Michael Plasmeier

# Bay Networks B

## 1) Real problem

One year into the merger, Bay Networks has a real opportunity to reimagine how its sales force operates. Traditionally, both companies have used direct selling. Selling via a VAR channel has not been a big part of the picture. However, the management wants to make selling via the channel a larger part of next year’s business. In addition, there are the usual opportunities to tweak the sales teams.

## 2) Key Facts

The company wants to increase quota by 50% YOY, but only increases the sales budget 20%. In addition, the company is targeting a doubling of channel sales to make up 40% of the company. Currently channel sales make up 25% of all sales.

2 reps from the middle of the state and 2 reps from the south have hired a temp agency to generate leads for their channel partners. They also spend a lot of time training their channel partners to sell their products.

Many of the former Synoptics reps are reporting trouble selling Wellfleet products. Meanwhile former Wellfleet reps are easily selling Synoptics products.

## 3) What are viable options?

The reps in Middle and South have built their own channel support system. The reps spend a lot of time finding channel partners, training the partners, and they have even hired a temp telesales agency to provide leads. I see no reason why this system cannot be centralized and rolled out statewide (and later nationwide). The VARs have different territories than the Bay Networks reps, some are likely even nationwide. I would propose adding a rep or two to manage this program for the state of New Jersey. The reps could be hired or reassigned from other regions to focus on partners. If this plan is rolled out nationally, then some reps could be assigned to recruit nationwide partners. Reps could also be assigned to go after channel partners headquartered in their territory, with a commission structure paying them for deals in any territory with that vendor that is headquartered in their territory. Alternatively, companies over a certain size could be assigned to the state-wide, or the national-reps.

A full time sales telesales force could also be added to support this new expansion of partner operations. This would centralize knowledge and best practices, instead of using multiple temp agencies. Some work needs to be done to maintain fairness for the reps who initially set up these teams. Perhaps they could be in charge of running the teams for the whole state. Another alternative is to have the telesales office function with a “consulting” model where reps contract with the office to work for their territory. This would continue to incentive them to seek out new partners in their local area.

More training is needed on Wellfleet products for the Synoptics reps. Alternatively, a team sales engineer could be hired to travel across the state to provide additional support for selling former-Wellfleet products. If needed, the sales engineer could also be trained on Synoptics products to help get new sales people and VAR partners up to speed.

## 4) What methodology to solve which options?

A decision needs to be made about how to increase partner sales and how to solve the knowledge gap that is preventing Synoptics reps from selling Wellfleet.

Both decisions should be made with an eye towards the best interests of the company balanced with a fair commission structure. For example, if a state-wide VAR-rep is added it needs to be decided how to split up responsibility with the existing reps who currently make partner sales. This decision needs to be made so that these reps can still be productive with the region they are given. In addition, all sorts of commission sharing or readjustments are messy, so some thought must be given to withier one should be set up.

## 5) What will it take to get to a better situation?

I recommend creating a centralized partner operation for the state. Susan should be reassigned, and one additional person should be hired, to help run the office and look for larger, state wide partners. Individual sales reps would still be on the lookout for smaller VARs. For example, VARs with over 30 employees would be considered state-wide and VARs over 500 would be considered nationwide. There would be no commission sharing between reps, which was raised as a possibility. This is too messy to implement properly. The new central group will have a quota of 20% of the total for the entire region, $3.6 million. This is solely for VARs over 30 employees.

A fulltime telesales operation would be set up with 3-4 reps. They would work under the supervision of the new VAR-statewide-rep. Individual reps can “purchase” telesales help for the smaller VARs they are responsible for by using money out of their “budget.”

A sales engineer should be hired and then trained on Wellfleet products. In his/her spare them he/she can be trained on Synoptics products as well. The engineer would be available to any reps in the state that need help.

The compensation plan will be an evolution of this year’s system. It should be targeted that 40% of reps meet quota.

Reps would still have responsibility for direct sales in their territory and VARs under 30 employees. Each rep’s quota would be scaled up proportionally, after accounting for the new national group. This amounts to a 20% increase from last year. This is in addition to replacing the large VARs that are no longer their responsibility.