



SALESFORCE AE / SE PLAYBOOK

Construction DISTRIBUTORS

In this Playbook, you will find:

- An Industry Overview
- Key Personas
- Account Targeting
- Pitch Messaging, with ROI Examples
- Discovery Questions
- Likely Cloud ACV Opportunities

Questions? Contact:

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Industry Overview

Construction distributors are the stocking piece of the channel for building materials products.



This is a channel-movement business – sales and logistics, pure and simple: key supplier relationships (where they carry a certain line of brands and products from an OEM manufacturer of building products), warehouses to stock the materials, sales to provide competitive pricing quotes.

They need to operate in a lean fashion, as their margins are slim – 25% would be considered good. So it's about productivity, efficiency, and results. They also need to keep their customers happy with crisp

execution and solid service – drive CSAT up, and pressure on margins and customer churn go down, volumes go up.

Distributors will tend to serve a particular category in construction. For example, companies like Huttig and Parksite might center on millwork and lumber; WhiteCap might focus on masonry and concrete applications.

Distributors sell directly to dealers (commercial or retail store outlets) in most cases. However, they will often strike volume deals with builders or larger subcontractors, where those end buyers can get preferential pricing or year-end rebates.

Some distributors will value-add to the generic products they purchase. For example, a millwork distributor will often take doors and windows from the major brands and construct frames around them so contractors can simply drop them directly into place on a jobsite. As another example, an HVAC distributor may do considerable engineering work on a big commercial air conditioning system, integrating multiple components, and may custom-fabricate some parts of the air handler system.

Key Personas

- VP of Sales or branch sales
 - Cares about engaging their channel – the dealers, builders, and subs who will buy or influence the buys – to make sure they’re well-educated on the product catalog offerings, know how to effectively position and sell it, and have a price list.
- Branch General Managers
 - Each distribution center (DC) or Branch is run by a GM. Often, those DCs are treated in a federalized fashion, and run with great autonomy under the GM. In that case, sales managers report to the GM (or the GM *is* the sales manager).
 - They will be responsible for the P&L of the branch, and will care a lot about numbers and visibility to trends, though the existing sophistication of their reporting will likely be modest.
- Operations / Customer Service
 - Depending on structure, the DC / Branch GM will have a warehouse management team and potentially a dedicated customer service team (sales and customer service often blur together in this industry).
- Marketing
 - Marketing will be very light in these companies, and may not exist at all. If it’s present any meaningful way, it is likely driven at the corporate level in national footprint distributors.

Account Targeting

As previously noted, some Distributors sell to contractors and in those cases the company may align with different SIC and/or NAICS codes than what's listed below (i.e., 444190 – Other Building Materials Dealers).

- SIC codes
 - 5023 – Home furnishings (i.e., floor coverings wholesale; this category includes false positives)
 - Industry Group 503
 - 5031 – Lumber, Plywood, Millwork, and Wood Panels
 - 5032 – Brick, Stone, and Related Construction Materials
 - 5033 – Roofing, Siding, and Insulation Materials
 - 5039 – Construction Materials, Not Elsewhere Classified
 - 5063 – Electrical Equipment and Construction Materials (includes false positives)
 - 5074 – Plumbing and Heating Equipment and Supplies
 - 5075 – Warm Air Heating and Air-Conditioning Equipment and Supplies
- NAICS codes
 - 423220 – Home Furnishing Merchant Wholesalers (includes floor covering merchant wholesalers, but searching this category will also produce false positives)
 - 423310 – Lumber, Plywood, Millwork, Wood Panel Merchant Wholesalers
 - 423320 – Brick, Stone, and Related Construction Material Merchant Wholesalers
 - 423330 – Roofing, Siding, and Insulation Material Merchant Wholesalers
 - 423390 – Other Construction Material Merchant Wholesalers (excludes lumber, plywood, millwork, wood panels, brick, stone, roofing, siding, electrical and wiring supplies, and insulation materials)
 - 423510 – Metal Service Centers and Other Metal Merchant Wholesalers (may contain false positives outside Construction industry)
 - 423720 – Plumbing and Heating Equipment and Supplies Merchant Wholesalers
 - 423730 – Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers

Key Pitch Messages

- “Add productivity and efficiency to your quoting processes”
 - Salesforce can integrate your quoting process to your account and contact database. Acceptance and updating of quotes can be automated, as well. Each quote and its outcome are tracked by customer.
 - Sales reps have seen 5-10% improvements in their productivity, recovering wasted time back in their day. Sales managers have improved profitability by analyzing trends in the market.
- “Gain visibility to & control over engagement with dealers, contractors, & builders”
 - Knowing which customers get touched and how often is key to channel sales success. Knowing which reps are doing it right is key to managing the process. Salesforce can give you that

- visibility □ without layering on a lot of administrative burden on your reps.
- “Improve customer satisfaction with better control over trouble ticketing”
- Customers want updates, product shipments are delayed, product gets damaged ... somewhere. How do you capture it, track it, keep your customer updated? Salesforce can make that easy for you.
- “Improve profitability by driving unnecessary costs out of your business with Salesforce”
- Those same trouble tickets which impact CSAT represent cost to you. Do you have visibility to volumes, trends, and costs for resolution of each?

Discovery Questions

1. What’s your primary focus – residential, commercial, or heavy/infrastructure construction? 2. Describe your product line (if you can’t figure it out easily from their website, which you likely can)
 - a. What building product categories do you cover?
 - b. How many SKUs are in your catalog?
3. Describe your relationship with your OEMs
 - a. Do you have exclusivity for them with the brands you manage?
 - b. Do you do value-added fabrication or engineering design to the OEM products you purchase?
4. Describe your direct customer set, if you would.
 - a. Do you work exclusively with dealers, or do you engage downstream with contractors & builders?
 - i. If you were to draw a pie chart of specialty trade subcontractors, residential home builders, and commercial general contractors, what percentage slice would each occupy?
 - b. Do you engage with homeowners or commercial building owners at all? 5. If you’re involved in commercial construction, what’s your involvement with architects or engineers?
 - a. Do you help support your OEM suppliers in gaining commercial building specifications? b. Do you have dedicated architectural or engineering reps on your team? 6. What’s your branch structure?
 - a. How many locations do you have?
 - b. How autonomously do they work, versus how centralized?
7. Describe your sales team for me
 - a. What are their average ages and how much technology do they currently use? b. How much time do they spend in the field / mobile, versus time at their desk? c. How standardized are your existing sales processes? Is that something you want to change?
8. Describe the relationships your sales team holds with your customers?
 - a. How closely-aligned are they? Is there an objective to change that?
 - b. What supporting services do you provide them? Do you have any loyalty programs with them?
 - c. Do you establish any special or contracted deals with subs or builders – volumes in return for special pricing? If so, how do you manage your price lists currently?
9. What’s your lead management process currently?

- a. Do you get leads on residential or commercial projects?
 - b. How do they come to you now (web, phone, research)?
 - c. Who receives them, and how are they tracked?
 - d. Do you distribute those leads to your downstream channel (contractors, dealers, etc)? If so, how?
10. Describe your quoting processes.
- a. How automated are they?
 - b. How much of your sales team's time is consumed by generating quotes? c. How good is your current ability to track quotes by volumes, customers, and win rates? Do you have good visibility?
 - d. How do you manage your pricing strategies?
 - e. What do your customers do with quotes – do they return them signed as commitment, or just order if they like what they see?
11. How are orders currently placed?
- a. Through sales? Through customer service? Operations?
 - b. How are they placed (phone, online, fax, etc.)?
12. Describe your customer service team
- a. Are they part of sales or part of operations?
 - b. What sort of calls do they take? Service issues, delivery issues, ordering or product issues?
 - c. How do they track those issues now? What's the volume?
 - d. What technologies do they currently use?
 - e. How many of those calls represent cost to you? (Damaged product, wrong order, etc)
- What's your current visibility to how much that costs you and what the trends are?
13. What self-service visibility do your customers have?
- a. Do you have an existing customer portal they can log into?
 - b. Would you like them to?
 - c. What would they do through it if you did have one? (Place orders, modify orders, log cases, view orders, view cases, etc)
 - d. Do you handle warranty claims on the products you carry? If so, how and in what system? What's the volume?
14. What software platforms do you already have in place?
- a. What do you use as an ERP?
 - b. What other supporting tools? Is the ERP currently linked into any of them? c. What software do you currently use for Sales and Marketing?
 - d. What do you use for email?
 - e. What phone system do you currently use?

Positioning Clouds Correctly for Them

 <p>sales cloud</p> <ul style="list-style-type: none"> • Sales Cloud • IQ Inbox if reps are in the field 	 <p>pardot</p> <ul style="list-style-type: none"> • Maybe – if there is a solid marketing department / need to engage 	 <p>community cloud</p> <ul style="list-style-type: none"> • Customer Community for the sophisticated firms who want to add value 	 <p>CPQ</p> <ul style="list-style-type: none"> • Maybe, for a handful of firms who have complex configuration / quoting
 <p>service cloud</p> <ul style="list-style-type: none"> • Service Cloud • Maybe Knowledge • Maybe FS Lightning if they're very sophisticated 	 <p>marketing cloud</p> <ul style="list-style-type: none"> • Long shot – for very large, national-footprint firms 	 <p>Maybe, if they have very sophisticated reporting needs</p>	 <ul style="list-style-type: none"> • Maybe Connect if large amounts of ERP order data need to be pulled in. Big players might want to consider an app using Heroku

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