PROFESSIONAL DEVELOPMENT PROGRAMS

GAIN COMPETITIVE ADVANTAGE THROUGH EDUCATION
The Texas A&M Advantage

For 60 years the Industrial Distribution Program has been providing the industry with cutting-edge professional development workshops.

THOMAS & JOAN READ CENTER

The Thomas and Joan Read Center at Texas A&M University is the only university center in the United States that focuses on research and education in industrial distribution. Our professional development and educational workshops are designed to increase your organization’s competitive advantage and profitability. We focus on relevant and actionable education through proven methods and tools. Some of the unique characteristics of our programs are relevant learning, distribution focus, research-based education, distribution domain experience of our faculty, and access to our research solutions and services.
Why Connect With Us?

**Number 1**
Industrial Distribution program in the world.

**Offer education sessions in**
13 Countries

**Program duration is**
1-5 Days

**Learn secrets to implement**
key best practices in
3-6 Months

**Proven methods driven by**
cutting edge research for over
55 years

**Over 950**
business professionals attend our workshops every year

**10 unique topics**
that will boost your firm’s bottom line.

**24 Instructors**
Average teaching experience of at least 16 years

**Help more than 265 companies each year to create competitive advantage**

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Optimizing Distributor Profitability
Best Practices to a Stronger Bottom Line

PROGRAM OUTLINE

- Motivation and Trends
- Distributor Profitability Framework
- SOURCE best practices
- Profitability analyzer
- STOCK best practices
- Shareholder value exercise
- STORE & SHIP best practices
- SELL best practices
- Best practice implementation
- Self-assessment guide for immediate action

KEY TAKEAWAYS

- Proven and structured approach to assess your business performance
- Ready-to-use process assessment toolkit
- Tools to communicate value of best practices to top management
- Roadmap based on successful best practice implementation
- Achieve stronger bottom line and improve cash flow
- Real-world case studies
- Team exercises

WHO SHOULD ATTEND

Strategic Business Managers
Regional / Functional Heads
Branch / Operations Managers
Finance Managers / Controllers
C-level Executives / Owners

“Delivered the tools we can use to optimize shareholder value. A picture is worth 1,000 words and A&M’s Distributor Profitability Framework chart is worth 100,000 words!”
- Ron Cedruly, CFO, Henrietta Building Supplies
Pricing Optimization
Striking the Right Balance for Margin Advantage

PROGRAM OUTLINE
Part 1: Framework
  >> Motivation and Trends
  >> Pricing Optimization Framework
Part 2: Analytics
  >> Customer Stratification
  >> Item Stratification
  >> Customer’s Item Visibility
  >> Item Unit Cost Level
  >> Customer–Item Gross
Part 3: Optimization
  >> Pricing Rules
Part 4: Execution
  >> Sensitivity Analysis
  >> Implementation
  >> Roadmap to Success

WHO SHOULD ATTEND
Sales Managers
Branch & Regional Managers
Pricing Professionals
Purchasing Professionals
Management Professionals

KEY TAKEAWAYS
  >> Adopt a practical—yet scientific and simple—framework
  >> Bring a “new science” to the “abstract art of pricing”
  >> Choose key variables that should drive your pricing decisions
  >> Deploy existing, readily available information from your IT systems
  >> Expand your customer stratification results for optimal pricing
  >> Fulfill margin goals systematically
  >> Give meaningful, concise information to your sales force so you can optimize margins
  >> Hit gross margin improvements of 150 basis points or higher within months
  >> Implement pricing best practices with minimal resources for a higher ROI!

“The pricing optimization program has been an invaluable tool for highlighting opportunities to improve margins. Implementing the principles in a pilot location raised gross margins by over 3% in less than a year. It has been an eye-opening experience for those salespeople using the cost-plus method for determining sales price.”

- Kevin Martin, Vice President of Operations, Pipeline Packaging

TEXAS A&M PRICING METHODOLOGY IMPACT
(Real World Results - HVAC Distributor)

<table>
<thead>
<tr>
<th>Branch</th>
<th>BEFORE</th>
<th>AFTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch 1 ($3.3MM Sales)</td>
<td>18.4%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Branch 2 ($4.2MM Sales)</td>
<td>14.9%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Branch 3 ($2.4MM Sales)</td>
<td>36.3%</td>
<td>48.6%</td>
</tr>
<tr>
<td>Branch 4 ($11.4MM Sales)</td>
<td>16.5%</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

18.4% 14.9% 21.8% 36.3% 16.5% 19.4%
126% 24.4% 21.8% 19.4% 48.6%

BEFORE
AFTER

1.5 DAYS
Sales and Marketing Optimization
Developing Competitive Value Propositions in Distribution

Program Outline
- How to link sales and marketing to shareholder value?
- Sales & marketing strategy
- Market segmentation
- Value proposition
- Business development
- Customer stratification
- Marketing communications
- Sales force design & development
- Sales force management

Key Takeaways
- Proven and structured approach to assess your sales and marketing processes
- Ready-to-use process assessment toolkit
- Tools to communicate value of best practices to top management
- Roadmap for increasing sales force effectiveness
- Achieve revenue growth & cash flow
- Real-world case studies
- Team exercises

Program Outline
- How to link sales and marketing to shareholder value?
- Sales & marketing strategy
- Market segmentation
- Value proposition
- Business development
- Customer stratification
- Marketing communications
- Sales force design & development
- Sales force management

Who Should Attend
Sales & Marketing VP
Sales & Marketing Directors
Marketing Manager
Regional / Functional Heads

“...I am blown away by the scope of this Sales and Marketing Optimization book and the depth of knowledge and real-world experience it contains. I only wish I had a reference like this at the beginning of my career. Fortunately, I have it now and it’s not too late to do something with it! This book is very actionable with constant emphasis on measurable results at the shareholder and stakeholder levels. This is simply the best sales and marketing book for distributors that I have ever read!”

- Byron Potter, Vice Chairman and CEO, Dallas Wholesale Builders Supply, Inc.
Professional Development Programs

Optimizing Growth and Market Share
Achieving Sustainable Profitable Growth

PROGRAM OUTLINE

>> Distribution growth framework

Part 1 – Generating Growth
>> Growth strategies
>> Growth drivers
>> Growth mechanisms

Part 2 – Managing Growth
>> Profitability drivers
>> Resource drivers
>> Growth barriers

Part 3 – Sustaining Growth
>> Growth blind spots
>> Capability traps
>> Growth and profitability benchmarking

WHO SHOULD ATTEND
C-level executives / owners
Sales & Marketing VP / Directors
Regional / functional heads
Business development managers
High potential candidates

“The Growth program provided valuable insights and allowed us to benchmark against best practices for strategic growth. The program validated many of our current initiatives, but also illuminated areas to target for improvement. It was well worth the investment of time and resources!”
- Bob Dill, President & CEO, HISCO

KEY TAKEAWAYS

>> Proven and structured approach to assess your growth history
>> Ready-to-use growth assessment toolkit
>> Success and failure – stories & lessons
>> Growth strategies to implement
>> Achieve profitable revenue growth
>> Real-world case studies
>> Team exercises
Optimizing Channel Compensation
Managing Channel for Collaborative Advantage

PROGRAM OUTLINE

- Channel management framework
- Channel goals
- Supplier analytics
- Commitment analysis
- Performance analysis
- Contribution analysis
- Communicate for channel effectiveness
- Channel value proposition
- Channel compensation elements
- Measuring channel alignment
- Channel adaptability

WHO SHOULD ATTEND

C-level executives / owners
Supplier development executives
Marketing VP / directors
Product managers
Business development managers

KEY TAKEAWAYS

- Proven and structured approach to assess your channel health
- Ready-to-use channel assessment toolkit
- Channel success and failure – stories & lessons
- Specific ideas to optimize channel compensation and bottom line
- Real-world case studies
- Team exercises

“Real world-examples with realistic framework made the content very rich. The program helped us generate specific ways to improve our channel compensation.”

- National Channel manager, Electrical Distributor

1.5 DAYS

CHANNEL COMPENSATIONS
Types of Capital

- INNOVATION
- MARKET ACCESS
- PROCESS
- TECHNOLOGY
- INFORMATION
- KNOWLEDGE
- FINANCIAL
- HUMAN
- ORGANIZATIONAL
- POLICY
- RELATIONSHIP
- SUPPLY CHAIN
- SERVICE DRIVERS
- VALUE DRIVERS
- VALUE DRAINERS
- VOLUME DRIVERS
- SUPPLY CHAIN PERFORMANCE
- FINANCIAL PERFORMANCE

8 Professional Development Programs
“We know the direction and changes we need to make to differentiate us from our competitors. Knowing and understanding our customers expectations allowed us to quickly focus our attention on the areas we needed to improve immediately. It strengthened our customer service team and our ability to provide the service our customers expected.”

- Darrell Johnson, VP Customer Service, Womack Machine Supply Company

**PROGRAM OUTLINE**

**DAY 1**

- Motivation and trends
- Service Growth & Differentiation
- Customer Service Attributes
- Conflict Resolution & Service Recovery
- Lifetime Value Calculations
- Service Strategy & Stratification

**DAY 2**

- Service Culture Building blocks
- Service Standards & Innovation
- Employee Satisfaction Drivers
- Talent Selection
- Empowerment and Flexibility

**WHO SHOULD ATTEND**

Customer service and insides sales personnel
Branch, regional, sales and marketing managers
Executive Management

**KEY TAKEAWAYS**

- Retain your customers for life
- Make customer service your competitive advantage
- Easily ascertain the drivers of customer service
- Service strategies for each customer type
- Discern the 3R’s – Responsibilities, Relationships and Roles of in delivering customer service
- Structured process for service recovery
- Best practices to build a strong customer service culture and brand
ACHIEVING COMPETITIVE GROWTH - How to generate growth while achieving competitive advantage?

Generating Growth Opportunities
- Growth Framework
- Growth Drivers and Strategies
- Growth Mechanisms

Building Competitive Advantage
- Sales and Marketing Strategy
- Market Segmentation
- Target Market Selection
- Competitive Value Proposition

MANAGING COMPETITIVE GROWTH - How to manage profitability while growing?

Optimizing Distributor Profitability
- Business Process Framework
- Financial Framework
- Optimizing Profitability – The Five-Step Methodology
- Double EBITDA and Triple RONA

Sales and Marketing Processes
- Customer Stratification
- Sales Force Design, Development and Management
- Marketing Communications

SUSTAINING COMPETITIVE GROWTH - How to sustain growth while sharpening competitive advantage?

Sustaining and Growing Margins – Pricing Optimization
- Primary Drivers – What are the key variables that should drive a pricing decision?
- Analytics – How to analyze each variable?
- Optimization – Developing and building pricing rules
- Execution – Roadmap for success

Sustaining Growth – How to sustain profitable growth against strategic risk?
- Growth Barriers
- Blind spots – Opportunity & Capability
- Risk Management
- Competitive Value Proposition

WHO SHOULD ATTEND
Executive and Senior Management
High Potential Candidates for Management
Strategic Managers
Regional Profit Center Heads
Business Development Managers

“We are impressed with the material and its potential impact on our profitability. Truly informational and education for the times.”

- Gary McKillican, President and CEO, McKillican International, Inc.
Distribution Manager Certificate Program
THE 360 Degree Manager

PROGRAM OUTLINE
Financial Management
  >> Basis and Financial Statements
  >> Key Performance Indicators
Optimizing Customer Service
  >> Creating Excellent Customer Service
  >> Customer Service Metrics
Lean Fundamentals
  >> The Lean Philosophy
  >> Basic Tools and Techniques
A Solution-based Sales Process
  >> Attention-Discovery-Solution
Inventory Management
  >> Fundamentals
  >> Stratify-Forecast-Replenish
Leadership & Team Development
Providing Direction for Sales Management
Effective Communication & Implementation

WHO SHOULD ATTEND
Branch Managers
Sales Managers
High Potential Candidates for Management
Distribution Professionals

DELIVERABLES
“Excellent experience to learn, improve and manage processes to optimize profitability.”
- Ernesto Tovar, Sales & Operation Manager, HISCO
Intensive Inventory Management
Unlock Your Inventory’s Potential

Transform your company data to meaningful actionable results using inventory management best practices over this 5 day journey

DATA

BRING YOUR COMPANY INFORMATION

- Financial
- Operational
- Sales

METHODOLOGY

PROGRAM OUTLINE

Methods
>> Inventory Policies
Forecasting
>> Demand Pattern Analysis
>> Methods and Accuracy
Replenishment
>> Safety Stock Calculation
>> EOQ and Reorder Point
>> Service vs. Cost Matrix

Benchmarks
>> Key Performance Indicators
>> Process Assessment
>> Stock Analyzer
>> Best Practices

WHO SHOULD ATTEND

Inventory Planners / Buyers
Inventory Managers
Purchasing Professionals
Supplier Relationship Managers
Category / Product / Brand Managers
Anybody who manages inventory in your firm

KEY TAKEAWAYS

>> Increase service level
>> Improve forecast accuracy
>> Optimize safety stock investment
>> Understand demand and supply variability
>> Reduce obsolescence
>> Effectively redeploy slow-moving inventory

“Through knowledge learned from the inventory management program, attended by all our management and key salespersons, we have reduced our total inventory levels by over 20%.”

- Brent A. Burns,
  Building Materials Distributor
PROGRAM OUTLINE
Part 1—Customer Stratification:
The Idea
>> Motivation and Trends
>> Stratification Framework
Part 2—Customer Stratification:
The Idea in Action
>> Customer Buying Power
>> Customer Loyalty
>> Customer Profitability
>> Cost-to-Serve (CTS)
>> Bringing It All Together
>> Customer Strategies
>> Implementation
>> Real-World Examples
>> How to Apply This at Your Firm

WHO SHOULD ATTEND
Sales and Marketing Managers
Business and Branch Managers
Pricing Professionals
Business Analytics Team
Distribution Management Professionals
Anyone in your firm who works or communicates

KEY TAKEAWAYS
>> Effective classification of your customers
>> Structured easy-to-understand approach
>> A practical approach to determine ‘cost-to-serve’ customers
>> Leverage existing system information
>> Maximize your ROI on sales resources while balancing customer service
>> Optimize sales force time investment

“‘Customer Stratification’ has the power to enable us to transform our company from being product-driven to customer-driven. It has helped us understand our customers in greater detail, enabling us to optimize our selling resources, which will result in an improved ROI.”
- Don Schalk, President and COO, C.H. Briggs Company

Transform your company data to meaningful actionable results using customer stratification best practice over this 4 day journey

DATA METHODOLOGY
RESULTS

BRING YOUR COMPANY INFORMATION
• Financial
• Operational
• Sales

Customer Loyalty (Life)

OPPORTUNISTIC CUSTOMERS
- High profitability
- No relationship
- Low cost to serve
- Low volume

MARGINAL CUSTOMERS
- Low profitability
- No relationship
- High cost to serve
- High volume

SERVICE DRAIN CUSTOMERS
- Low profitability
- Sustained relationship
- High cost to serve
- High volume

Customer Buying Power

OPPORTUNISTIC CUSTOMERS
A

CORE CUSTOMERS
B

MARGINAL CUSTOMERS
C

SERVICE DRAIN CUSTOMERS
D

Customer Lifetime Value (CLV)

NET PROFIT

A B C D
We can help you in more ways that you could possibly imagine. Educational programs can be developed to fit specific needs of your organization. Programs can be designed and delivered from 1 - 5 days at the Texas A&M Campus or any preferred location.

**Gain Competitive Advantage Through Customized Education**

- **Assess**
  - Understand challenges and pain points
  - Needs assessment

- **Design**
  - Visit business locations
  - Meet with key stakeholders

- **Develop**
  - Create content using company specific examples
  - Review material and incorporate feedback with stakeholders
  - Determine program duration

- **Measure**
  - Evaluation and feedback
  - Program effectiveness follow-up

- **Deliver**
  - Present at Texas A&M campus or company preferred location
  - Share real-world examples from various companies across multiple lines of trade
  - Determine key action items for attendees

**BENEFITS**

- Tailored program
- Delivered at any location
- Research based material
- Proven methods
- Actionable results
How we can work together?

**Open Enrollment Programs**

- Distributor Profitability
- Sales & Marketing
- Channel Compensation
- Customer Service

**Company Specific Programs**

- Distribution Manager Essentials
- Inventory Management
- Growth and Marketshare

Representative Program Outcomes

- **10-15%** Operation Expense Reduction
- **12-35%** Inventory Reduction
- **3-33%** Customer Service Level Improvement

We are just an email or phone call away – [http://id.tamu.edu](http://id.tamu.edu)
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