



With a foreword
from Mike Page,
CTO and CMO of
R.S. Hughes

E - B O O K

The Contemporary Guide to **Distributors'** Growth

**3 Ways to Increase Your
Sales Productivity**

Foreword

I'm Mike Page, and I'm the CTO and CMO of R.S. Hughes.

We're a large distributor of industrial safety and manufacturing supplies. Our business consists of over 50 warehouses and 350K stocked products. Sales, Marketing, and Technology roll up to me, which sometimes raises eyebrows.

But the intersectionality of these three domains has never been more important to Distributors. Years ago we noticed changing market forces -increased consolidation, competition, customer expectations - and knew we needed to adapt quickly.

So I've invested in the people, tools, and processes that will position RS Hughes to climb to the top of our market for years to come. A key and critical part of that strategy has been to create an omnichannel experience that customers can't resist. In partnership with Proton (amongst other partners and vendors), we are succeeding. RS Hughes has outpaced the industrial index on YoY growth since early in the pandemic.

The content of this eBook will get you thinking about what this journey looks like for your business, and provides the tactical and specific strategies to get after it.

Mike Page

CTO & CMO, R.S. Hughes



Mike Page, CTO & CMO of R.S. Hughes (Left) with Benj Cohen, CEO of Proton AI (Right)



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About This Guide

At Proton, we speak to hundreds of distributors each month. Over the years, we've observed distributors struggle to keep up with technology, customer expectations, managing customer churn, supply chain disruptions, and more.

We wrote this practical guide to help your team work smarter, not harder. No nonsense. Just practical ways to increase your sales productivity in your distribution business.

By the end of this book, you'll learn:

- How your sales team can **work smarter, not harder** with the right software
- Best practices for getting products to customers fast and offering a **seamless buying experience**
- What distributors should consider when selecting an **eCommerce platform**
- Replicable **sales models** you can implement to cut costs and increase margins
- How to **build a sales team** that's resilient, and poised for long term success

Put In Systems That Light Up Your Customer Experience

In a sea of distribution companies, it can be challenging to become a stand out player. McKinsey & Company recently analyzed the distribution landscape to identify drivers of success. What makes leading distributors special? How does a distributor nail customer experience without letting pricing and category management slip?

According to the study, distributors' customers value (in order of priority):

1. Product availability
2. Customer service
3. Value-added services
4. Range of products
5. E-commerce platform
6. Relationship with sales rep
7. Pricing
8. Technical knowledge
9. Same/next day delivery
10. Payment terms/financing
11. Real time tracking

When you have the right software in place, you can consistently “wow” your customers.

Finding the right solutions to please your customers at every step can seem daunting. You might be wondering, “Will I need dozens of systems to address my customers’ needs?” Rest assured – there is a way to do more with less. Let’s explore ways you can maximize customer experience without overloading your business with third-party software and tools.



Help Customers Find What They Need

When you offer thousands of SKUs, helping customers find exactly what they need is easier said than done. To offer valuable, consultative, customer experiences, your reps need to be in-the-know. This includes knowing - in real time - which customers need attention, which products customers are likely to buy, which products are in stock, and which products can serve as a substitute for those that are not in stock (an all too common situation given today’s supply-chain issues). If your customer-facing reps don’t know what they’re talking about, how can they add value during customer interactions?

We typically see reps use a combination of ERPs, CRMs, BI tools, PIMs, and institutional knowledge to address these needs. ERPs hold quotes and transaction data, PIMs and eCommerce sites house rich product descriptions, CRMs store customer information, and BI tools help visualize data. While this four-system-system covers the bases, every distributor will tell you they’d like to reduce the number of screens their commercial team needs to use. Our recommendation is to cut this system in half to do more with less using just two core systems. →

1 Your ERP

Your ERP is where reps place orders and quotes. If you're considering an ERP upgrade, we recommend cloud-based solutions. They make data ingestion and exporting simpler. Our most agile customers are successful on Infor's CloudSuite Distribution, Epicor's P21, and modern NetSuite instances.

2 An AI-Powered CRM

Guess less. Sell more. That's what happens when you invest in a CRM powered by artificial-intelligence (AI). An AI-powered CRM – like **Proton** – hooks up to your ERP and analyzes your transactional data to gain actionable insights your reps can view on a single screen.

You'll know you've found the right CRM when reps:

- ✓ Find everything they need to know about their customers, products, inventory, pricing, and sales opportunities on a single screen
- ✓ Eliminate hours of busywork and administrative tasks
- ✓ Don't complain about using it

If you pick a CRM reps like to use, you can level it up with AI. That way, your reps can also:

- ✓ Figure out which customers need attention
- ✓ Predict re-orders
- ✓ Find wallet share gaps
- ✓ Identify similar products and relate items in real-time
- ✓ Recommend add-on items for an order or quote

If you buy a traditional CRM like Salesforce or Dynamics, expect to spend countless hours tailoring it for your sales reps and driving adoption. When CRM feels like a chore, reps won't use it. Salesforce and Dynamics are built for software companies – not distributors. Consider alternatives that have purpose built, low-admin workflows for distribution reps. Consider alternatives that have purpose built, low-admin workflows for distribution reps.

Investigate what a predictive CRM like Proton would look like for your business. Customers describe Proton as a system of action, not a system of record. With an AI-powered CRM, you will automatically identify product affinities, making it easy for reps to find similar products and related items in real-time, rather than relying on memory or referencing a hard-coded product database. Distribution-focused AI helps sales and customer service reps identify what customers need at any given time, turning them from order takers into order makers. When your ERP and AI-powered CRM work in tandem, your commercial team will function like a well-oiled machine. They'll deliver proactive, problem-solving experiences that keep customers coming back for more.

Go Digital

With eCommerce on the rise, B2B buyers are starting to expect the same experience shopping online as they have when shopping for items as a personal consumer. To create an equally powerful experience on digital channels, you need a strong eCommerce platform. When evaluating the right eCommerce platform for your business, there are a few factors to consider.

Company Size

Small to mid-market distributors tend to be successful with an eCommerce platform that is light-weight and distribution-focused, like Unilog. Larger distributors typically need something with more flexibility like Optimizely. Nearly 1 in 6 distributors we meet have built a homegrown eCommerce platform. We've observed the most frustration from distributors that use an eCommerce platform built by their ERP.

Powerful Search & Recommendations

As a distributor, your website doubles as a store and an online catalog. Customers may browse your inventory online to place orders during live interactions later. It's important to make it easy for customers to find products they're looking for. To unlock powerful search bar functionality, consider a product like Algolia. →

For intelligent product recommendations – and to personalize your website for buyers – evaluate vendors like **Proton** and **Certona**. We recommend staying away from providers where AI-powered product recommendations aren't a core competency, or where the vendor has little experience with B2B distributors. Distributors have very different buying patterns and product needs than B2C and D2C retailers.

If you need help navigating your digital transformation, we recommend consultants from **Verndale** or **ThincB2B**.

Get Products to Customers Quickly and Affordably

Amazon Prime has conditioned buyers to expect fast and affordable shipping. It's important for distributors to follow suit.

To get products to customers quickly and affordably, figure out your customer-specific pricing strategy and if there's a faster, cheaper approach to last-mile transportation.

At Proton, we've seen our customers succeed by:

1 Introducing tiered pricing for customer segments

This approach bodes well for distributors with customers that can be easily segmented based on their size and buying power, and if category-specific pricing optimizations are relatively simple

2 Using pricing analytics software like Zilliant or epaCUBE:

This approach likely provides more flexibility (you can respond faster to cost changes, and connect your pricing strategy to other commercial execution systems).



If you're not sure which pricing approach works best for your business, a distribution-focused consulting group like **Distribution Strategy Group (DSG)** or **Indian River Consulting Group (IRCG)** can help identify the best option for your organization and help roll it out.

If you haven't already, consider the best ways to get products to customers. Besides heavyweight carriers like UPS and FedEx, regional carriers (such as **OnTrac** in the Western United States) offer faster delivery times and competitive prices. If nothing else, negotiate with regional carriers as a way to keep your primary carriers competitive. →



Provide Seamless Customer Experiences

Providing seamless experiences is a contemporary challenge for B2B distributors. McKinsey's latest report on outperforming in the new distribution landscape states,

“Digital is no longer optional. Distributors who offer a convenient omni-channel shopping experience have more sticky customers, who are now comfortable buying large ticket items online.”

By now, you've probably heard the term “omnichannel” and about its importance in the modern distribution world. Simply having an ecommerce website isn't enough. Your overall strategy needs to create harmony between your digital channels and the people who serve your customers on the front lines every day. If your online and offline channels are disconnected, your customer experience will suffer.

For example, imagine a customer browses a product on your site, adds it to their cart, and gets distracted. They move on with their day, and eventually purchase the product from another company. You just missed a high-intent sale.

Now, picture a world where your commercial team sends personalized product recommendations to customers linking to your eCommerce site. This is the most organic way to increase eCommerce traffic, conversion, and order sizes without eliminating the rep in the value chain.

To see what it looks like to get this right, check out the 3-minute overview linked below.

[3 - MINUTE VIDEO](#)



Increasing your eCommerce store's traffic, conversion rate, and average order value.



Get Your Sales Model Right

To accelerate growth and maintain market share, distributors need to increase revenue and expand margins without increasing headcount. A high-impact way of doing this requires getting your sales model right.

Let's review a typical day in the life of an inside sales, outside sales, and customer service rep and explore ways each of these sales models can be enhanced to maximize return on investment.

1 Outside Sales Representative

The Scenario

Tina gets ready for a day on the road visiting customers. She spends some time poking around BI tools, CRM, and ERP to figure out what's going on with customers she's going to see. On the way to her first stop, Tina picks up boxes of donuts to treat her customers. When she pulls up to her first stop, she asks for her main contact – Jen. When she sees Jen, the two spend time catching up: Tina asks about Jen's family, her latest round at the golf course, and which products Jen needs. She also follows up on a backordered item. "I think it'll be back in stock next week" Tina says. Tina notes down some products Jen's interested in, thanks Jen for her time, and takes off for her next customer visit. Between stops, Tina calls her inside team to request a quote and some product information for Jen. She hopes her team gets back to Jennifer within 24 hours.

The Challenge

When Tina gets face time with her customers, she's not prepared to provide value. Often, she can't offer customers product info until the next day. By no fault of her own, Tina is a reactive sales rep. Her company's sales model hasn't set Tina up for success. When travel expenses and customer expectations rise while sales productivity stagnates, the traditional outside sales model crumbles.



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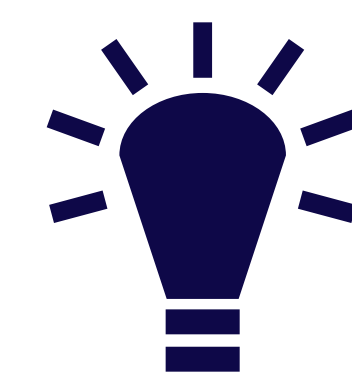
2 Inside Sales Representative

The Scenario

Ron starts his day by checking emails and replying to customers. He tackles his tasks, checking off calendar reminders set for the day. He then jumps over to a dashboard with his list of assigned customers and starts making routine calls. Ron makes an effort not to let more than 2 weeks go by without touching base with each customer. His calls are quick and efficient. A typical call goes something like this: “Hey Reilly, it’s Ron Burgundy. Calling to check in and see if y’all need anything.” After this, Ron places orders for customers.

The Challenge

There are two main issues with Ron’s approach: he doesn’t make calls based on real-time customer health and needs, and he doesn’t have a purpose for the call. If reps don’t know who to call and what to sell, the productivity of each dial is low. As a result, your sales reps’ calls might be perceived by customers as a nuisance.



If reps don’t know who to call and what to sell, the productivity of each dial is low. Calls that don’t add value can be perceived by customers as a nuisance.

3 Customer Service Representative

The Scenario

Jeff’s top priority is to take great care of his customers. He’s constantly responding to inquiries, answering questions about products, punching in orders placed on calls and emails, and managing quotes when his customers do project-work. Nearly each day, Jeff gets requests from his colleagues. Numerous outside sales reps depend on him for product information and customer follow ups.

The Challenge

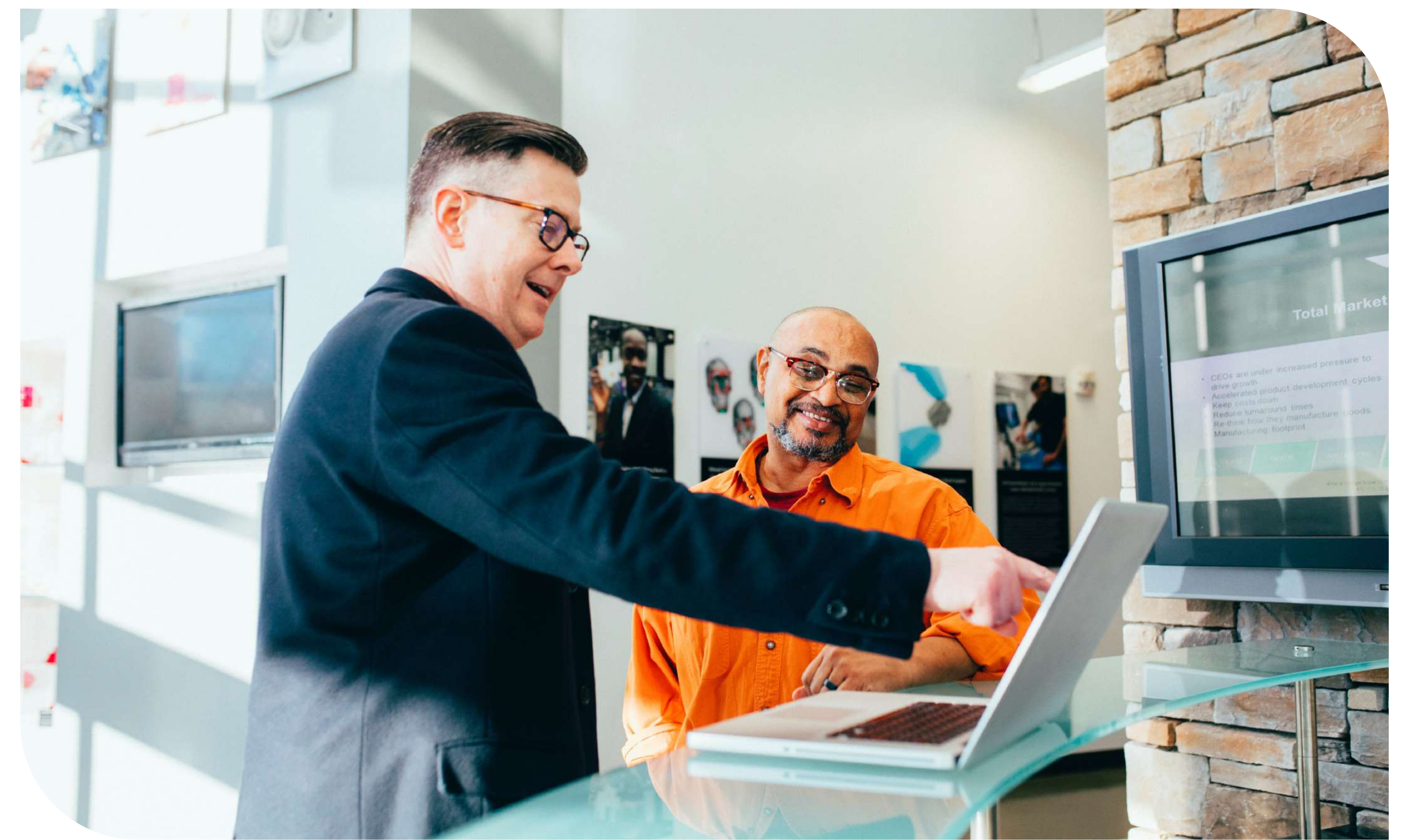
Call centers are cost centers. Customers love a great customer experience so giving them access to CSRs is non-negotiable. But distributors need to find ways to increase average order size during these interactions. A great customer service rep can add value for their customer by recommending the best add-on products based on who they’re talking to and what they’re already buying.

It’s no secret there are a number of problems with each of the sales models above. So what can distributors do today to transform these roles, maximize sales productivity, and set reps up for success? Let’s dive into what’s worked for our customers.→



Great customer service reps add value by recommending the best add-on products based on who they’re talking to and what they’re already buying.

Modernize Distribution Sales



Turn Outside Sales Reps Into Hybrid Reps

Turn outside sales reps into hybrid reps means fewer customer visits and managing more accounts. According to a 2020 analysis by McKinsey, more than 90% of B2B companies shifted to a virtual or hybridized sales model as a result of the pandemic. If you haven't already, it's time to re-evaluate the responsibilities of your outside sales reps, and the tools they need to do their jobs effectively in a hybrid environment. If they have the right ERP/CRM combo (which, by the way, needs to work exceptionally well on mobile), they should be able to consult customers proactively and effectively both when they visit a customer, check in, or provide support remotely.

Increase Inside Sales Reps' Dough Per Dial

Congratulations – you're data rich! Your business has years of transaction history and tons of product and customer data. Put millions of data points to use to guide sales reps to the right customers with the right insights. Giving every call a purpose. Several of our customers have built proactive inside sales teams from the ground up using Proton. A few of them have partnered with DSG as a consultant through this process. We've seen countless times that even green sales reps can drive results on par with outside sales reps when guided by AI. The average inside sales rep generates \$147K in incremental sales when using Proton.



More than 90% of B2B companies shifted to a virtual or hybridized sales model as a result of the pandemic.

Turn Order Takers Into Order Makers

Yes, your customer service reps are busy. No, their inbox will never reach zero. But, customer service reps have the potential to be revenue generators even if they're not making calls. Some of our customers lighten the manual burden of order taking by using an order entry automation solution like Conexiom. Freeing up even a marginal amount of time in a day can afford your customer service reps the ability to make specific product recommendations that help customers and increase order sizes and margins. If your business is transactional and cyclical, CSRs are great candidates to pitch reorder reminders. If your business is project-oriented, have your CSRs follow up on open quotes or items the customer browsed online. The time is now to turn your cost center into a profit center. Proton's average CSR user generates \$36K in incremental annual sales. If your inside sales reps are reactive, we recommend asking them to spend 1-2 hours each week doing outbound calls with the support of a tool like Proton. Successful CSRs can be ramped into proactive sales reps. →

Don't be Afraid of Your Sales Reps

We recently sat down for dinner with a Regional President from one of the largest Electrical distributors in the world. He came up in distribution, and is credited for completely transforming the business he manages. Why – we asked him – do so many distributors hesitate to change the expectations of their sales reps even though they know they need to?

“Because they’re scared of their sales reps.”

It's common for distributors to feel like sales reps have all the power. Sales reps own customer relationships and can take customers with them if they leave.

This fear leads to compounding disarray:

- Compensation plans are dated and don't align with current company objectives or profit optimization because sales reps believe they could leave and find better pay if you change their incentive structure.
- Institutional knowledge is undocumented because you don't require sales reps to track their notes, activity, and information.
- You can't figure out Omnichannel because you're scared of how reps might resist the “new guard” of digital and remote customer interactions.

Employee churn and resistance are legitimate concerns when it comes to increasing sales productivity. When you change your commission structure and require sales reps to use a CRM they may pack their bags.



We asked this Regional VP how he managed this tradeoff, and he told us it's all about culture.

This distributor has 10 cultural principles they live by: customer centricity, trust in one another, etc. For months, he beat these values into the ground, using them in day-to-day decision making and employee coaching. Once this cultural groundwork was set, he implemented new compensation plans and role responsibilities. Those who weren't aligned culturally were let go or left on their own volition, including high performers. But everyone else thrived, and so did the business. As expected, the departure of a few sales reps led to some customer churn. But revenue and growth didn't suffer, even short-term!

A values-led culture that prioritizes the customer and business objectives is extremely resilient, and poised for long term success.

Create values and a culture that attracts employees that care about the same objectives that you do.

Leave Your Mark

The recommendations discussed in this eBook are conceptually simple. We admit they can be challenging to implement, and the journey to transformative sales productivity can be a multi-year process. That said, we firmly believe leaders that tackle the organizational change discussed in this book will leave a lasting legacy.

Start Your Journey

If you'd like to learn more about our experience partnering with distributors through these journeys – or if you'd like to see a demo of Proton – click the button below.

[GET A DEMO →](#)

[LEARN MORE →](#)

Go get 'em distribution leaders!

– The Proton Team