepts Self-Assessment Scorecard | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------|----------------------|---------------|---------|-------------------|------------|--------------------------------|---------------|------------------|----------------------|---------------------------|-------------------|------------------------|--------------|--------------------|-----|-----|---------|---------|--------------|---------------|
| Checkup Questions | Individual Responses | | | | | | | | | | | | | | Max | Min | Max-Min | Std Dev | # of Answers | Average Score |
| | Pres. & CEO | Field Sales A | VP Mktg | Sr. Product Mgr A | Dir. B Dev | Dir. Global Service & Aftermkt | Field Sales B | Europe Marketing | Sr. Cust Service Rep | Customer Service Mgr EMEA | VP Product Line A | Managing Director EMEA | Service Mgr. | Global MarCom Mgr. | | | | | | |
| We know which end markets provide the best ROI. | 3 | | 4 | 2 | 4 | 1 | 3 | 4 | 4 | 4 | 5 | 4 | 2 | 5 | 5 | 1 | 4 | 1.2 | 13 | 3.5 |
| Market needs are clearly identified and used throughout the company. | 2 | 2 | 3 | 2 | 3 | 2 | 3 | 3 | 3 | 2 | 4 | 2 | 3 | 4 | 4 | 2 | 2 | 0.7 | 14 | 2.7 |
| My company's messaging is clearly defined & used throughout the sales and marketing activities. | 2 | 2 | 4 | 3 | 4 | 3 | 2 | | 2 | 3 | 3 | 3 | 3 | 5 | 5 | 2 | 3 | 0.9 | 13 | 3.0 |
| We have enough prospects to hit our sales goals. | 4 | | 4 | 2 | 4 | 2 | 4 | 4 | 2 | 3 | 5 | 4 | 3 | | 5 | 2 | 3 | 1.0 | 13 | 3.2 |
| We know what percent of our customers are loyal. | 2 | 2 | 4 | 3 | 4 | 2 | 2 | 4 | 4 | 4 | 5 | 2 | 3 | 4 | 5 | 2 | 3 | 1.1 | 14 | 3.2 |
| We effectively nurture low quality leads to become higher quality leads. | 3 | | 2 | 3 | 2 | 2 | 1 | 4 | 2 | 2 | 4 | 3 | 3 | 2 | 4 | 1 | 3 | 0.9 | 13 | 2.5 |
| We have an effective sales team. | 3 | 3 | 3 | 2 | 3 | 3 | 1 | 3 | 4 | 5 | 4 | 3 | 2 | 4 | 5 | 1 | 4 | 1.0 | 14 | 3.1 |
| Our products and services are attractive enough to hit our sales goals. | 4 | | 4 | 2 | 4 | 4 | 4 | 4 | 4 | 2 | 3 | 4 | 2 | 4 | 4 | 2 | 2 | 0.9 | 13 | 3.5 |
| We have adequate marketing budget to hit our sales goals. | 3 | | 4 | 3 | 3 | 3 | 4 | 4 | 2 | 3 | 4 | 3 | 2 | 5 | 5 | 2 | 3 | 0.9 | 13 | 3.3 |
| We will hit the company's profit goals this year. | 4 | | 4 | 4 | 4 | 3 | 2 | 4 | 4 | 4 | 3 | 4 | 3 | 4 | 4 | 2 | 2 | 0.7 | 13 | 3.6 |
| We send different content to leads depending on where they are in the buying cycle. | 2 | 4 | 3 | 2 | | 2 | 2 | | | 2 | 4 | 3 | 4 | 2 | 4 | 2 | 2 | 0.9 | 11 | 2.7 |
| Our sales team has a good win rate against the competition. | 3 | 3 | 4 | 2 | 3 | | 2 | 3 | 4 | | 4 | 2 | 3 | 3 | 4 | 2 | 2 | 0.7 | 12 | 3.0 |
| We segment our customers by end market. | 4 | 2 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 4 | 5 | 2 | 3 | 0.7 | 14 | 4.1 |
| We have conducted voice of customer research to identify customer needs. | 4 | 4 | 2 | 4 | | 2 | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 2 | 2 | 0.8 | 13 | 3.6 |
| We effectively generate more leads when we need to. | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 3 | 4 | 2 | 2 | 0.6 | 14 | 2.4 |
| We effectively use go-to-market sales channels. | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 3 | 4 | 2 | 2 | 0.6 | 14 | 2.4 |
| Our competitive position is improving. | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 2 | 4 | 2 | 2 | 0.6 | 14 | 2.3 |
| We have a solid set of KPIs that managers & executives use to track and improve performance. | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 3 | 4 | 2 | 2 | 0.6 | 14 | 2.4 |
| We currently have the commercial staff we need to execute. | 2 | 2 | 4 | 3 | 2 | 4 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 2 | 4 | 2 | 2 | 0.9 | 14 | 2.6 |
| In the next 5 years our business performance will improve. | 2 | 4 | 2 | 3 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 2 | 4 | 4 | 2 | 2 | 0.9 | 14 | 2.6 |
| AVG | 20 | 15 | 20 | 20 | 18 | 19 | 20 | 18 | 19 | 19 | 20 | 20 | 20 | 19 | | | | | | |
| | 2.8 | 2.4 | 3.2 | 2.8 | 3.0 | 2.5 | 2.8 | 3.2 | 2.9 | 2.9 | 4.1 | 2.8 | 2.7 | 3.5 | | | | | | |

This is a fictitious table showing how the individual responses from the online self-assessment survey is analyzed.

5 of the 15 topics involve two questions that are averaged together.



SELF-ASSESSMENT ONLINE QUESTIONS

There are 20 questions corresponding to 15 topics. Therefore, five topics have two questions that are combined to form one response. These questions include end market, customer needs, lead generation, lead nurturing, and sales effectiveness. They are answered via the Likert scale that includes strongly agree, agree, neutral, disagree, strongly disagree, and I don't know.

Here are the self-assessment questions on the online questionnaire.

- WE KNOW WHICH END MARKETS PROVIDE THE BEST ROI.
 - WE SEGMENT OUR CUSTOMERS BY END MARKET.
- MARKET NEEDS ARE CLEARLY IDENTIFIED AND USED THROUGHOUT THE COMPANY
 - WE HAVE CONDUCTED VOICE OF CUSTOMER RESEARCH TO IDENTIFY CUSTOMER NEEDS.
- MY COMPANY'S MESSAGING IS CLEARLY DEFINED & USED THROUGHOUT THE SALES AND MARKETING ACTIVITIES.
- WE EFFECTIVELY GENERATE MORE LEADS WHEN WE NEED TO.
 - WE HAVE ENOUGH PROSPECTS TO HIT OUR SALES GOALS.
- WE EFFECTIVELY NURTURE LOW QUALITY LEADS TO BECOME HIGHER QUALITY LEADS.
 - WE SEND DIFFERENT CONTENT TO LEADS DEPENDING ON WHERE THEY ARE IN THE BUYING CYCLE.
- WE KNOW WHAT PERCENT OF OUR CUSTOMERS ARE LOYAL.
- WE HAVE AN EFFECTIVE SALES TEAM.
 - OUR SALES TEAM HAS A GOOD WIN RATE AGAINST THE COMPETITION.
- WE HAVE ADEQUATE MARKETING BUDGET TO HIT OUR SALES GOALS.
- OUR PRODUCTS AND SERVICES ARE ATTRACTIVE ENOUGH TO HIT OUR SALES GOALS.
- WE WILL HIT THE COMPANY'S PROFIT GOALS THIS YEAR.
- WE EFFECTIVELY USE GO-TO-MARKET SALES CHANNELS
- OUR COMPETITIVE POSITION IS IMPROVING
- WE HAVE A SOLID SET OF KPIS THAT MANAGERS AND EXECUTIVES IN THE COMMERCIAL TEAM USE TO TRACK AND IMPROVE PERFORMANCE.
- WE CURRENTLY HAVE THE COMMERCIAL STAFF WE NEED TO EXECUTE
- IN THE NEXT 5 YEARS OUR BUSINESS PERFORMANCE FOR THE COMPANY WILL IMPROVE.



TRANSCRIBED INTERVIEWS

See separate MS-Word files for each interview

- [VP Global Marketing, and former VP North American Sales](#)
- [Marketing Communications Manager, Global](#)
- [Sr. Product Manager, Global, and former Regional Sales Rep](#)

<End>