

A sales force transformation that reignited sales

VALERUS COMPRESSION SERVICES | OIL AND GAS FIELD SERVICES | HOUSTON

With ZS's help, an energy company transformed its sales force—and saw sales boom in a tough market.

BUSINESS ISSUE

Developing a sales and marketing plan designed for long-term growth

When a company is growing rapidly, transforming the sales force isn't a priority. But what happens when growth slows or the market changes, and the sales force isn't prepared?

All companies have probably dealt with this issue, whether start-ups navigating a recession or mature companies whose sales force can't cope with market conditions. Meanwhile, B2B customers want sales partners focusing on value, yet too many companies still rely on relationship-driven sales that can result in a race to the bottom on price.

Transforming the sales force requires time and commitment. It may mean restructuring territories, developing new sales materials, retraining the sales force and overhauling incentive compensation. Companies must also develop a sales platform that is scalable for long-term growth.

Those companies mired in poor growth or markets—and aren't willing to adapt—may find the competition gaining an upper hand. But those companies that can commit to transforming their sales force can help ensure growth, regardless of how customer needs change, product offerings evolve, or economic and market conditions shift.

THE PROBLEM

A sales force unprepared for when the music stopped

From a 2004 startup, Valerus, a leader in integrated oil and natural gas handling equipment, operations and services, rode a boom in the energy industry to reach \$500 million in revenues by 2008. But when the energy boom ended and the economy slowed, Valerus's sales force was unprepared.

"We grew rapidly, but we did it haphazardly," says Danny Cannon, Valerus senior vice president, North America. "We did not build a very methodic customer base to continue growth."

Valerus's salespeople had single product specialties rather than knowledge of the company's full line of products and services. In addition, Valerus lacked a formal plan to design territories and to structure and deploy its sales force, resulting in salespeople calling the same customers, with revenue concentrated in a few major accounts.

"We went out and hired the best salespeople in the early years in a particular product line," Cannon says. "That's fine until you get to a half-billion dollars or so in revenue and realize it's a platform that's just not scalable."

THE SOLUTION

Transforming a sales force to focus on value

ZS and Valerus worked to transform the selling organization, first organizing internal and external data, then determining current customers' wallet share by product. Valerus used that data to measure market potential, and ZS's Javelin Territory Design software built new territories and realigned customer assignments.

In the end, Valerus had made changes that:

- Revealed key customer and prospect needs through customer insight studies
- Prioritized sales efforts and tailored communications
- Developed new processes focusing on customer interactions and improved market coverage of key opportunities
- Improved sales force quality through a new competency model

THE RESULTS

A sales force that drove major revenue growth

With its new platform, Valerus increased the scale of its sales force despite tough market conditions, and saw nearly immediate results:

- The company identified unseen sales potential.
- Year-over-year revenue grew.
- Valerus enjoyed year-over-year higher gross profits.

"Sometimes it felt like standing on a toothpick, because change is so difficult," Cannon says of the transformation effort. "But ZS knows change management better than anyone in the industry. The one thing I didn't expect was to achieve the success in the time frame we did. This is true living proof of success. And when you overlay commodity pricing conditions and look at the challenges from a market standpoint, the external trials that we faced, it just takes the success to a new level."

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ZS Associates is a global leader in sales and marketing consulting, outsourcing, technology and software. For almost 30 years, ZS has helped companies across a range of industries get the most out of their sales and marketing organizations. From 20 offices around the world, ZS experts use analytics and deep expertise to help companies make smart decisions quickly and cost effectively. ZS comprises multiple affiliated legal entities. Learn more at www.zsassociates.com.