

COMMENTARY

Door and Hardware Dealer Sales Force: A Profitable Growth Strategy

Dealers and distributors should seize the opportunity to secure sales and profit growth strategy—now.

By Roger Stempky

This would be a great opportunity to publish an article extolling the incredible benefits of fiberglass doors, or nuances that Special-Lite's engineering and manufacturing teams would elaborate on, that create or work to perfect a sound foamed-in-place, highly-engineered and meticulously constructed door. Instead, I hope to make the case for dealers large and small to build a sales force.

It may even sound crazy to put forth an idea during such busy times. I've heard the various old and trite sayings almost everywhere across North America:

"I'm as busy as a stump-tailed bull in fly season!"

"We're feeling like we're drinking from a fire hose!"

"Of course there is no grass growing under our feet!"

Most door and hardware dealers, distributors, manufacturers, etc., are experiencing some good business times, and it's a great time to be in the business. Regardless of the strength



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of the current market, we continue to hear the concerns of eroding margins and market competitiveness. So now is the time to be thinking strategically and thinking ahead to build a stronger business for the future.

I've spent the last two years getting acclimated to the door and hardware industry. I've had the opportunity to meet with distributors and dealers, independent representatives, and other manufacturers and their sales teams from all over, and I must say, I am excited to be in this industry. This industry is not far from the

architectural and furniture-related product and service world in which I spent nearly 30 years. There are some differences however, that are relevant to this discussion.

I am impressed with the technical skill sets held by all the distributor/dealer team members. All of the disciplines, whether it is the owner, president, project manager or the installer, have individuals that are as, or more, technically savvy in this industry than their peers from any industry that I have encountered.

I am impressed with the level of knowledge on codes, hardware, security, installation, etc. that every member of these teams often holds. I suspect that this industry, more than most, has individuals who have worked their way up in many different positions, starting with installation work or other entry level positions. It is an industry with significant technical proficiency.

On the other hand, I have also quickly learned that most of these same dealers/distributor organizations do not have strong front-end sales or new business development organizations. This is not simply my own observation but one that is shared widely with people at all levels from across the industry, including these very same dealers and distributors. Currently, the sales title or responsibility seems loosely applied to someone working in estimating or project management. These are important roles or positions that require a separate focus in ensuring accuracy so that our customers are taken care of, but it should not be confused with the need for a sales or business development role. These sales positions should have a primary and measurable responsibility to develop and grow end-user sales.

The need and the opportunity for change are now

As I stated earlier, I suspect a number of you reading this article may well dismiss this notion at the moment, considering the current book of business. Waiting until business softens to move on a strategic initiative such as this will place too much pressure on quick results.

I've actually heard from some dealer principals who have commented, "We've tried that and after a couple months we didn't see any results." A thoughtful and deliberate plan, given the right amount of time and support, coupled with the right individual with a laser focus on new business development, will deliver healthy



top- and bottom-line growth. That, however, is certainly not a couple of months of effort.

The reason to start this effort immediately is due to the growth in factors that are occurring; that increase in the importance in our industry of having a seat at the planning table:

- The importance of life safety and security has never been higher.
- This industry has a large impact on other business issues, such as:
 - ▶ Energy efficiency
 - ▶ Building operations budgets
 - ▶ Sustainability
- Industry consolidations
- Margin deterioration

Life safety and security can often trump ROI analysis

If you spend much time speaking with facilities management professionals, they will often tell you that the decision to invest in interior or exterior facility improvements is typically supported when a satisfactory answer is received to the question from those in the C-suites, “What is the return on investment?” “How many years will it take to pay for it?”

In today’s world, if it isn’t a maximum five years or ideally less, you better arm your customer with another rationale. I was reminded again recently by a vice president of facilities, that if there is an employee or customer safety factor tied to the product, the ROI question may very well take a back seat. We don’t have to look far to realize that the need for safety is not diminishing; in fact it is top of mind for those in the educational, government, food production, manufacturing, and corporate worlds, among others.

A good friend of mine, also an architect for a firm doing significant work with educational institutions, shared with me recently that regarding school security, it is “the number one topic of conversation in either the interview stages

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with architectural firms or in the early building programming or planning phases.” It is important to remember safety and security go beyond keeping bad people out of buildings. The need to protect employees, visitors or other building occupants from natural disasters as best we can is growing, as is evidenced by the growing use of Florida’s High Velocity Hurricane Zone (HVHZ) designation into the mid-Atlantic and certainly other coastal areas.

Safety and security, accompanied with this industry’s ability to have an impact on the energy efficiency, sustainability and building operations budgets, makes our products and services more relevant than ever to facilities leadership. Today’s wired world and the growth of building management systems and their connectivity to building entry solutions, provide us with even further justification as to why the end-user should wish to talk to us.

Industry consolidations and the impact on distribution

Two additional significant trends have developed in this industry. The first trend has been the manufacturing consolidation that has and continues to take place—manufacturers looking to expand their offerings and increase their overall product presence in an effort to gain customers.

In addition, many manufacturers, some of the very same that are busy with acquisitions, have grown their own end-user sales force very aggressively. While the goal may not simply be to relegate dealers to a lower margin transactional role in the typical bid process, the results of these moves may have such an impact if door and hardware dealers don’t work to position themselves strategically in these end-user relationships.

I have had the opportunity to discuss this with a handful of dealers who have actually expanded their end-user sales team, and their experiences to date are consistent with what I experienced during my own time leading



a product and service dealer. When a strong relationship exists directly with an end-user's facilities management team, the following will likely occur.

- Improvement in profit margin
- Improvement in Receivable or Days Sales Outstanding (DSO)
- Some of the delivery and installation timeframe stress minimized, due to better planning
- Tighter relationships with architects and general contractors as they recognize your end-user relationships
- Opportunity to participate in negotiated work with end-users or even general contractors on projects that are "at risk" or use a growing Integrated Project Delivery Method, etc.
- Most importantly, a higher level of customer satisfaction!

Both the rationale and the opportunity exist, and as previously mentioned, we are seeing some growth in this effort. To have success, it is more than getting a body into such a position, and that alone can be a challenge in these times. But as I've seen in my previous industry, having strong sales or business development positions in these dealerships/distributorships is key to increasing the relevance of our industry with the end-user, and ideally, changing the game. This requires building a strong business development organization.

Building a successful business development team

As the old anonymous saying goes, "success begets success." I remember the early days of sales when getting that first sale was the toughest. A sales mentor provided some words of encouragement to me in my early

days of selling, saying, "When you're pressing for a sale, you won't get it; but when you've done your work and are focused on execution, even the accidental visitor to your sales office hoping to simply use the restroom is no match!"

He shared with me how important it is to have a plan and work it; to not be singularly focused on project sales dollar value but rather on listening to your customers, knowing your products and services, developing your target accounts, and then consistently executing on your plan.

Finding and developing the right people

I realize I am touching on topics that many readers have plenty of experience of their own on which to draw. The added complexity in finding the best teammate is that many people interview well, and as a salesperson



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myself, I find it easy to warm up to all the candidates. It is important to expand your thinking on potential sales candidates.

One real potential opportunity for a door and hardware dealer in finding talent is to first look around you. As I said earlier, I think this industry has some of the most talented technicians you will find as potential candidates. Within your team, you may find installers, estimators and project managers with the right technical background and passion.

If you couple that with right support and even sales training, you will have shortened that learning curve. While nothing can be more positive than promoting from within; if not managed correctly, it can be especially tough if the Peter Principle comes into play. It is a balancing act between not losing a good employee and not keeping a good employee growing.

Regardless of whether the individual comes from inside or outside your company, make certain they have the following character or personality traits.

1. Fiercely competitive and a self-starter
2. Outstanding entrepreneurial mindset
3. Commitment to networking and building business connections
4. Comfortable in communicating with customers at all levels of management
5. Strong curiosity and passion for growth

Take control of the sale

In our world, the single most important effort a sales person and or company can do is to get to the top decision maker—the people who are the senior most managers involved in facilities management at the end-user. If those end-user top decision makers want you, your products, and your company's knowledge and service, you will win; it really is that simple. Of course, there are outside influencers in the process that also deserve our attention. However, if you have the support of the end-user, you will face fewer objections and challenges by architects and general contractors, and instead be understood as a key member of the end-users' inner circle.

Too often a sales person takes the path of least resistance and puts a primary focus on the influencers and not the person who can completely tip the scale in your favor. It is tougher getting an audience with the end-users. Your competitors or other industries are often pressing these same facility managers daily for appointments. An architect or general contractor will usually welcome you or anyone knocking on their door offering to share new product information or another competitive bid.

In the construction process today, after programming and designing, the

goal for the architect is to find multiple competitive products to ensure a competitively bid project that lands within or below budget. This runs counter to our goal of a negotiated win-win position that gets the end-user, in theory, the best solution and with a fair margin for the product and service provider.

Finally, I was reminded many of times in my career by some very good architectural and general contracting owners, as I asked how we work to ensure our success in the sales process. Each time, their quick response or lesson for me was "get to the end-user and make your case before we get there; we're not going to fight their wishes."

Build your network and manufacturing resources

Getting to the end-user is about the salesperson's efforts, but working smarter and having a strong sales network will improve on your short-term results and virtually guarantee success in the long run. Your sales network must consist of people and/or companies that will engage in a mutually beneficial relationship. These individuals or companies should have similar goals as your own business and be willing to support you in your effort. Your network should include the following:

- Sales people from adjacent industries
- The architecture and design community and their associations
- Independent architectural specification writers
- Community leaders
- Real estate professionals – these "pros" know everyone and everything
- Industry associations, including facilities management and engineering, Producers Council, real estate networks, chamber and community organizations, etc.



➤ Outstanding reciprocating relationships with your key and niche manufacturers

All of the above offer opportunities to make introductions and get connected in the market. Again, if you can be introduced into an account through an existing relationship, it can be hugely beneficial.

I would like to talk a little about strategic dealer/manufacturer relationships. Developing strategic relationships with those niche manufacturers that demonstrate a best in class product offering and customer service support are essential to your short- and long-term success. These manufacturers with unique products and services, that solve unique challenges, are a high priority to these facility managers.

Finding a receptive audience increases when you can ease or eliminate that customer pain point. When that strategic relationship includes joint sales calls between the representative or manufacturer and the dealer salesperson, the opportunity for success can be outstanding.

Take control of your future

I was recently reminded of the old fable about the lion and the gazelle that I first heard in the later 1980s as I began my sales career, and that was popularized more recently by Thomas Friedman in the book *The World is Flat*.

Every morning in Africa, a gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed. Every morning, a lion wakes up. It knows it must outrun the slowest gazelle or it will starve to death. It doesn't matter whether you are a lion or a gazelle: when the sun comes up, you'd better be running.

I think it would be appropriate for dealerships and/or distributors as a whole to consider themselves as either the gazelle or the lion. The key is to run with a plan that makes certain that none of the changes in the door and hardware industry negatively impacts your business, now or in the future. Developing an outstanding sales force will allow you to stake out a position that puts you in the best position to succeed. ■



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