



A MANUFACTURER OF OFFICE EQUIPMENT

ABOUT THE CLIENT

A premier office equipment manufacturer of copiers, printers, fax machines, and management solutions is reliant on independent distributors for the bulk of its revenue. These channel partners are autonomous, representing multiple brands across a variety of competitive offerings. To motivate third party representatives to recommend their offerings over others and to keep a rep's mind share year round, it is not uncommon for this manufacturer to have dozens of sales incentives programs in play at any one time.

CHALLENGE

The problem was managing them all. It had become a challenge to organize, direct and track promotions across multiple sales groups representing hundreds of SKUs. Realizing they had stumbled in the past, the manufacturer was concerned about system uptake and envisioned the launch of Madison's solution with a phased-in roll out. To guarantee a high rate of adoption across all targeted sellers and to be as effective as possible in a business model where brand managers could initiate an incentive at any time, Madison knew that the solution needed to be easy to use across multiple audiences.

SOLUTION

Madison's solution was built to initiate, host and manage multiple sales-related promotions ranging in size and scope. We combined targeted communications with on-demand training tools to familiarize each audience with the technical features and business building benefits of the new system. This approach heightened interest within the channel, the initial rollout targeted the digital color sales force only (about 500 participants) but quickly grew to its current 33,000 users. From quarterly contests, to annual incentives, to new product introductions and short SPIFFs, we made it possible to implement variations of each with specific target audiences in mind.

Our solution made it easy for the manufacturer to configure and launch an incentive and then track its impact through a user interface detailing the core incentive offerings. Everything within any contest

SOLUTION (CONTINUED)

can be modified including the aesthetic design to its objectives and reward options, along with all the supporting communications components and reports. Each version is chosen via a simple click and point menu selection process. Sales objectives and reward options can be isolated or duplicated across relevant channels. Secondary measures and/or earnings multiples can be added on, deleted, or adjusted easily across relevant groupings. The reporting and analytical package allows any authorized user to compare and contrast results by distributors and/or roll up sales activity for an aggregate, enterprise wide view. Additionally, the solution can be localized for distributor principals who can then use it as a business building tool for their own reps. The system also supports social communications across customers or other distributors along with an easy to access library of sales support materials.

RESULTS

During this time the office automation industry was going through a number of significant transformations and consolidations. Being able to track reps through changes in distributor ownership required manual interventions in the past but Madison's approach maintained rep alignment, eligibility and earnings history in a seamless manner. On an ongoing basis it continues to track sales activity automatically through the site.

In the volatile market of office automation, product and brand managers need the flexibility to shift promotions toward competitive threats. One of the greatest strengths of the platform is its enhanced ability to segment promotions by multiple variables. For every product the manufacturer makes, the platform allows sponsors to adjust objectives levels and eligibility for each channel independent of all others if needed or desired. This allows product managers to put their marketing dollars to work where they are needed the most, without incurring additional programing costs or wasting precious time.

Our system's configurable structure paved the way for several incentive innovations: learning integration, social networking elements and market feedback tools. The biggest advancement was in its ability to consistently capture the efforts and mind share of independent reps and do so efficiently. Our approach not only improved sales results while enhancing the manufacturer's image but it did so by reducing its administrative cost structure.

1. This client estimates it has saved over \$250,000 per year in fixed cost by consolidating all incentive activity in one platform.
2. The solution has been credited with delivering incremental sales of over 525,000 units during the program's operation. Depending on the brand, sponsors credit it with double digit year-over-year sales above forecast increases since its introduction.
3. The manufacturer also credits the system with playing a key role in spotting and exploiting market trends. Key market penetration levels are up over 50% since introduction, while share of customer spend within core audiences has also risen 22%.
4. Based on independent surveys, rep satisfaction levels with this manufacturer rose dramatically from a low of 56% to a high of 83% within a few years of operation.
5. End user customer satisfaction levels with the manufacturer's products also rose from 82% to 97%. Customers cited their rep's increased product knowledge and familiarity as key reasons.