Outside Parts Sales: A Guide to Success



Freightliner LLC

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Introduction

A dealer parts department doesn't just supply parts, it *sells* parts. In fact, it is the Parts Manager's job to staff for, and achieve, sales growth.

The modern Parts Manager is a Parts *Sales* Manager who builds relationships between the dealership and its customers. Implementing an outside parts sales (OPS) strategy will help you achieve this critical goal.

The module is divided into two parts.

- 1. The first part is a guide for finding, influencing, winning, and holding incremental parts business. It looks at the market opportunities available to the dealership.
- 2. The second part is a resource for developing an outside parts sales force using processes that deliver positive results. It looks at the OPS operation itself and how a dealership builds it.

With this module, you will gain perspectives on OPS processes and have a practical plan to implement your ideas.

How This Module Can Help You

This module helps you understand how to implement, improve, and refine an outside parts sales effort. It presents:

- How to measure the parts sales opportunity in your area of responsibility (AOR).
- How to justify the opportunity presented and build dealership support to pursue it.
- How to leverage marketing information and implement value-based selling.
- How to properly select and manage an outside sales force.
- How to maintain a process that delivers positive results.

The answers to all of the certification questions at the end of this module are readily found within its contents.

The Case for Outside Parts Sales

Outside parts sales is the most significant growth opportunity available to truck dealer parts departments. It is proactive selling—meeting the customer at his location—rather than waiting for the customer to come through your door. At the customer's shop, you learn a great deal by what you see and hear.

Process V

If more than 30% of parts sales come across your back counter, you have a closed-door operation. Any part sold through your shop should be considered a captive sale.

OPS efforts produce incremental sales and stimulate growth by taking the dealership beyond its lot lines.

Business Today Requires OPS

For most dealers, outside parts sales are necessary, not optional, for several reasons:

- Customers expect high levels of personal contact and hands-on service. Outside Parts Sales professionals meet that expectation.
- Warehouse Distributors (WDs) and dealers of other Original Equipment Manufacturers (OEMs) have sharpened the competitive environment by aggressively pursuing business through their own outside parts sales forces.
- Outside Parts Sales professionals provide a point of differentiation; through their actions, they demonstrate value and worth beyond the tangible product
- Salespeople develop the relationship to best introduce new products, special promotions, and new ideas by acting as consultants who support the customer's goals.
- Outside Parts Sales professionals are your eyes and ears to monitor changes in business trends, customer expectations, and competitive approaches.

Attitude √

When you have a parts department that reaches out to customers and fulfills their needs, positive business results will naturally follow.

OPS Generates Opportunities

An outside parts sales operation is an excellent path for career growth. Outside parts selling:

- Builds an employee's experience and value.
- Creates opportunities for promotion among employees demonstrating the desire and skills.
- Presents avenues for merited income increases, recognition and reward.
- Serves to build loyalty among employees as well as attract and retain good people.

In every case, management must adeptly assess, motivate, and provide direction so that individuals can mature and grow.

OPS Works!

A Link to the Customer

Outside Parts Salespeople extend the qualities found in your dealership. They reinforce the dealership's reputation. Their job is to build sales and promote a positive image. They are consultants providing products and services to improve the customer's business.

Each new or additional Outside Parts Salesperson should be made available to selected accounts. By doing this, Outside Parts Salespeople demonstrate the value of doing business with an Original Equipment (OE) parts provider and the quality of original equipment parts. Properly positioned OPS people add stability with existing accounts, expand opportunity by increasing presence with specific accounts, and can produce continuous growth.

In general, a productive OPS professional can reasonably serve no more than 50 primary accounts, with a focus on 30. The Outside Salesperson who must juggle more than that is probably not maximizing sales per customer, or taking the time to evaluate the customer's needs. When necessary, reassign or add Outside Parts Salespeople to increase their presence with specific customers in order to grow the total parts business.

Stability in Business

A dealership is a *sales* organization! It provides customers with new and used trucks, parts, and service (labor). Performance of fixed operations is critical to the health of the dealership. In today's lean, competitive marketplace, a static sales organization normally produces a flat, or declining sales curve. And as you've heard before, "If you aren't moving forward, you're falling behind." There's no such thing as staying in place.

Outside parts sales add a dynamic lift to the organization, not only by increasing parts sales but also by providing stability for the entire dealership. This capability is measured by "absorption rate."

Absorption rate measures the level at which the gross profits from parts and service cover the dealership's total fixed operating expenses, without contribution from truck sales. With a 100% absorption rate, the parts and service departments (and body shop) in the dealership "absorb" all the dealership's fixed costs of doing business.

A positive (greater than 100%) absorption rate gives the dealership flexibility, drives growth, and enhances competitiveness. Outside parts sales can stimulate sales to increase the parts department's contribution to the absorption rate.

The "Check Your Department" exercise (below) is a way to get started on a clear, practical assessment of the status of your dealership and department. Candidly, answer the ten questions below. There is no need to do anything with your results now. Just record your "score" on the Performance Chart at the end of the module and then continue from here.

A. Are you positioned to leverage outside par	ts sales?		
Do you		YES	NO
 Make at least 70% of your parts sales to flee 	ets and independent shops?		
Respond to the Sales Manager aspects of the	e Parts Manager's role?		
Regularly apply sales management technique	es and attitudes?		
Promote reputation and relationship building	g in your OPS personnel?		
Can you offer career growth, direction, asse	ssment, and rewards?		
Focus Outside Salespeople on 30–50 specifi	ic accounts?		
Grow parts business regardless of new truck	sales?		
Take pride in contributing profits to the dea	lership's bottom line?		
Regularly calculate the parts department's cabsorption rate?	ontribution to the		
• Have a fixed operations' absorption rate of	more than 100%?		

Attitude ✓

Selling is a preplanned event!

OPS Is a Strategic Process

Outside parts sales is not just effort, but process. Not just attitude, but competency. Successful OPS is the outcome of planning, persistence, and knowledge.

An outside parts sales capability develops in seven consecutive steps. These steps drive to win the business by developing strong ties with the customer. Follow the steps, either personally or through your Outside Parts Sales staff. Substitute information about your own department in the examples. The steps are:

- 1. Define the Market
- 2. Conduct Research
- 3. Explore for Value
- 4. Plan the Strategy
- 5. Implement the Tactics
- 6. Measure Progress
- 7. Retain the Business



These steps follow each other in a linear flow that, at the end, produces positive results.

Execute each of these steps seriously and you will increase your parts sales business.



1. Define the Market

Gather information from all available sources:

- Market research data on vehicles (MacKay, TIP Access, cross-sell and county/state registration records)
 - MacKay Parts Potential figures show comparative values in the average consumption of parts by vehicle class and use.
 - TIP Access, cross-sell, and county/state vehicle registration records provide the number of vehicles by class and age in the nation and right down to counties in your AOR.
- Local wisdom
 - Internal assessments of dealership strengths and weaknesses
 - External assessments of competitive opportunities and threats
 - Input from your own people on the "word on the street"
 - Fact-finding with customers and prospects

Are you making use of all the programs available from Freightliner LLC? Have you taken advantage of every marketing tool at your disposal?

Defining the market is a time for self-evaluation. It is an important step that should not be treated lightly. Ask yourself these questions:

- Is now the time to make the commitment to grow the business?
- Are we missing too many opportunities? Do we even know if we're missing opportunities?
- Are competitors making inroads on our business or are they finding business we're not?
- Do we know the actual sales potential for Freightliner LLC, Sterling, Western Star, or Alliance products in our trade area?
- Do we know the total sales potential of all makes in our trade area?
- Are there any signs that parts business is off because of factors beyond our control (people moving away, difficulty finding good Parts Salespeople, dealer does not support a stronger parts sales effort)?
- Are we doing everything possible to maintain and grow parts business by developing factors within our control (training to build competence, instilling a commitment to selling instead of taking orders, serving all makes with vendor parts)?
- Do we know our customers and are we reaching each of them regularly?
- Do we know if there are others who could be our customers and why they are not?

B. Do you know your market?	YES	NO
Do you know your actual parts sales potential for your AOR?	I ES	NO
Is there room for you to grow the business and increase market share?		
Do you use MacKay and vehicle registration data to estimate potential?	_	
Do you know if you are missing opportunities to sell parts?		
Are you winning business by having a plan and activating that plan?		
Do you know the parts sales potential for all makes in your area?		
Can you specifically list reasons for downturns beyond your control?		
Can you list ways to improve parts business within your control?		
Are you using all the Freightliner LLC programs afforded your dealership?		
Do you know where your best prospects are and who they are?		



2. Conduct Research

Credible, factual data to measure your market opportunity exist through the MacKay Parts Potential analysis (contact your RPM for assistance with MacKay data). This initiative quantifies the dollar potential across the nation, among regions, and in an individual dealership's area of responsibility (AOR).

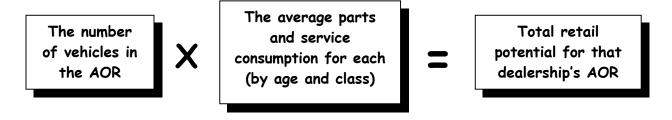
The numbers measure the market to help you estimate your performance and potential. The approach uses statistics based on actual vehicles in service. It also applies dollar-average costs for replacement parts against local vehicle populations. The result is an estimate of the market in your AOR.

The approach considers several aspects:

- Total vehicle population (actual Class 6, 7, and 8 registrations) in each county in your AOR
- Vehicle aging that increases the potential for parts and service as vehicles age
- Market share data that indicate how much of your entire market is Freightliner LLC brand trucks, and generally your most loyal customers
- End-user feedback that estimates parts and service consumption based on actual use, by class

Together, these considerations help build an estimate of the dollar potential in your AOR. Use these data to determine the average demand you can reasonably expect for replacement parts per vehicle in your AOR for the year.

Here's how to calculate retail potential:



These data provide you with total potential. Now, refine it to potential by product category and compare those averages against your own sales history. Any product lines with dealer sales history below industry averages offer greater potential.

The goal is to raise the dealership's market share for each product line in the category so that it reflects your true market share potential. Your outside parts sales effort is the key to driving your market share higher.



3. Explore for Value

The MacKay Parts Potential analysis and TIP Access helps reveal how much opportunity there is in your AOR (contact your RPM for assistance with MacKay data or Tip Access). You can go after more market share. There may be places to be competitive and demonstrate a difference—but, where, to whom, and how?

Explore several factors to see where your dealership can create value. In the next few pages we will examine each of them.

- Assess your dealership to recognize its capabilities.
- Look at the market in your AOR to determine competitive and local situations.
- Define the characteristics of ideal customers.
- Expose "drivers for change" that provide leverage or opportunity for your parts business.
- Assemble a Sales Opportunity Profile of candidate fleets.
- Call on target candidates to introduce your dealership and to find out more about them.
- Build a value-based profile for each customer.

These factors combine to produce a value-based strategy for each target customer. The process is updated, refined, and revised on nearly every call because you are continuously reviewing and altering your strategy to meet the customer's latest needs. This is how strong relationships are built. This is how Parts Salespeople become true consultants supporting their customers' business.

Let's look at each of the factors individually.

First, Look Within

A Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis provides an overview of how you compare against competitors and what you offer that's different—or superior—to others.

First, conduct a review of your own operation. Take a hard look at who you are. What are the strengths and weaknesses of your department and the dealership? Be brutally honest. List them under the columns.

SWOT Analysis

Dealership/Parts Department Strengths	Dealership/Parts Department Weaknesses

Then, Look Around

Consider any opportunities and threats that exist in your AOR. Who are the competitors? What are their strategies? Is any parts supplier going out of business? Expanding? Moving? Is anyone introducing new or improved services? What effect is the economy having, positive or negative?

Look for any situation in your AOR that could help or hinder your business. Develop a group of questions to survey those around you. Pose these questions to your good customers, area leaders, dealership salespeople, counter personnel, and other managers. Gather their input into a summary list of influences on your parts business.

SWOT Analysis

External/Market Opportunities	External/Market Threats

Rank the SWOT Factors

Rank the top 3 or 4 factors in each category—Strengths, Weaknesses, Opportunities, Threats. These top dozen or so SWOT factors will influence your outside parts sales strategy because the strategy must respond to these conditions in your AOR. It should leverage strengths and opportunities and reduce the effects of weaknesses and threats. (This will be discussed in greater detail in the "Plan the Strategy" step of this market preparation process.)

Explore Opportunities

Make a list of "ideal" new customers. They may be ideal for any of several reasons:

- Proximity They offer a location advantage for the dealership.
- Compatibility Their fleet needs fit nicely with your capabilities.
- Loyalty They are running Freightliner LLC trucks.
- Trustworthiness They are known for fairness and honesty; they pay their bills promptly.
- Presence They are existing customers who already know you and would benefit if your dealership increased its presence with them.

Look at target fleets in your area. Determine if there is a fit with your dealership based on characteristics such as:

- Vocation Truck class or uses in the fleet
- Size Parts and service potential volume
- Known value Operational stability, established business
- Product opportunity Candidate fleet with a need your dealership can fill

Any of these opportunities could qualify them as a candidate. Include targets who are ideal but buy from the competition. Think beyond what's "possible" to what's ideal. Don't write your chances off with any of them.

Prepare a list of all target fleet customers you would like to have. Discuss this list with truck sales and service personnel. Your own people may provide insight, especially if the prospect's fleet has Freightliner LLC trucks.

Also, consider current customers as part of the list. You have already established your capability and value with them. The relationship exists. Use this opportunity to prepare differentiating factors especially over competitive issues—reasons why your product, service, or approach is better and how that benefits the customer.

Determine "Drivers for Change"

"Drivers for change" add power to your value proposition. Consider these drivers in combination with your SWOT Analysis to find all possible target customers. The SWOT Analysis and drivers for change elements help you choose the customers that you have the greatest potential for winning.

Drivers for Change

What They Are	What to Look For
Like product/competitive supplier	Ways to differentiate through quality, faster delivery, managed inventory, other value-added services.
Competitive product advantage	Product superiority and how that benefits the fleet through, for example, improved cost of maintenance.
Problems with a product or suppliers	Solution that resolves the current problem.
Political issues	Find an approach that addresses the political influence. (For example: Maintenance Manager chairs local maintenance council.)
Dealership capabilities	Service hours, skills, capabilities, or special services. Consider all dealership assets for their differentiating factors.
Selling, telemarketing, or knowledge capabilities	Provide Technician/vendor training and certification. Look for OE parts preference, special training or understanding, ways to support the fleet through maintenance, advice, planning, etc.
Paying attention to the customer	Never take the relationship for granted; continually build it by looking for ways to support the fleet's business objectives. This requires all levels of sales and management.

Process √

The motivated Parts Manager can complete the process of defining the MacKay and TIP Access data and building a list of fleet candidates in a matter of days.

The key is to step away from the daily routine to think and talk about prospects and how the dealership can present itself as a benefit to a specific fleet.

Each Outside Parts Salesperson should focus on at least 5 new targets selected from these candidates. These represent new parts business either from a new fleet customer or from greater presence with a current customer. The "drivers for change" and the SWOT Analysis show match ups where you can offer real value to that customer.

This is an ongoing effort. Each Outside Parts Salesperson should be continually developing a new or current account from a list of 5 candidates. When one is sold, another should be added.

C. Are you carefully determining new and current fleet targets?		
Do you	YES	NO
List dealership and department strengths and weaknesses?		
List opportunities and threats found in your AOR?		
• Rank the top 3 or 4 of each SWOT characteristic?		
Look for and find ways to present competitive alternatives?		
Look for fleet targets that need your dealership's capabilities?		
• Examine candidate fleets by proximity, compatibility, etc.?		
• Discuss your list to get the opinions of others in the dealership?		
Consider drivers for change as you review fleet targets?		
Concentrate on this list to think about and prepare strategy?		
• Keep the list updated so Salespeople have fresh, well-considered targets?		

Examine the Customer Opportunity

Prepare a Customer Profile

The Outside Parts Salesperson completes a Customer Profile form (below) on each target candidate in the territory. This provides the basic information on each fleet and gives Parts Salespeople a starting point. If no Outside Parts Salesperson is assigned, the Parts Manager does it.

ness

The Customer Profile is the first outcome of OPS planning. Each profile represents a target fleet that has been considered in several different ways to make it a likely candidate:

- SWOT Analysis
- Ideal customer issues of proximity, compatibility, loyalty, etc.
- Discussions with other dealership personnel
- Ranking for potential benefit to the dealership and what you can offer the target customer

Prepare Fact-Finding Questions

The meeting with the individual fleet itself is the time to find out who that prospect really is and to introduce the dealership. This is fact-finding time.

The Sales Opportunity Profile organizes the initial fact-finding visit with the prospect. The categories listed on the Profile represent where the bulk of the dollars are spent in vendor product lines.

Use the Sales Opportunity Profile to acquire basic information on the full range of products. While the Profile keeps the interview on task, it also provides flexibility to delve into the fleet's goals and needs, issues, or interests along product lines, and other insider information about problems or concerns with the current situation.

Prepare in advance. Create a list of questions and discussion points for each of the categories in the Profile. Be prepared so that the interviews are relaxed, efficient, and informative.

Sales Opportunity Profile

Category	Product	\$ Value	Interests/Issues	Supplier
Brakes				
Filters				
Electrical (new/reman)				
Batteries				
Clutches (new/reman)				
A/C				
Air Compressors (new/reman)				
Springs				
Shocks				
Exhaust				
Transmission, Differential				
Wheel Seals, Bearings				

Conduct the Meeting

Here are some general recommendations when you (or your Outside Parts Salesperson) call to make the appointment.

- State your purpose up front. "I'm responsible for your account and I'd like to meet you to learn more about your fleet and to introduce you to our services."
- Keep it short, conversational, and free of hype. For example, "With your permission, I'd like
 to get an idea of your parts practices and maintenance processes to know more about your
 operation." The more you understand their operations the more capably you can develop
 strategies to meet their needs.
- The initial cold call may enable to you to get information but may not put you in contact with the decision maker.
- Schedule to meet with the decision maker Maintenance Vice President (VP), Director of Maintenance, Shop Supervisor.

The initial parts sales call has four main purposes:

- 1. Create visibility; introduce the dealership to the prospect.
- 2. Expand presence among existing customers; reinforce relationships.
- 3. Gather information about a customer's needs, wants, and concerns.
- 4. Invite the fleet decision maker to come to the dealership. "With a little advance notice, I could set up a time for you to come and meet with our people inside. When would be a good time?"

This fourth point is especially important. Inviting customers is a business courtesy that starts to build the relationship. Visiting the dealership creates confidence, extends hospitality, and produces reasons to purchase parts from you.

By all means, make these visits special and comfortable. It could involve a tour, lunch, presentation, and a proposal. Everyone in the dealership should know when a customer is visiting. Those who will meet the customer should be prepared and available. Be diligent about always delivering a positive first impression.

Schedule the next call. Use future calls to both gather information and present information about your dealership's capabilities. The value-driven sales strategy works when you know precisely what the customer expects and how your operation can fulfill that expectation.

Attitude ✓

Friendliness is more than a smile and eye contact. It is acknowledging people wherever you find them in the fleet operation.

An informal greeting and a quick question is an excellent way to discover opportunities.

Friendliness is not invasive and it gets results.

Selling Tip for the Salesperson

Use questions that encourage a person to talk about something that they are knowledgeable about, or proud of.

For example:

Talk to the Shop Supervisor about the shop's cleanliness, size, and appearance of the equipment.

Use the Customer Profile to pick up points about the excellence of the fleet.

Talk to a Maintenance VP about anything positive. Avoid the obvious by taking a positive element and carrying it further. For example, comment on a great truck graphic by asking who is doing it.

Every business is a reflection of its management. Look at and comment on areas that set the fleet apart. Then, settle back and listen.

- Never be in a hurry to speak.
- Never interrupt. Always reinforce.
- Always wait for one more comment; don't jump into a pause.
- Patience will surprise and reward you.

√ Your Department		
D. Are you building a complete and useful Sales Opportunity Profile?		
Do you	YES	NO
• Merge SWOT, ideal customer, and discussion information for each target?		
• Prepare stimulating questions in advance?		
• Organize the fact-finding visit around a plan?		
 Look at practices and processes by product category? 		
• Prepare for the cold call so that you can gain information?		
• Reach the decision maker and prepare for the meeting?		
• Ask friendly questions that go beyond the obvious?		
• Listen for practices, products, or problems where you can add value?		
• Invite the customer to visit your dealership?		
• Prepare the dealership for these visits and make them special?		



4. Plan the Strategy

Assume a Value-Based Approach

A value-based sales plan works on this principle: It is the seller's responsibility to identify what the customer needs and offer opportunities that benefit the customer. This is more than "benefits selling" (presenting the benefits of a product or service). Value-based selling seeks to fulfill needs expressed by the customer.

There are two general ways to win business: First, at a timely opportunity, and second, through sustained, value-based selling.

- 1. Immediate opportunities arise when a Salesperson is in the right place at the right time—such as when a fleet is experiencing a problem. Someone runs into a Shop Supervisor who's unhappy with a supplier or overhears Technicians talking about a product that isn't working. These are opportunities to grab, but they cannot sustain a Parts Salesperson's activity.
- Lasting business is built by winning a customer on a value basis, not price. Any parts
 business sold on price alone will last only until a competitor comes through the door with an
 even lower price. Instead, advocate products the customer values because the benefits they
 offer are significant to the fleet. Value-based strengths overcome price-only offers and build
 lasting relationships.

Value drives the customer's selection of products and services offered. The customer determines what has value. An Outside Parts Salesperson who does not understand this will miss or lose selling opportunities.

Selling Tip for the Salesperson

By using a value-based approach, you demonstrate concern for the customer's business and offer products that help the fleet reach its business goals. When you deliver solutions, trust develops, attitudes shift, and relationships begin.

When you come with products that solve a customer's problems and contribute to the fleet's welfare, the Fleet Manager sees you as a consultant. The door will always be open to you.

Set Goals for Reaching Customers

- Identify every new prospect and current customer, including accounts that are inactive.
- Develop a call list, starting with those that seem to have the highest appeal for the dealership (the closest to being ideal customers).
- Call on each customer to complete a fact-finding profile. Be persistent and patient. Success
 is measured by the number, length, and quality of the fact-finding calls. They may not be
 revenue generating at this point, but they mark a significant step toward additional parts
 business

Attitude √

Fact-finding calls are a great way for OPS people to introduce themselves to a territory and to new fleet prospects. Fact-finding focuses on hearing about the fleet operation, listening rather than talking, absorbing information instead of presenting products. It's agreeable for all.

Build a Strategy

Prepare a specific strategy for each target customer based on the results of all you know through market data (MacKay, TIP Access, vehicle registrations), SWOT Analysis, drivers for change, Customer Profile, and Sales Opportunity Profile. This information is your base.

Use the information to match customer needs to dealership capabilities. The results of a Sales Opportunity Profile can help determine replacement cycles to review. How are the customer's current products performing? Are they wearing out too quickly, taking vehicles out of service too often? Are there alternative products you offer that can make a difference? Strategic thinking like this produces your value-based proposal.

Selling Tip for the Salesperson

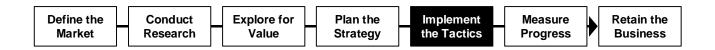
Build your case for every product you want to present. Gather brochures, manufacturer statements, studies, and testimonials—anything that reinforces the benefits and contributes to the success of the fleet customer.

Utilize Supporting Resources

Look for outside resources such as vendors and endorsements to support your case. Vendors may have technical information, competitive comparisons, or other data to help clarify differences between the product you're offering against the product the customer is currently using. Make sure the data are up-to-date and credible.

Look at inside resources such as dealership management and Service Technicians who might have stories or anecdotes about competitors' products. Get help from your Region Parts Manager, including ideas, information, and materials.

Ł	. Are you making a value-based sales call?		
D	o you	YES	NO
•	Seek to fulfill needs expressed by the customer?		
•	Ask about the customer's business goals and objectives?		
•	Solve the customer's problems and contribute to the fleet's welfare?		
•	Use a well-considered process to identify target customers?		
•	Include vehicle registration and parts consumption data for your AOR?		
•	Profile individual target fleets by calling on them and fact-finding?		
•	Use a Sales Opportunity Profile to conduct comprehensive fact-finding?		
•	Look for products or differentiating factors where you can benefit their fleet?	· 🗆	
•	Develop a strategic proposal based on value to the customer?		
•	Utilize all resources to strengthen your value-based proposal?		



5. Implement the Tactics

Tactics turn the strategic plan into action. Tactics produce the value-based proposal for a customer.

Have a Game Plan

Some dealerships invite the prospect to visit, and then use the visit to show capabilities, and introduce management and staff in the Parts Department, Service Department, and Body Shop.

Keep Listening

Listen during the fact-finding visit to get information. Listen for ways to best address the customer's needs, concerns, and objections. Be sure you understand. If you catch a key phrase that reveals an opportunity, ask "Could you expand on that?" or "Do I understand you correctly?" and restate what you heard. More information produces a greater likelihood that you will solve a need.

Emphasize Your Difference

With new prospects, sell the dealership and its services. With current customers, sell the support and value-based differences. Only use price concessions to protect a rapidly weakening position or to gain a foothold where other (non-price based) business will likely come.

Selling points can be specific to:

- Customer Something needed by that customer that the dealership can provide
- Product Something competitive or unique that offers added value
- Vehicle class A truck's use such as refuse haulers or logging trucks
- Promotions Something the dealership has on special or is unique in offering
- Marketing objectives Something that supports or fulfills the customer's business goals
- Future possibilities Something intangible today that can be shown to lead to tangible results such as increased reliability, greater productivity, or other maintenance or life-cycle savings
- Inventory management Using the dealership's inventory to back up the fleet and putting the right parts in stock in the fleet's inventory
- Dealership capabilities
 - Inventory selection and availability of quality original equipment parts
 - Proprietary parts availability
 - Just-in-time (JIT) availability from dealership
 - 24-7 availability
 - Product specialists with important knowledge to share
 - Delivery and service levels
 - Freightliner LLC support and assistance
 - North American service and assistance; dealer network

Here are some advantages to bring to a fleet customer's attention.

Dealership Differentiators

What They Are	What Value That Gives the Customer
Inventory of LLC-supplied versus "will fit" all-makes parts	OE-supplied original or remanufactured parts offer superior fit and function and maintain warranty and maintenance advantages.
Proprietary parts availability	Comprehensive, "one source" selection of critical proprietary parts.
JIT parts availability from dealership	Reduce the customer's investment by having the dealership as a ready inventory without the associated holding costs.
Internet-provided parts information	Real time, continually updated, accurate information that's important and readily available to the fleet operation.
24-7 availability	Round-the-clock parts availability, so we are always ready when you need us—no waiting, and no inconvenience.
Product specialists	Specially trained, knowledgeable, and offering professional support to identify parts correctly. We know what questions to ask to lead to the right part.
Delivery and service levels	Staffed to minimize vehicle downtime to keep you operating and productive.
Freightliner LLC support and assistance	Customer Assistance Center delivers support and assistance no matter where a truck breaks down.
North American dealer network and services	Consistent services and warranty policy to meet the fleet's needs for parts and repair at dealerships throughout the U.S. and Canada.
(Add your own differentiators to this list.)	

Present a Value Proposal

This is the heart of the presentation. This is where all the strategy and planning pays off with a reasoned, supported proposition for the customer to buy. For example, "Based on our experience, these products and services will provide these benefits to your fleet." The case should unfold with all the resource tools in place, all the elements in order, to develop a compelling story.

Address Objections

Objections come in many forms. They can be:

- Excuses "I'm not the one who makes that decision."
- Delay tactics "I need to take this to the boss."
- Deflections "I can't really think about that now."
- Price pressures "We can't afford to do that, it's much too expensive."
- Associations "I get a better deal on that from Joe's Truck Parts."
- Confrontations "You need to show me something better if you want our business."
- Refutations "Well, I've read that ..."
- Simple diversions "I see what you're saying but we don't have a process to test that."

Separate excuses from objections. Excuses generally have no point or meaning and arise from someone who is arguing only to differ. They need not be acknowledged unless they can be turned into something that has a purpose. Objections state purposes and opinion. Satisfactorily addressing objections removes any reason for not buying.

There are dozens of different types or styles of objection. But, in the end, all objections are a request for more *value-based* information. Objections indicate that you have not framed the benefits clearly enough for the customer to recognize the value of your offer.

A sale occurs when the conviction of the seller enters the heart of the buyer. The value is understood, and the customer wants to have that value. Use objections as a way to gather information so that you can frame the value proposition in terms the customer understands and agrees with.

Remain Flexible

Listen to the customer. He'll tell you what he wants. Within reason, adjust policies to meet a customer's requirements. It may not be a big thing. And it may only come out as a clue.

Consider leveraging a few points on proprietary parts you are selling to a customer to gain orders for vendor lines. This may significantly add parts business without eroding profit margins.

Perhaps there is a way to reflect the dealership's parts availability to meet the customer's time schedule. For example, a fleet performing maintenance at night when vehicles are not being used could take advantage of 24-7 parts availability, adding tremendous value to the customer's business.

Remember To Say "Thanks"—and Ask for the Business!

Two sales elements should always be part of every sales call.

- 1. Thank the customer for their time, even if there is no order; this is simple courtesy.
- 2. Ask for the order. The customer expects this from a Salesperson. Not doing it could imply to the customer that the Salesperson isn't prepared, isn't confident of what he or she is saying, or isn't convinced he or she has earned the right to ask. Don't let that impression happen.



6. Measure Progress

After the initial sales call, continue to work with that account or prospect. Repetitive calls allow you to develop an image of consistency, reliability, and interest. They build the relationship. Schedule follow-up calls no more than 30 days apart. Monthly visits are frequent enough to help the customer remember you, and put you in position to take advantage of any timely opportunities.

Measure progress weekly, if you can, or at least monthly. There are many good reasons for tracking accounts on a regular basis:

- The status of an account remains current.
- The customer is visible so that opportunities aren't missed.
- Salespeople are held accountable and motivated to find new ways to draw the customer in.
- Progress can be noted and recognized in a timely way.
- Downturns are noted quickly so that remedial measures can be addressed and supported.
- Additional resources can be brought in to support or influence when things are changing.

Whether sales rise or fall, know what is happening with an account, and why. Additional value-based opportunities can arise. Lingering problems can be avoided.

F. Do you really know the status of accounts?		
Do you	YES	NO
• Review account sales monthly?		
• Require detailed call reports?		
• Frequently discuss accounts with OPS personnel?		
• Feel "in tune" with the dealership's top 20 customers?		
• Conduct regularly scheduled sales meetings?		
• Get personally involved in problem situations?		
• Make joint calls with the Service Manager?		
• Maintain telephone or e-mail contact with key accounts?		
• Schedule calls with OPS personnel on key accounts?		
• See yourself (and are you seen) as a "take action" Manager?		



7. Retain the Business

Business is earned, not owned. The same values that produce new business are needed to keep that business: quality, service, presence, and value.

Be vigilant on the customer's behalf. Watch for signs of stress or inconsistent customer service. Sales growth—which should mean success for the parts department—can create stress for the OPS person who has taken on too many new customers.

Reduce the stress by using "constraint management." Identify the constraint and take action to address it. There may be any number of constraints:

- Reduced service Measure the business performance of key accounts to make sure you
 are not losing volume with existing customers by concentrating too hard on business growth.
 Determine if sales increases have stressed counter or delivery capabilities and eroded
 service.
- **Stagnated growth** Determine how and when to add OPS personnel to maintain service levels and continue growth.
- Declining volume Measure OPS contribution to totals; declining volume signals potential problems.
- **Business complacency** Identify any factors that contribute to any growth or decline so that management can duplicate successes and has reasons for losses. Price is not an answer for losses. Know the customer to identify reasons for wins as well as losses.

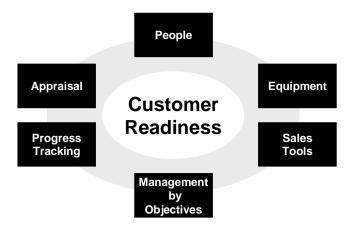
Use constraint management as a periodic check, or fail-safe management technique to support your sales staff. An effective and efficient Salesperson who embraces value selling helps avoid constraints or recognizes them as they start to occur.

The Inside Perspective

A value-based sales effort succeeds when positive management and effective processes support confident people. This second half of the module covers how to build, equip, and support an Outside Sales staff, and how to manage this important part of your business.

An OPS business operation has several key elements. Each influences and reinforces the other. It is not a linear process but continuous interactions among elements—all focused on being ready for the customer. These elements are:

- People
- Equipment
- Sales Tools
- Management by Objectives
- Progress Tracking
- Appraisal



The Parts Manager uses these elements in a process that produces positive results. *Manage each of these elements well and you will have a winning OPS team.*

People

OPS Is a Total Effort

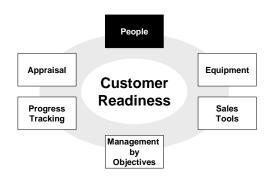
A significant number of people work together as part of an outside parts sales effort:

- · Parts Manager
- Inside (Counter) Salespeople
- Office staff
- Telemarketers
- Delivery services

In addition to directly connected people, there are others supporting them:

- Managers
- Service Technicians
- Warehouse personnel
- New and used truck sales personnel

Outside parts sales is a total dealership effort, involving or requiring the cooperation of nearly everyone—including the Dealer Principal.



The Ideal Outside Parts Salesperson

Personal attributes are important because an Outside Salesperson is on his or her own most of the time. Here are some key personal attributes to expect and look for:

- Trustworthiness
 - Honesty
 - Integrity
 - Sincerity
- Work ethic
 - Punctuality
 - Dependability
 - Commitment
- Mental capability
 - Intelligence
 - Common sense
- Good impression
 - Pleasing personality
 - Ability to communicate
 - Good personal hygiene (grooming, dress, cleanliness)
 - Ability to project the company image

The ideal candidate blends sales skills and technical knowledge—even if it's only a background in trucking equipment or industrial sales. When faced with choosing one over the other, most dealers prefer someone with proven sales skills. It's easier to train someone in truck parts than to teach someone how to sell. Sales skills are not just more difficult to teach, they draw from other intangibles such as personality, ability to deal with people, inner desire to work independently, and attitude.

Where to Find Parts Salespeople

Many dealers find talent right in the dealership. However, moving into the role of Outside Parts Salesperson is not a rite of passage. The inside candidate must have the personality and abilities for the job, just as would be expected of any outside candidate.

Whether you promote from within or draw talent from the marketplace, be sure a candidate is a good fit for your operations. Do a thorough background investigation when bringing in outside candidates. Consider their experience and stability. In other words, if hired, would they stay—and if they stay, would they embrace the way the dealership operates?

The right Outside Parts Salesperson is mission critical for the dealership. A wrong choice can take months—even years—to discover, and costs the dealership valuable business.

How Many on the OPS Team

Staffing decisions are a judgment call based on variables such as the strength of the sales candidates, economic trends in the area, MacKay data on the dealership's market share, and competition, as well as other factors.

Examine the capabilities of individual Outside Parts Salespeople. Experienced, capable, proven Outside Salespeople can certainly do more, faster, in their territory. Consider the value of adding another Salesperson to take the strain off and assist a good OPS individual to increase the dealership's presence among customers in that territory.

Every employee requires an investment in salary, benefits, time, and training. Factor in these bottom-line costs. The more training a Salesperson needs, the less immediately productive they will be in the field. It may take longer for them to be profitable for the dealership. Determine how their skills fit your customers. Strive to put the right person in the territory to achieve the results you require.

Develop a road map to manage people and estimate their results. As long as you have done the research and know the opportunities, you can look at current OPS staffing to determine if personnel should be added and/or reassigned for greater success.

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Here are things to consider:

- Assess dominant competitors.
 - What proportion of potential sales is going to the largest all-makes independent heavyduty parts distributor in your AOR?
 - What proportion is going to OEM competitor dealerships for Navistar, Paccar, Mack, and Volvo?
 - What proportion can you reasonably expect to capture based on the experience and energy of your existing (and/or anticipated) outside parts sales force?
- What actual potential is reasonably available to the dealership when you bring a value-based alternative to face the competition? (This is the percentage left from the dominant competitors times total market.)
- Compare that figure with the opportunity calculated by the MacKay data.
- Resolve with yourself why those differences exist to arrive at what you consider to be a
 reasonable expectation of the sales opportunity. The number you have determined should be
 divided among additional OPS individuals because your existing Outside Parts Salespeople
 are already on the job.
- Look at the territory and assignments to see if that number is reasonable. Review how territories should be redrawn to give each Salesperson all the opportunity possible.

How to Assign Sales Territories

There are several ways to assign sales territories:

- **By fleet concentration** Using TIP Access registrations to concentrate sales efforts where the fleets are most numerous
- By account responsibility With each Outside Salesperson calling on assigned customers
- By place Either proximity of customers to each other or direct from a central location
- By geography Such as north and south regions; or north, south, east, west regions

Team Interactions

Telemarketing and delivery are two activities designed to support outside parts sales. Essentially, they are the leading and following elements for outside parts sales:

- Telemarketers and Outside Parts Salespeople work together to explore for value.
 Telemarketers can prequalify a customer to see if a specific target would be a productive call for the Salesperson. Telemarketing should be closely coordinated with outside sales to maximize customer contacts, service promotions, and parts promotions.
- Parts delivery through an Outside Parts Salesperson demonstrates personalized service but should only be done when it fits the Salesperson's schedule. Sometimes it leaves a positive impression on the customer. However, having an Outside Parts Salesperson deliver parts is not productive, efficient, or cost-effective.

Telemarketing personnel require attributes similar to an Outside Salesperson except they use the phone to bring solutions to people's problems. In addition to having excellent phone etiquette and communications skills, they need to be organized to follow up, and communicate with the assigned Outside Parts Salesperson and management.

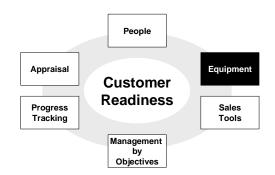
Process √

Each Outside Parts Salesperson should be assigned a maximum of 50 accounts, each of which is visited at least quarterly. A person with more than 50 accounts will miss new business opportunities.

The objective is for Outside Parts Salespeople to be involved with their fleet customers to the point that they become recognized as consultants rather than salespeople.

Equipment

The Outside Parts Salesperson is a source of solutions for fleet customers. In today's fast-paced, mobile, rapidly changing world, OPS must be connected, flexible, and professional.



Transportation

An investment in a light truck or van for each Outside Parts Salesperson is more than offset by the image-building benefits of a company vehicle. The additional space provides room for literature, demo kits, even the occasional parts delivery. And the outside of the vehicle becomes a mobile billboard adding visibility to the dealership and status to the Salesperson.

Communications

A cell phone and an Internet-capable computer keep the Outside Salesperson connected and available to customers. They are able to respond to critical parts needs and can be problem solvers able to receive parts lists, drawings, technical data, and more.

The computer is also a sales presentation tool, giving Salespeople the ability to conduct a meeting at a Fleet Manager's desk or to a group in a conference room. The Salesperson can prepare and refine digital presentations for each fleet customer customized with images, key points, charts, and text.

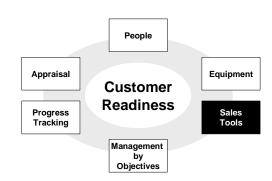
Attire

Appearance and good personal grooming are critical. Customers will seldom mention it—positively or negatively—but all are certainly aware of it as a reflection of professionalism, maturity, and dedication.

Professional dress goes beyond appearing neat, clean, and pressed. The dealership may want to invest in Freightliner, Sterling, or Western Star jackets, hats, and other items for its OPS staff. The dealership can integrate its own name to complete the Dealer/Freightliner LLC brand image.

Sales Tools

The professional Outside Salesperson is fully equipped and informed. He or she has the materials at hand to demonstrate the value-based message. Here is a partial list of sales tools that every OPS person should have.



Customer Information

- Assigned account list
- Customer Profile (updated with new information on every visit and regularly reported)
- Purchase history
- Report of monthly purchases by product
- Contacts (list of the names of decision makers and people who influence the decision maker)
- TIP Access data
- Monthly Top 20 Ranking report
- Support reports
 - Core tracking
 - Credits
 - Warranty
- Coordination with telemarketing

Product Information

- Interactive sales meetings
- Support literature
- Product promotions and printed material
- Digital (computer) presentations

Product Knowledge

- Vendor training and work
- Product knowledge development
 - Vendor tapes
 - Freightliner LLC training
 - Internal dealer training

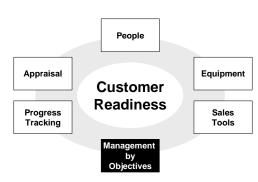
The Outside Salesperson should plan to give, or leave, something of value at each customer visit (whether it's information, advice, or a brochure on a key product line).

6. Are your people, sales tools, and capabilities in place?		
o you	YES	NO
Have a total dealership effort to support outside parts sales?		
Hire or promote only people demonstrating OPS personality and ability?		
Fit experience and capability for the best match with each customer?		
Stay alert for stresses that could reduce the value-based presence with a customer?		
Have and use a process to estimate sales contribution for each Salesperson?		
Regularly review current staffing and make adjustments when needed?		
Integrate telemarketing, delivery, and sales functions for the customer's benefit?		
Assign no more than 50 accounts and make sure each is called on quarterly?		
Provide a company vehicle, cell phone, and professional attire?		
Provide the complete range of sales tools, product information, and training?		

Management by Objectives

Establish Expectations

To properly manage an outside parts sales operation, begin by discussing your specific expectations across all aspects of the work. Discussions should include:



- Daily call frequency or average number of expected calls to make per day. Measure both the quantity and effectiveness, not just the number of calls.
- What call reports can and should contain; how frequently they are submitted.
- Expectations on how regularly OPS staff will contact the parts department.
- How customer disputes will be managed and by what authority.
- Policy on expenses and reimbursement, as well as other company issues.
- What objectives will be measured and how.
- What skills will be assessed and how.

DAILY CA	LL REPORT
Fleet Name	Date
Contact	Phone
Purpose of Call	Comments (general conclusions)
Action Report (significant discoveries: competitive pressures, change	s in customer capability, personnel changes, etc.)
© 2002 Freightliner LLC.	Distribution: Original-Sales, Duplicate-Parts Manager

Stay in Touch

The nature of the job puts Outside Parts Salespeople regularly on their own. For this reason, prepare and distribute a communications policy. E-mail and cell phones make contact convenient and frequent, but also establish how frequently Outside Salespeople should contact the parts department or telemarketing, and how the two-way flow of information is streamlined.

Regular (weekly or monthly) sales meetings are another effective way to communicate, share experiences, bring people up to date, introduce new products or programs, and discuss customer needs or problems. Dealerships generally arrange these regular meetings for Monday mornings or Friday afternoons so that everyone can be in one place. On the occasions when an Outside Salesperson cannot attend "live", have them participate by conference call.

Manage Customer Disputes

Customer satisfaction is the key to value-based selling and relationship building. Outside Parts Salespeople must clearly understand the limits of their authority to settle customer disputes, resolve problems, approve price discount requests, or promise significant increases in service or aid.

Determining how OPS personnel should handle disputes is more difficult when different Salespeople have different levels of maturity, judgment, or competency. What one Salesperson can handle with ease, another finds difficult. For all of these reasons, most Parts Managers remain conservative and ask to be included in these decisions.

Discuss and gain agreement on these policies in advance. That is the best way to avoid future problems and grumbling, from Salespeople or from customers.

Set the Right Objectives

Management by objectives is a widely accepted model for producing and measuring performance. It is a useful tool that draws the best out of a Salesperson, yet gives the Parts Manager room to direct the effort. Anything that can be measured should contain objectives. Anything that cannot be directly measured should provide clear performance expectations so that both the Parts Manager and staff person know and agree upon what constitutes performance to standards, above standards, and below standards.

Be Thorough in What You Measure

Responsibilities that should be measured include:

- Sales performance
 - Gross profit per week or per month
 - Total dollar gross sales and margin
 - Increase in gross sales
- Growth
 - Securing target business
 - Incremental business from current accounts
 - Reaching targets on product sales share per category/customer
- Expense control
- Time utilization
 - Number of sales calls per day/per week
 - Effectiveness of sales calls
 - Action items
 - Increased volume of orders per calls
- Reporting
 - Action items (fleet changes, competitive issues, business gains or losses)
 - Comments (efficient reporting of "need to know" facts, not a justification for the call)
- Company reinforcement
 - Teamwork
 - Service promotion
 - Utilization of resources, interactions with experts and support resources
 - Knowledge and exercise of company policies
 - Actions "over and above" that are favorable to the company
- Personal reinforcement
 - Product knowledge
 - Problem solving/inventiveness
 - Completion of training courses

Be SMART in How You Measure

Appropriate objectives need to be attainable but stretch the individual. Areas of improvement should be of value both to the company and to the employee. One or two objectives should address current areas of weakness in the individual.

All objectives should generally contain these characteristics:



- Specific They should be clearly defined, completely understood by the Salesperson, and in line with the Parts Manager's thinking.
- Measurable They should quantitatively, if possible, indicate when they have been reached and exceeded.
- Achievable They should reflect the commitment and agreement of the Salesperson to meet the standards in such a way that the Salesperson can express confidence to the Parts Manager.
- Realistic They should provide a method and timetable that stretches but reflects the aptitude of the Salesperson who recognizes the objectives as meaningful.
- **T**imely They should occur in logical order and offer the best approach when compared to other possible objectives.

Objectives should be agreed upon between the Parts Manager and the Outside Parts Salesperson. However, some objectives have to be management driven to accurately reflect the needs of the dealership. In those instances, the Salesperson may have input in order to understand the purpose of the objective and the reasoning behind it.

Be Sure to Assess Skills

Selling includes several "soft" or nontechnical skills. While these skills are harder to measure quantitatively, they can be clearly defined so that an individual knows what to expect—and especially what will cause concern.

There are many skills to assess and they will vary with each Salesperson. Look for measurable ways the Salesperson can demonstrate achievement. Be careful to clearly develop what skill each OPS individual will be measured on and make sure each person understands what constitutes below average, average, and above average achievement in that skill.

Skills include:

- Customer relationships
- Organizational ability
- Time utilization
- Identifying opportunities
- · Developing strategies
- Solving problems
- Reliability and punctuality
- Sales presentation
- Dealing with objections
- Sales effectiveness
- Service promotion
- Communication (with management and peers)
- Product knowledge
- Quality, timely reporting
- Positive company image

H. Are your managing by objectives?		
Do you	YES	NO
Discuss specific expectations on call frequency and effectiveness?		
Require the use of and monitor daily call reports?		
Discuss how customer disputes will be managed and what their role is?		
Provide and monitor a policy on expenses and reimbursements?		
Have and adhere to a policy on OPS/dealership communications?		
Conduct regular sales meetings with all OPS personnel present?		
Set clear objectives across the full range of work activities?		
Use a SMART approach to assure that objectives are well drawn?		
Assess soft, nontechnical skills as well as hard numbers?		
Make sure each OPS individual knows how each skill is measured?		

Continue Training and Improvement

Continuing education is important to the Salesperson because it increases competency, important to the Parts Manager because it increases selling capability, and important to the dealership because it carries an expense along with the promise of growth.

Make Use of All Sources

Training can come from many sources:

- Freightliner LLC classes
- Sales training such as Dale Carnegie and other general sales-improvement seminars and books
- Vendor training seminars (product specific)
- Product and service videos
- Clinics for customers on new products or product/service changes
- Professional skills training materials on outside-sales subjects such as time management
- In-house or off-site, on-the-job training and discussion roundtables with experienced Outside Parts Salespeople or other sales professionals

Develop a Training Plan

An effective outside parts sales training plan uses the dealership as the classroom with the Parts Manager as coach. Train in these three areas:

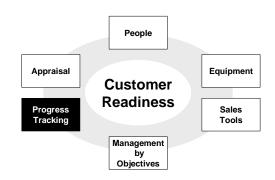
- 1. Technical product knowledge
- 2. Operations know-how (including promotion of dealer service capabilities)
- 3. Effective selling skills

Every Outside Salesperson, no matter how experienced, should receive at least one training class per year to raise competency levels and keep people motivated. Develop a regular training routine for each person that reflects his or her needs as well as the dealership's objectives.

Progress Tracking

Tracking progress is different from appraising performance.

- Tracking progress is a business management function where the Parts Manager acts as mentor and coach.
- Appraising performance is an executive function where the Parts Manager stimulates improvement and rewards excellence.

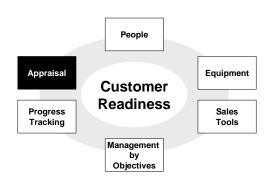


The Parts Manager has several responsibilities:

- Offer training opportunities, both internal and external, to challenge each Salesperson individually and offer avenues for growth and mastery.
- Act as mentor and coach, and find others to support each Salesperson with tips, practices, models, techniques, demonstrations, and insights for getting better in all areas of work.
- **Identify strengths and weaknesses**, for example by using the skills assessment and other specific tools, so that you can provide direction rather than criticism.
- Promote higher goals through progressive goal setting in which the individual builds on current capability to become even better using SMART and MBO principles.
- Establish the review format by making it clear, nonconfrontational, fair, and factual. Also, establish the time frame or schedule for these reviews so the person feels fully informed and has time to prepare. Remember, a review isn't a pop quiz or a final exam. It's a benchmark for progress and motivation.
- Provide positive reinforcement so that the review is perceived as a time for working together, problem solving, and refocusing. It should not be seen as a punishment, judgment or disappointment but rather a period where the Parts Manager and Salesperson work to magnify each strength and bolster any weakness.
- Conduct supportive appraisals that stimulate change, reinforce strengths, and build up confidence.

Appraisal

An appraisal is a method of accountability. An appraisal is a productive time for positive reinforcement, for gaining agreement on areas to improve, and for setting action plans. This does not mean that appraisals require total agreement between the Parts Manager and the employee. Instead, appraisals are a time for clear understanding so that the employee knows how to meet objectives.



Appraisals are also an opportunity for documentation to support merit increases in pay. In today's work environment, the documentation of performance appraisals is necessary to support demotions and releases, as well.

Appraisals are formal in that they are scheduled, prepared for, and conducted in specific, known steps. But they should never be formal in language, stiffness, control, or abuse of authority.

Prior to the Appraisal

- Select a time and place that ensures there will be no interruptions.
- In advance, notify the employee of the date, time, and place of the appraisal. The individual should already be aware that the appraisal is coming up because a general time frame was agreed upon at the last appraisal.
- Ask the individual to prepare a self-appraisal in advance and to bring it to the meeting.
- Prepare your own appraisal in advance.
- Rehearse how you will describe the purpose of the appraisal and be confident of the message you will convey.

During the Appraisal

- Set the tone.
 - Be relaxed, noncombative, informal.
 - Put the employee at ease.
 - Establish open and clear communication.
 - Control the situation in a non-defensive manner.
 - State and clarify discussion purpose, and direction of discussion.
 - Ask employee for a self-appraisal of his or her performance objectives.

Be fair.

- Focus on objectives.
- Be direct in your assessment.
- Discuss in detail any issues on which you disagree.
- Give your undivided attention.
- Maintain the employee's self-esteem.
- Acknowledge achievements.
- Focus on the objective of the appraisal.
 - Listen to the self-appraisal; ask questions.
 - Discuss points of observation related to objectives.
 - Ask for and discuss solutions.
 - Share points of your evaluation with detail as warranted.
 - Agree on continuing and new goals.
 - Discuss expectations for each objective.
 - Mutually agree on necessary actions.
 - Agree on what progress will be and how it will be measured (SMART and MBO).
 - Ask the employee to summarize.
 - Detail your proposed objectives in writing and get buy-in from the employee.
 - Express confidence in the individual.
 - Set the next review date (or "week-of").

After the Appraisal

- The manager and employee sign and date the Management Appraisal form.
- Distribute copies to your dealership's HR manager, the employee's personnel folder, and the individual employee.
- Be consistent and supportive.
- Fulfill any commitments you have made to help the individual reach objectives (training, mentoring, reinforcements).

Performance appraisals should be a time where both parties reflect, work together to correct weaknesses, and turn to the future.

The appraisal not only looks at the individual's performance but also helps change, improve, and modify processes or attitudes to support that performance. Performance appraisals should never be used to punish or reprimand. Instead, use them to challenge and motivate, to encourage a positive result.

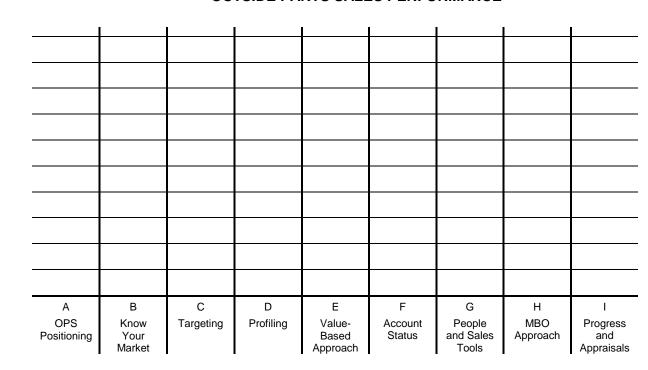
Is your progress tracking and appraisal process stimulating performa	nce?	
o you	YES	NO
Make use of all training and education sources available to you?		
Train in product knowledge, operations, and effective selling skills?		
Offer training opportunities to challenge each Salesperson?		
Promote higher goals and act as mentor/coach?		
Establish and conform to a review format that is supportive and clear?		
Use appraisals to instill and document accountability?		
Have a prepared, complete, and organized appraisal process?		
Prepare in advance and maintain a fair, objective focus?		
Discuss expectations and reach agreement on necessary actions?		
Make appraisals regularly, consistently, and for the employee's improven	nent? 🗖	

Chart Your Performance

This exercise helps establish your current level of outside parts sales efficiency through a value-based strategy. To set the level, take these four steps:

- 1. Complete each of the "Check Your Department" overviews in this module. Each has ten questions. Don't be easy on yourself; answer the questions openly. You aren't going to share this with anyone.
- 2. Count the number of "Yes" answers for each overview in this module and mark that number in the column on the Performance Chart below.
- 3. Connect the numbers to create a kind of mountain range that shows peaks and valleys of performance.
- 4. The goal is to raise everything to 100%, so that you're able to answer, "Yes" to all ten questions for each overview. To bring up a valley, go back to that overview and determine what you can do to turn any "No" into a "Yes."

OUTSIDE PARTS SALES PERFORMANCE



Summary

The dealership is a sales organization. The parts department doesn't just supply parts, it *sells* parts. An outside parts sales initiative operating with a value-based strategy is a powerful way to increase sales with current customers and win new targets.

Outside parts sales extend the qualities found in the dealership and reinforce the dealership's reputation. They act as the dealership's eyes and ears. The OPS effort is built on a process that uses third-party data to define and measure the market as well as the dealership's resources to explore for value, create a strategy that proposes value to the customer, and then continues to earn the business. Information is derived from MacKay and TIP Access data, the SWOT Analysis, Customer Profiles, drivers for change, and other tools.

An effective, value-based selling strategy requires trained, confident, and competent people. The dealership and parts department management are vital in the ultimate success of OPS personnel. The dealership supports personnel with proper equipment, sufficient sales tools, and effective management and appraisal processes to keep Outside Salespeople focused, positive, and productive.

Summary 50

Certification Questions

1.	Which of the following is TRUE about a Sales Opportunity Profile?
	 a. May be used in place of a Customer Profile b. Requires no advance preparation c. Provides a way to discuss product categories in greater detail d. All of the above
2.	Outside parts sales truck dealer parts departments.
	 a. Should be a greater percentage than parts sales coming across the back counter of b. Is the most significant growth opportunity available to c. Are necessary, not optional for d. All of the above
3.	Which of these provide quantitative market-research data on vehicles?
	a. MacKay Parts Potential b. TIP Access
	c. County and state registration records d. All of the above
4.	Which of these is not a step in the OPS strategic process outlined in this module?
	a. Conduct researchb. Plan strategyc. Reduce costsd. Retain business
5.	What is the BEST definition of a value-based approach according to this module?
	 a. A timely opportunity b. Seeking to fulfill needs expressed by the customer c. Maintaining highly competitive prices for parts d. Presenting yourself as an expert
6.	How often should repetitive sales calls be made on a new prospect?
	a. At least every 2 weeksb. At least every 30 daysc. At least every 60 daysd. At least quarterly
7.	A 100% absorption rate means that parts and service is
	 a. Making no profit b. Absorbing all of the dealership's fixed costs of doing business c. Absorbing the truck sales department's costs of doing business d. Meeting its sales plans

	b. c.	By fleet concentration By geography By Salesperson preference By account responsibility
9.	Wh	at is the purpose of a SWOT Analysis?
	b. c.	To review your own operation and how you compare against competitors To determine who is responsible for successes and weaknesses To check against vehicle population statistics All of the above
10.	Wh	at is the purpose of the initial parts sales call with a target customer?
	b. c.	Create visibility and invite the decision maker to the dealership Expand presence and reinforce relationships Gather information about the customer's needs All of the above
11.	Pro	gress tracking as presented in this module is
	b. c.	A business management function Similar to appraising performance Unnecessary when SMART and MBO are employed All of the above
12.		ivers for change" add power to your value proposition. Which of these is NOT a driver for ange based on this module?
	b. c.	Competitive product advantage Political issues SWOT Analysis Paying attention to the customer
13.	Wh	ere is the BEST place to find Parts Salespeople?
	b. c.	An inside person moving into the role as a rite of passage An outside person who has worked a long time for a competitor A person who expresses real interest in the position There is no "best" place
14.		ch Outside Salesperson should serve no more than primary accounts and should be ing on about new targets for growth.
	b. c.	30 (primary) / 15 (new) 50 (primary) / 5 (new) 50 (primary) / 25 (new) 75 (primary) / 10 (new)

8. Which of these ways to assign sales territories is NOT mentioned in this module?

- 15. What two sales elements should be part of EVERY sales call?
 - a. Thank the customer and ask for the order
 - b. Leverage proprietary parts to gain orders for vendor lines
 - c. Adjust policies and meet competitive prices
 - d. Present a value proposition and remain flexible
- 16. What does the "R" in SMART stand for?
 - a. Reliable
 - b. Repeatable
 - c. Realistic
 - d. Reinforce
- 17. What may reduced service, declining volume, or stagnated growth MOST LIKELY signify?
 - a. Salesperson apathy
 - b. Constraints
 - c. Incorrect strategy
 - d. Overactive, value-based selling
- 18. Which of these statements is NOT true?
 - a. Sell the dealership and its services to new prospects
 - b. Sell support and value-based differences to current customers
 - c. Never make price concessions, they only erode your position
 - d. All of the above
- 19. Which of these statements is NOT true?
 - a. Telemarketing, outside parts sales, and delivery functions are redundant
 - b. Telemarketing and delivery activities support outside parts sales
 - c. Telemarketing personnel require attributes similar to Outside Salespeople
 - d. Parts should never be delivered by the Outside Salesperson
- 20. Which of these statements is NOT true relative to skill assessment?
 - a. Does not measure "soft" skills
 - b. Does not set objectives that only reflect the needs of the dealership
 - c. Does not assess nonmeasurable skills such as customer relationships or problem solving
 - d. All of the above
- 21. What is a "value proposal?"
 - a. A quantity break to reward good, loyal customers
 - b. A reasoned, supported position for the customer to buy
 - c. A method to separate excuses from objections
 - d. A way to pose an open-ended question

22.		cording to this module, most dealers prefer an Outside Parts Salesperson with proven sales lls over someone with
	a.	A great attitude
	b.	Highly developed organizational skills
	C.	An interest in the trucking business

- d. Technical knowledge
- 23. Every Outside Salesperson, no matter how experienced, should receive at least _____ training class(es) per _____ .
 - a. One (per) quarter
 - b. One (per) year
 - c. Two (per) year
 - d. Three (per) merit pay increase
- 24. Which of these statements is NOT true relative to managing OPS personnel?
 - a. Discuss expectations with OPS individuals concerning call frequency, expense policy, objectives, and skills
 - b. Shield the Parts Manager from customer disputes
 - c. Set objectives for growth, time utilization, and teamwork
 - d. Provide clear performance expectations for anything not directly measured
- 25. Which of the following is NOT true of an appraisal as it is discussed in this module?
 - a. Is a method of accountability
 - b. Is an opportunity for documentation to support pay increases, demotions, or releases
 - c. Is prepared by the individual, not by the Parts Manager
 - d. Is informal, acknowledges achievements, and is summarized by the employee