

What is This Session All About

Data Analytics: Converting Information to Revenue - With the abundance of information being collected and distributed throughout the industry, are you using all the tools at your disposal to convert data into new business opportunities? Industry peers will provide insight into what tools exist and what best practices can be utilized to create a successful process for data conversion. End result more sales, more revenue!

You will be provided with the survey results yielding hundreds of responses as well as the presentations. The survey helped frame the presentation material you will be receiving.



Data Analytics: Converting Information to Revenue – *Session Agenda*

Speaker Introductions

- **Alan Ahern, President, Crowley Associates**
- **Troy Daugherty, Global Channel Director, Laird Thermal Systems**
- **Toby Lasley, Vice President Sales and Marketing, ION Associates**

High level overview of data collected

Presentations multiple vantage point



Data Analytics: Converting Information to Revenue – *High Level Information*

Data Analytics From 92 Survey Responses

Of respondents 53% have moderately incorporated data analytics into their business. Identified analytics being a priority and have plans to further develop their abilities.

Respondents Makeup

- 68 Reps
- 18 Manufacturers
- 6 Distributors



Data Analytics: Converting Information to Revenue – *Most Frequently Used Sources*

Used Monthly Data Points

- 65% Use POS
- 56% New customer purchases
- 51% Lost business reports
- 43% NBO closure
- 42% Quote closure
- 39% Design registrations
- 36% Backlog reports



Data Analytics: Converting Information to Revenue – *What is being Analyzed*

Key Data Points

Gaps in inventory needs

Marketing open rates

Year over year performance

Emerging accounts

DTAM

Forecasting performance to budget

New product sales

Year over sales

Sales teams KPI's

Wins / Losses – quotes and NBO's

Quote potential

NBO potential

Key products

Opportunities for associated selling

Churn

POS trends

POS new customers

Design registration conversions

Samples



Data Analytics: Converting Information to Revenue – *Tools to Analyze*

Tools Most Used

Excel - pivot tables / Access

Various CRM's and POS report providers

Dashboard Visualizers

Sales team input

Distributor supplied reports

Manufacturer tools

Web Data

Manual

Nothing automated yet



Data Analytics: Converting Information to Revenue – Biggest Challenges

Collecting the data and being able to act on it?

Delay in data

Not a robust CRM or Visualizers

Organizing and the ability to take data to knowledge

Time to react

Data integrity

Resources

Its really big data



Data Analytics: Converting Information to Revenue – Implementation

Largest Benefits

Sales health

Vertical and horizontal selling opportunities

Ease of performance trends

Preserve and protect business

Connect with Reps for viable leads

Recognized as additional value to our Principals

Follow up

Capture / recapture sales globally

New customers

More NBO's



Data Analytics Let's Go

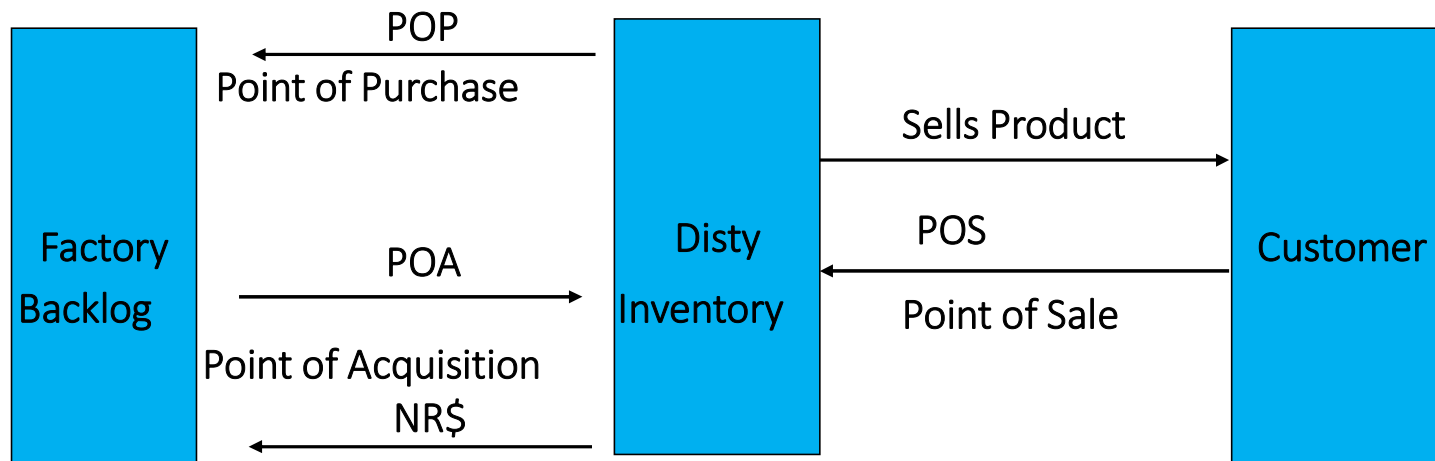


Data Analytics: Converting Information to Revenue –

- **Troy Daugherty**



Channel Business Model



KEY TERMS

- *Point of Purchase (POP)- Distributor orders on us, submitted as Purchase Orders (PO's).*
- *Backlog- Once PO's are processed, the orders are scheduled based on requested shipping date. Can be ASAP or scheduled out in time.*
- *Point of Acquisition (POA) – Shipments against the backlog. Ownership transfers.*
- *Inventory- Distributor receives product and positions product to support customers.*
- *Net Revenue (NR\$) – Payment from distributors for shipments against PO's.*
- *Point of Sales (POS) – Record of distributor selling to customer.*

Standard Reports

Pillar	Report	Cadence
POP	Monthly Order Report	1 st Week
POA	Monthly Sales Report	1 st Week
POS	POS Detail POS Summary	2 nd Week of the Month
Backlog	Backlog Report	1 st of the Month
Inventory	Distributor's Inventory	2 nd Week of the Month

Additional	Report	Cadence
First-Time Buy (FTB)	Customer Trend	3 rd Week of the Month
Sleeper Accounts	Customer Trend	3 rd Week of the Month



Performance Dashboards

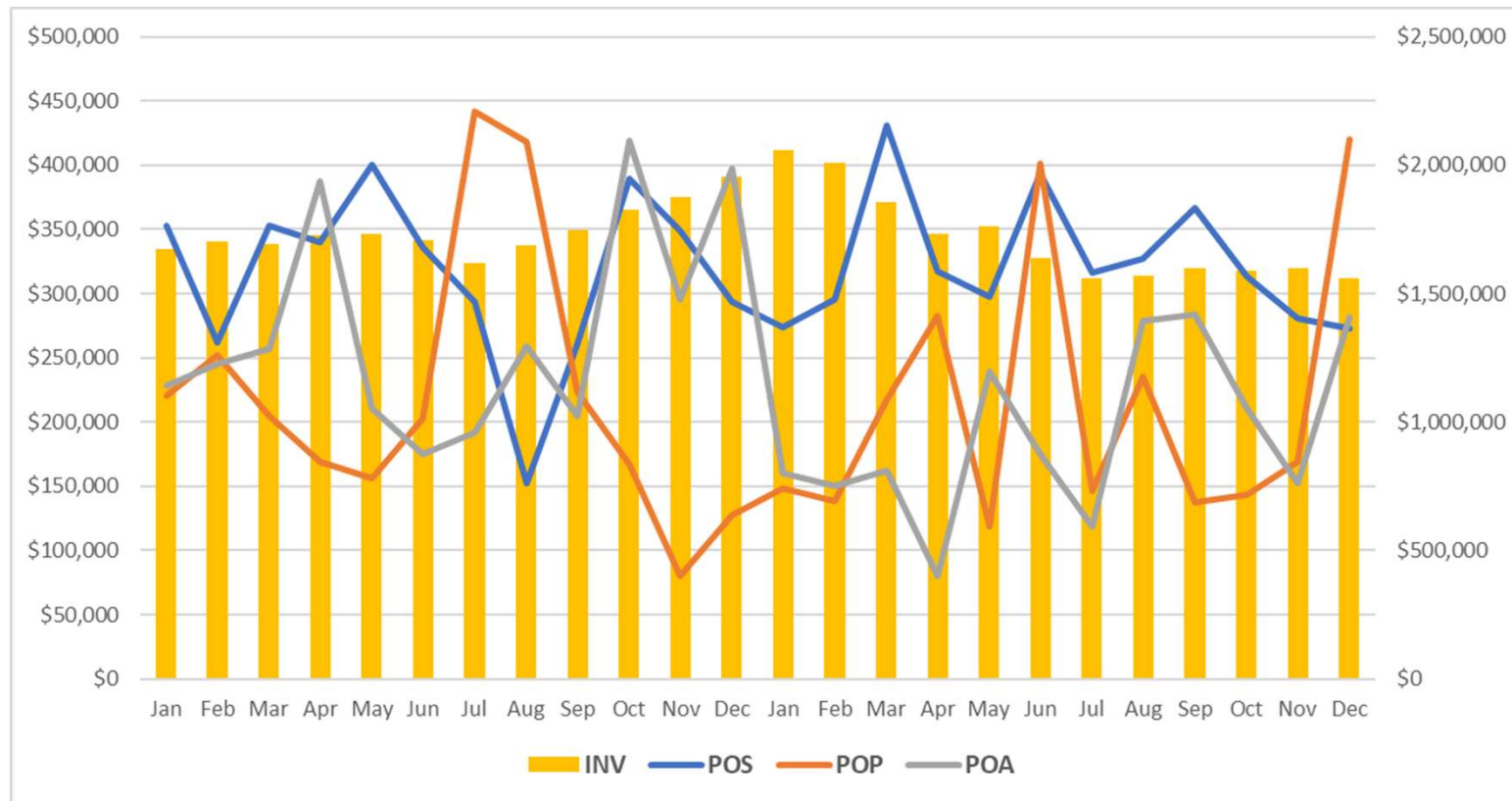
Channel Dashboard

	1Q16	2Q16	3Q16	4Q16	2016 Total	2015 Total	YoY \$D	YoY %D	Inv Turn
POA	5,698,049	5,913,030	5,803,060	5,310,696	22,724,835	22,472,816	252,019	1.1%	
POP	5,464,042	5,655,950	5,182,253	5,916,315	22,218,560	22,992,486	(773,926)	-3.4%	
POS	7,278,388	7,205,555	7,458,884	6,822,019	28,764,845	30,881,055	(2,116,210)	-6.9%	
INV	8,456,608	8,834,935	8,760,554	8,625,484					2.4
Backlog	3,106,907	2,963,679	3,288,942	3,233,309					

Distributor Dashboard

	1Q16	2Q16	3Q16	4Q16	2016 Total	2015 Total	YoY \$D	YoY %D	Inv Turn
POA	1,108,624	1,030,166	1,011,343	1,158,136	4,308,268	4,058,210	250,058	6.2%	
POP	1,021,068	1,102,337	998,338	1,065,201	4,186,944	4,118,919	68,025	1.7%	
POS	1,494,443	\$1,395,270	1,439,064	1,391,929	5,720,706	5,694,619	26,087	0.5%	
INV	1,497,779	1,502,159	1,480,557	1,351,400					2.8
Backlog	347,407	325,300	427,090	407,383					

Performance- Charts



Channel Plan (Top Down)

	2015 Actuals	2016 Targets	Growth Targets
POA	\$ 22,514,056	\$ 23,639,759	5% Growth
POP	\$ 23,710,764	\$ 24,896,302	5% Growth
POS	\$ 30,881,055	\$ 33,000,000	7% Growth

Assumptions

Inventory remains flat (\$8-\$8.2)

Margin remains flat (28%)

Turns remain flat (3.0)

2016	POS Target (\$M) to hit POA Goal	
1Q	\$	7.9
2Q	\$	8.4
3Q	\$	8.5
4Q	\$	8.2
Total	\$	33.0



Asset Management

- Setting the conditions for success
 - Distributors inventory dollars are a fixed amount
 - All parts are not created equal.
 - Distributors do not see the whole channel
 - POS is MOST IMPORTANT measurement
- Develop and implement channel inventory strategy
 - Collaborate with distributors to maximize inventory performance.
 - **Assist distributors in making “buying” decisions→ Orders**
- Channel Marketing Activities
 - eCommerce website content management –products, images, datasheets, cross-reference tables
 - Product management—how distributors manage our parts (brands, product types, etc)
 - Co-op Campaigns
- Analytics
 - Analyzing POS
 - Forecasting POP, POA
 - Distributor performance
 - Customer performance

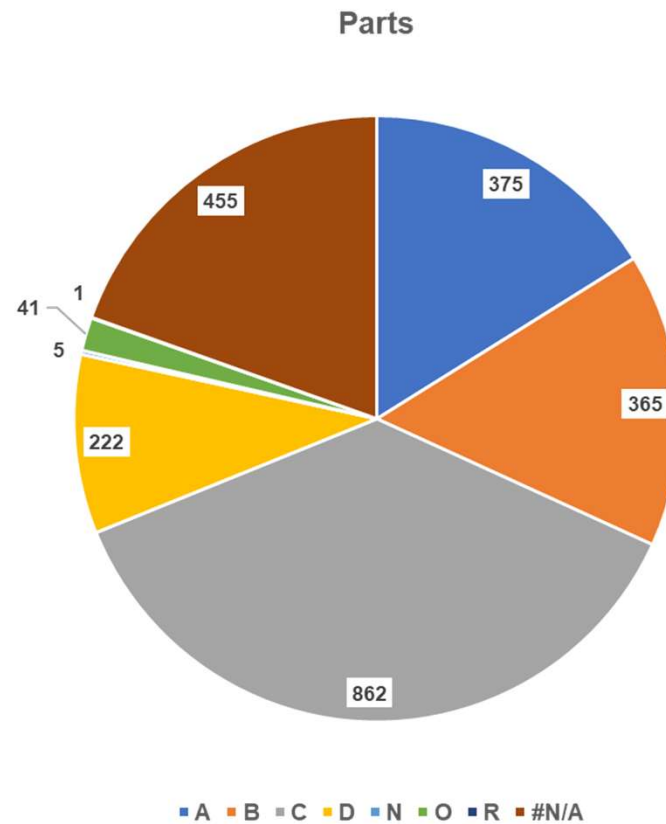
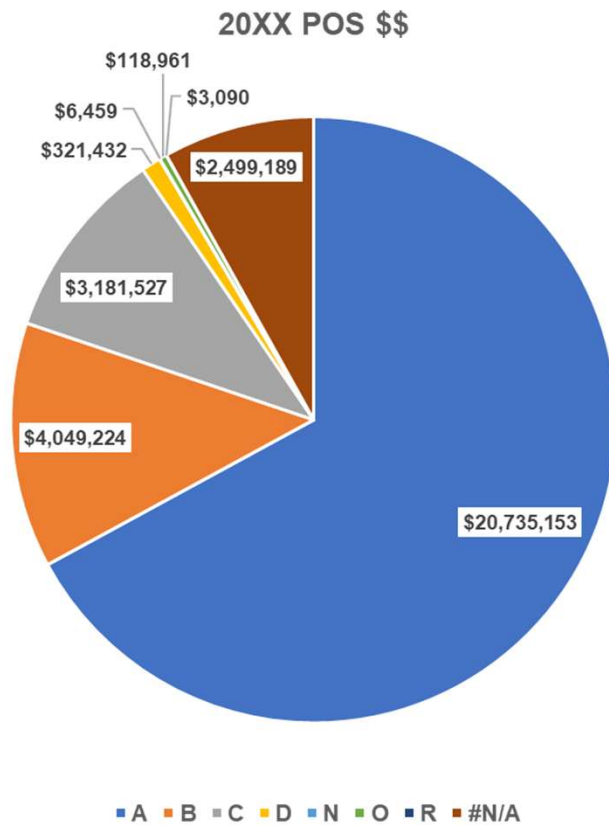


Activity Codes

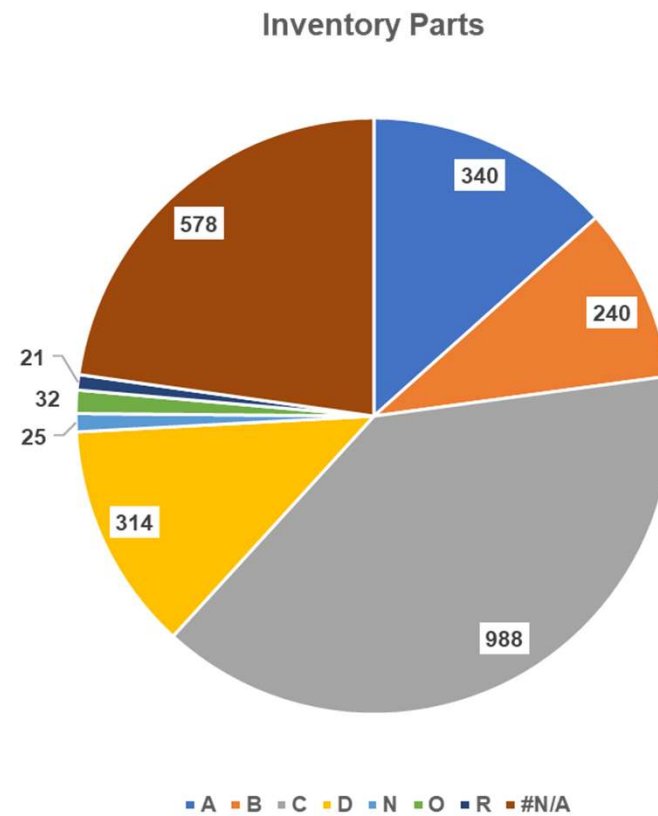
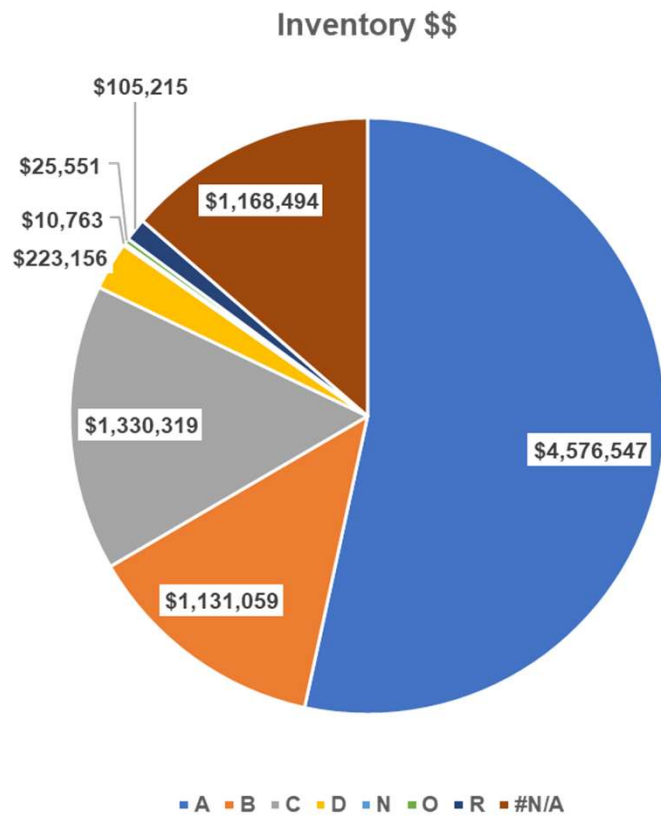
- Provide a way for us to prioritize our parts based on POS Activity and Customers
- Helps us understand what products customers are buying through the distribution channel
- Communicated through Price Book files
- Communicate business rules
- Activity codes are critical to the asset management process.
 - All parts are not created equal.
 - Distributors inventory dollars are a fixed amount.
 - Impacts Go-To-Market strategies
 - Allows us to understand the health of the inventory in the channel



Activity Code Analysis



Channel Inventory Mix



Data Analytics converting data into revenue

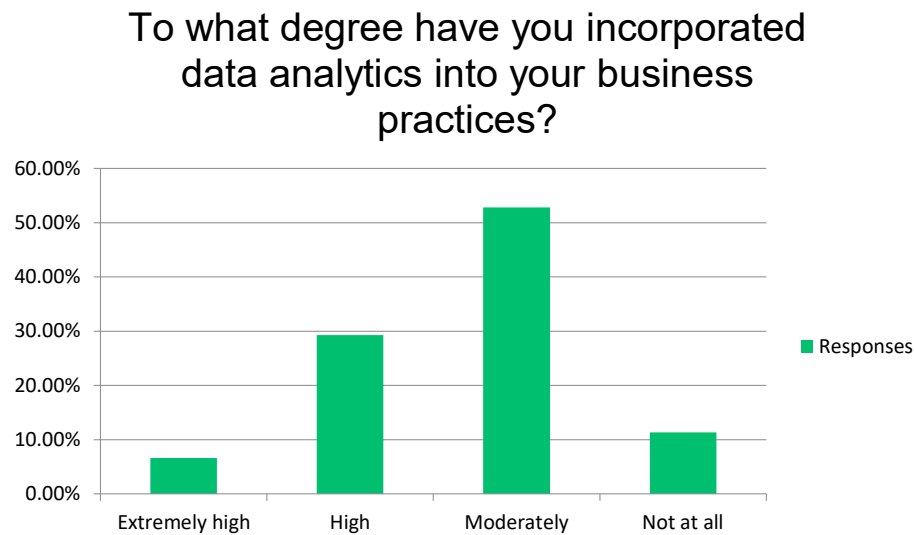
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Toby Lasley



ERA 2020 Survey

- Majority of Conference attendees use data analytics to make decisions in our business



Agenda

- Performance of NBO conversions as well as losses
- Product expansion based on associative selling
- Utilization of customer purchases to drive awareness and next actions





DATA MINING



Data sets



Pre-processing



Classification



Database



Statistics



Analytics



Evaluation

Data Analytics converting data to revenue

- Tools to measure performance of NBOs conversions and losses
 - CRMs, BI Dashboards, POS
- Monitor associative selling
- Distribution Alignment
- Vertical markets
- Suppliers



Product expansion based on associative selling

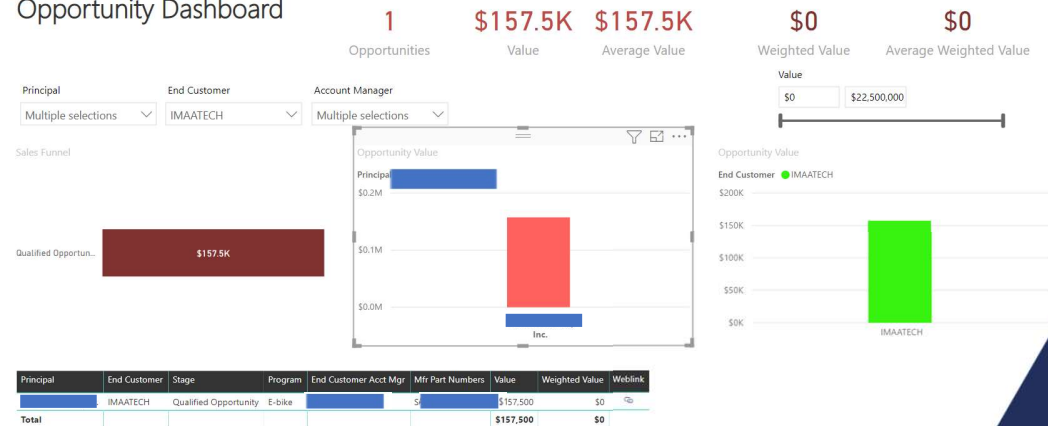
- Leverage CRM and BI tools to expand synergistic selling
Sort on key product families
compare with related blocks
Ex USB C
USB C MAC/PHY,
Circuit Protection, DCDC
switch



Product expansion based on associative selling

- Leverage CRM and BI tools to expand synergistic selling
 - Wireless –SR module but missing key area
 - Action-work with AM to expand customer engagement with antenna and primary battery

Opportunity Dashboard



**Backcast your
associative
selling activities**

- Our suppliers have a limited view at our customers. We need to highlight the value we bring with multiple touchpoints through max selling.
- Sell the activities to your distribution partners.
 - The more success you have with your partners the more engaging they will be.

Utilization of customer purchases to drive awareness and next actions

- POS reports
 - Pros
 - Can help shape a plan to expand customer engagement
 - Creates opportunities on commodity lines (qualifications post rts)
 - Can help incentivize distribution partner by highlighting additional alignment
 - Assists in preparing for future inflection points
 - Static time
 - Cons
 - Lag time
 - Typically 45 days or longer
 - Trend underway to enable reps with early visibility on POS
 - Mainly limited to commodity influence





Data Analytics

Alan Ahern



March 2, 2020



Data Analytics - *Business Intelligence*

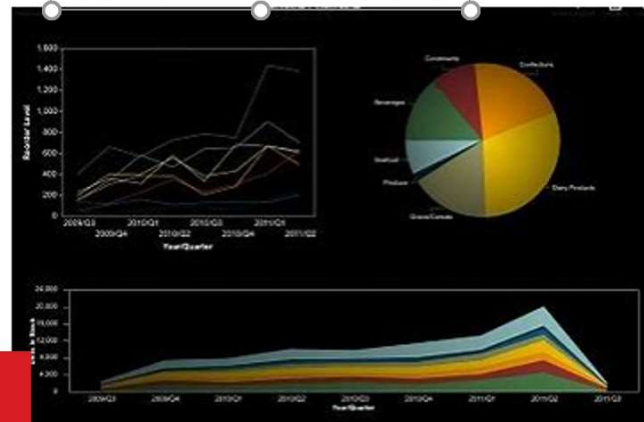
Drop Off Reports



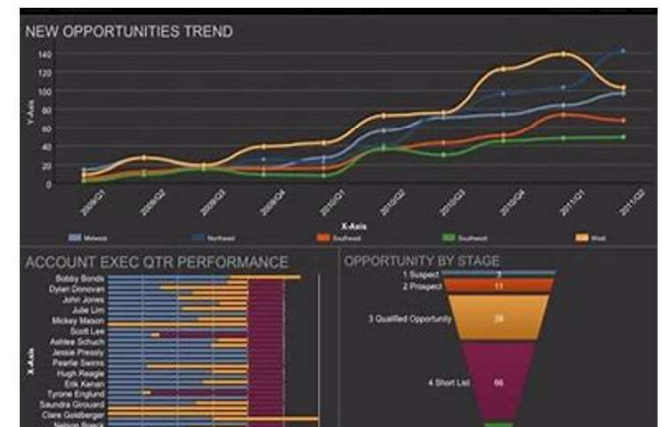
Converting Data Into Knowledge

- Design wins & NBO conversions
- Drop off reports
- Manage distribution behaviors
- Collaboration with our principals

Churn Dashboard



Distributor Dashboard



Power BI

birst

StarfishETL

infor

Data Analytics - *NBO Management*

NBO's are a key performance indicator. Accuracy of the data is everything. Managing all the NBO's is a daunting task. Technology can be implemented to help with your company's cadences.

Alert Messaging

- New NBO Created – assures NBO's are in your principals' system
- NBO not updated in 45 days – keep it up to date – increase win rate
- 60 days before stated close date – sets expectations properly

Example:
Auto generated weekly. Quick
snapshot with a direct link to
the NBO.



Sales Variance CRM + Data + AI

First Range vs Second Range

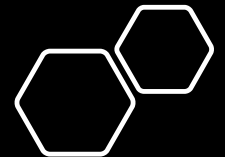


What are you winning?

- By part number
- Distribution performance
- Sales conversions

How much business do you loose year over year?

- Lost ability to track
- Truly lost
- Share shift



Data Analytics - *Quote to Win Ratio*

I think its fair to ask your distributor for quote follow up and the need for information. Set mutually agreed upon expectations in the spirit that working with them is to help close deals.

Process Oriented:

Lead by the internal team with utilization of a CRM

- 3 days for SPR
- 5 days DR
- Activity scheduled
- Always a “next activity”
- Notes and history
- Escalate if needed



Data Analytics - *DR and Special Price Vetting*

Principal margin integrity and distribution protection requires research and validation of big data sets.

Process Oriented:

- Analyze request
- Look for existing product sales
- Look at NBO's
- Vette with sales team
- Validate with customer
- Submit to Manufacturer
- Supply approved DR
- Supply quote
- Quote follow up process begins



CRM +
Data warehouse +
Relationships +
Customer knowledge +
Process

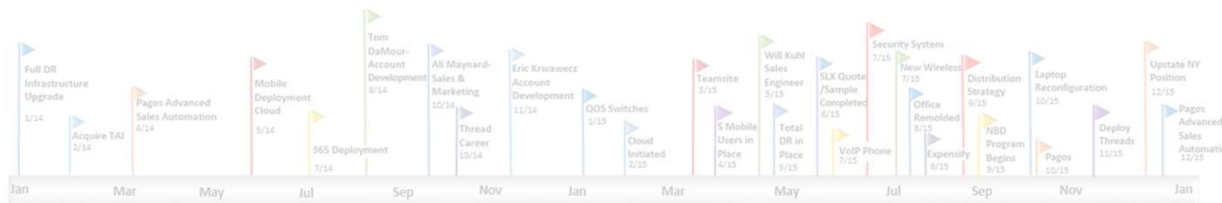


Data Analytics - Quote Analysis

At the quote stage a part number is defined and is typically in the last stage of the cycle for revenue.

Collaboration with all parties

- Quote funnel
- Why won
- Why lost
- SPR / DR renewal communication
- Review POS post sales
- Review POS to maintain business

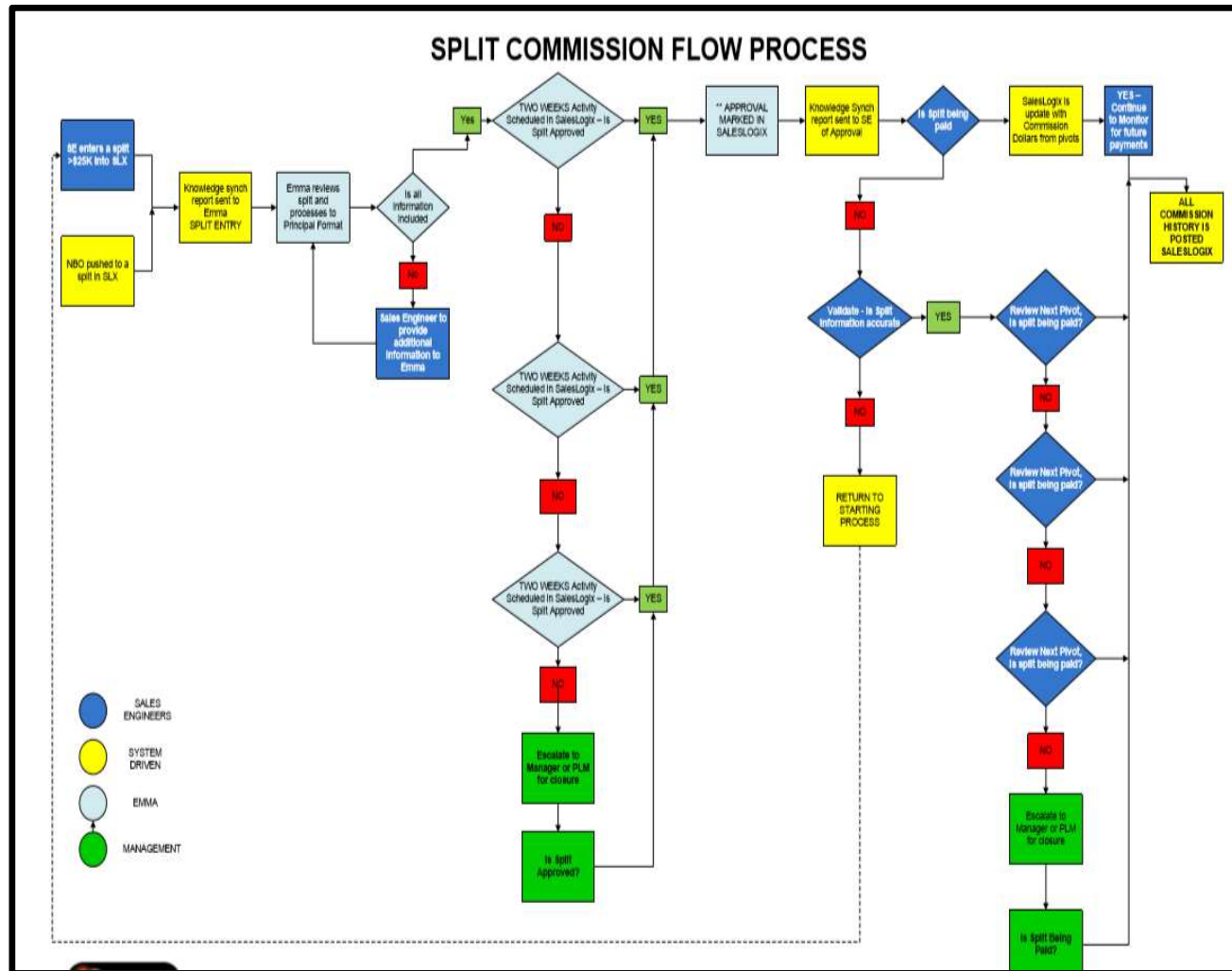


Data Analytics – *Global Business Tracking*

Tracking sales globally is extremely challenging time consuming and frustrating.

Robust process are needed starting with acceptance.

Consider developing a flow chart for your firm or each of your largest revenue generating principals.





Thank You

