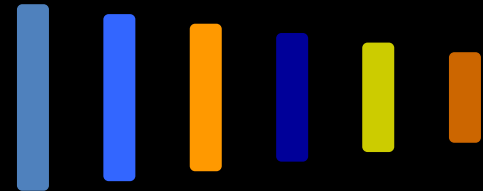




# FACING THE FORCES OF CHANGE<sup>®</sup>

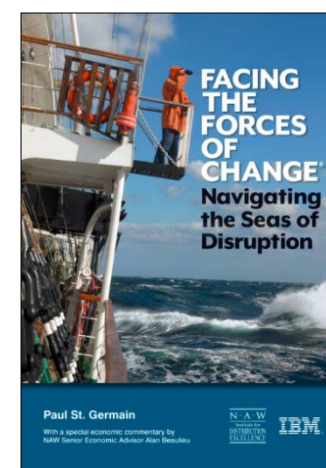
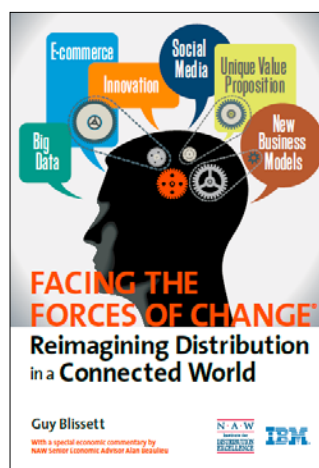
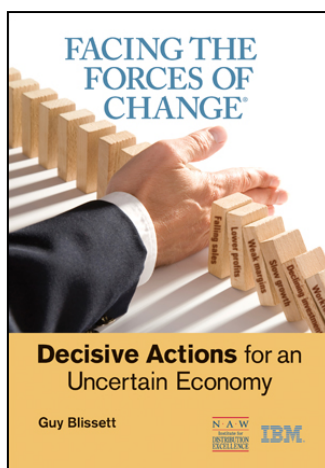
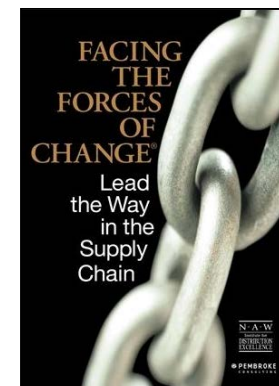
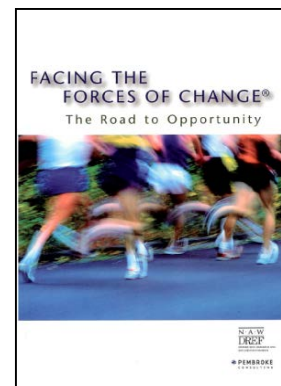
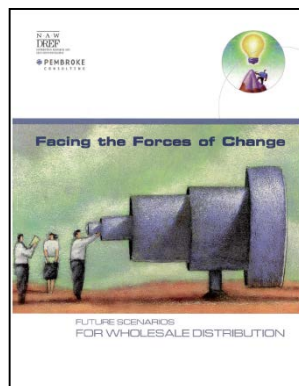
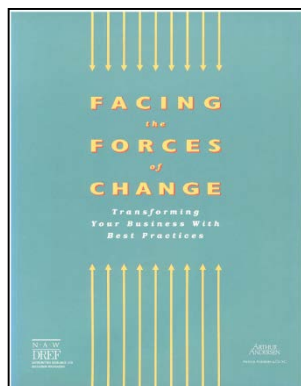
## Navigating the Seas of Disruption

Large Company CEO/COO  
Roundtable  
September 28, 2016



**Paul St. Germain**  
**Wholesale Distribution Industry Leader**  
**pstgerma@ca.ibm.com**  
**905-316-5171**

# Facing the Forces of Change<sup>®</sup> continues to serve as a critical input to distributor's strategic planning activities



# The latest Facing the Forces of Change® report unmask powerful trends reshaping wholesale distribution

## Macro-economic commentary

### 1. Driving Change in Wholesale Distribution

- a) The rise of disruptive forces
- b) Six disruptive forces

### 2. Leveraging Relationships in a Customer-Centric World

- a) Distributors as service providers
- b) The outside-in relationship
- c) Mergers and acquisitions

### 3. Using a Changing Workforce

- a) Understanding millennials
- b) Employee engagement and retention
- c) Recruiting

### 4. Advancing with Technology

- a) Digital commerce
- b) Analytics
- c) The Internet of Things

### 5. Developing Trends

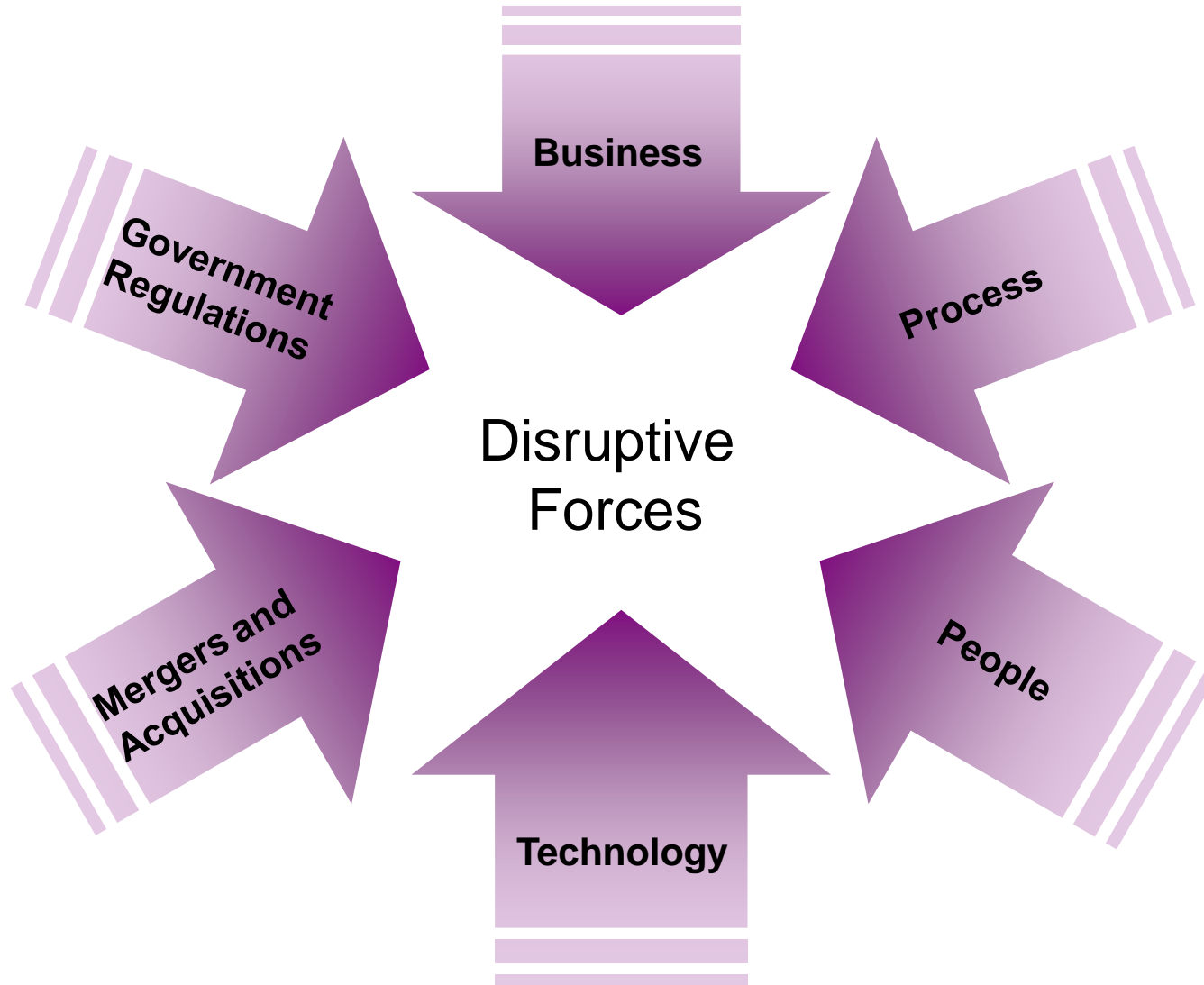
- a) Robotics and Industrial Connectivity
- b) 3D printing
- c) 3D scanning
- d) Driverless vehicles, drones and virtual reality

### 6. What's Changed Since the 2013 Report

# Disruptive Forces



# Disruptive Forces

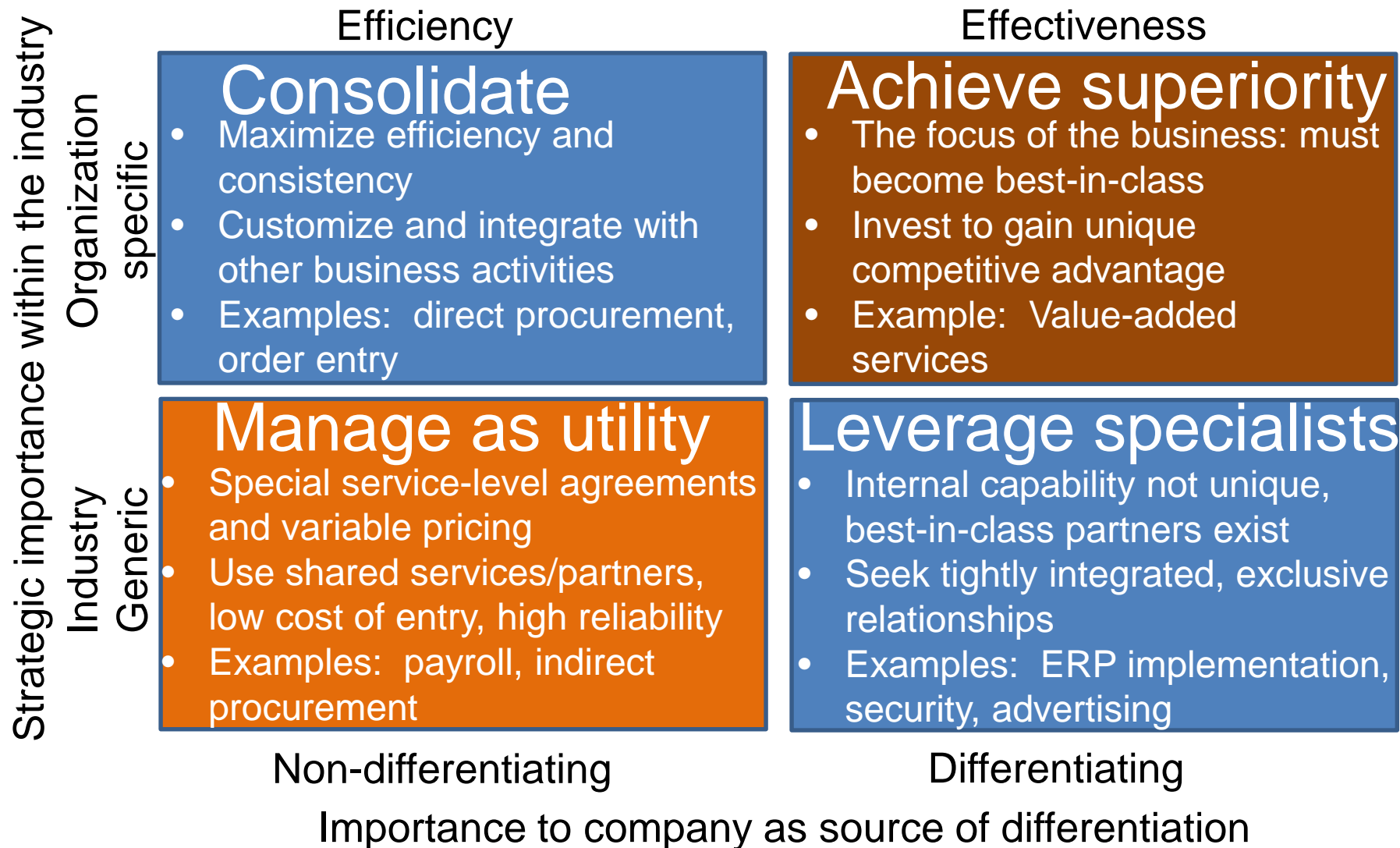


# Relationships and Loyalty

- Loyal customers now abandon long-standing relationships for companies they perceive as giving them better value for their money
- Harvard Business Review study of B2B and B2C customers:
  - 20% of the “satisfied” customers intended to leave the company
  - 28% of the “dissatisfied” customers said they intended to stay
- HR Chally study: 80% of customers who defected from their current supplier described themselves as satisfied or very satisfied
- The customer relationship is becoming the *result* and not the *cause* of successful selling



# Understanding Customers



# Action Ideas for Distributors

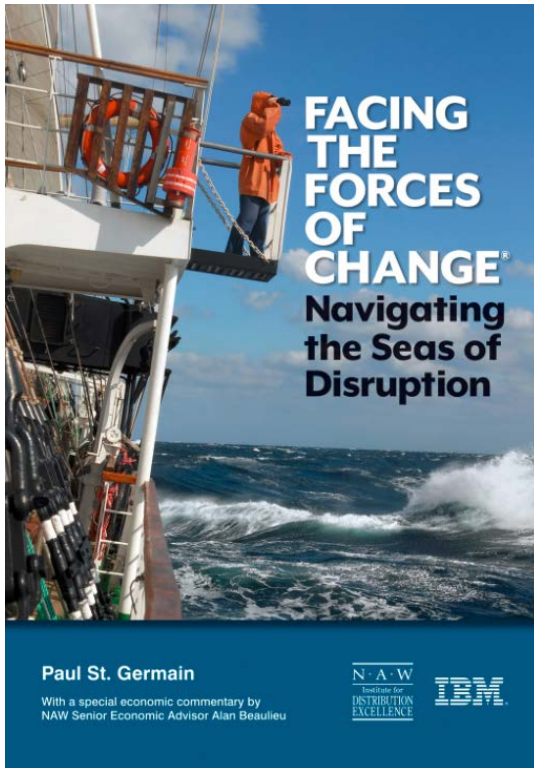
- Understand customer needs from financial perspective
- Brand
- 30 second elevator pitch
- Unnamed proposal
- Unique selling propositions
- Selling as a service
- Communicate value regularly



# How to Leverage in Distribution Accounts

- Distributors should feel “uncomfortable”
- Likely affected by one or more disruptive forces
- Minimize effect of disruption or become a disrupter
- Action ideas

# “Facing the Forces of Change®: Navigating the Seas of Disruption”



Available for purchase at the  
following website:

<http://www.naw.org/ftf16>

Available November, 2016

# THE LAWSON DIFFERENCE

What sets us apart  
from the rest? ▶

**Michael DeCata**  
**Lawson Products**

**“Providing Value to the Customer”**  
**Products vs. Services Mix**





# Customer Experience

September 2016



# How do you say her last name?

Anne Vranicic (pronounced “Vrah-knee-Cheech”)

3



# Agenda

- Why do we need to change?
- Voice of the customer
- Get change started
- Be agile and enable others
- A new way forward...
- Say THANK YOU often and mean it!

# Why do we need to change?

“Your most unhappy customers are your greatest source of learning.” -*Bill Gates*

3

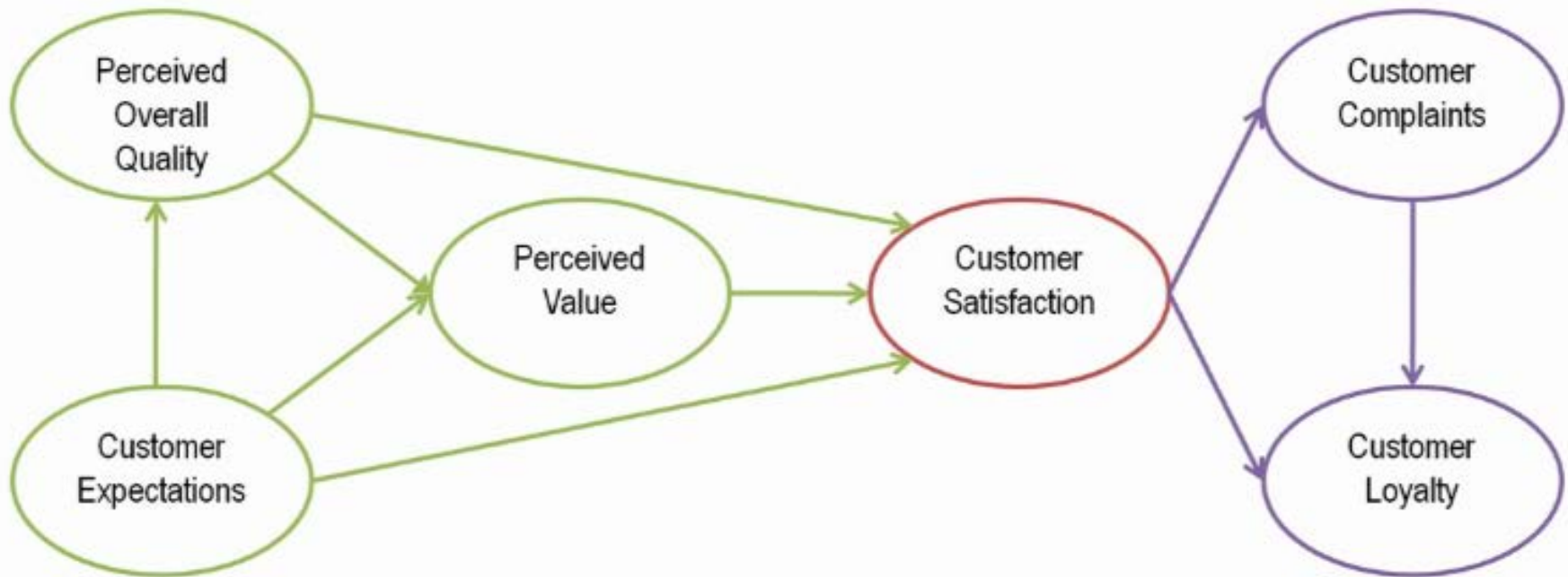




# Voice of the Customer

Measure your organization's performance through your customers eyes

3



# Get Change Started

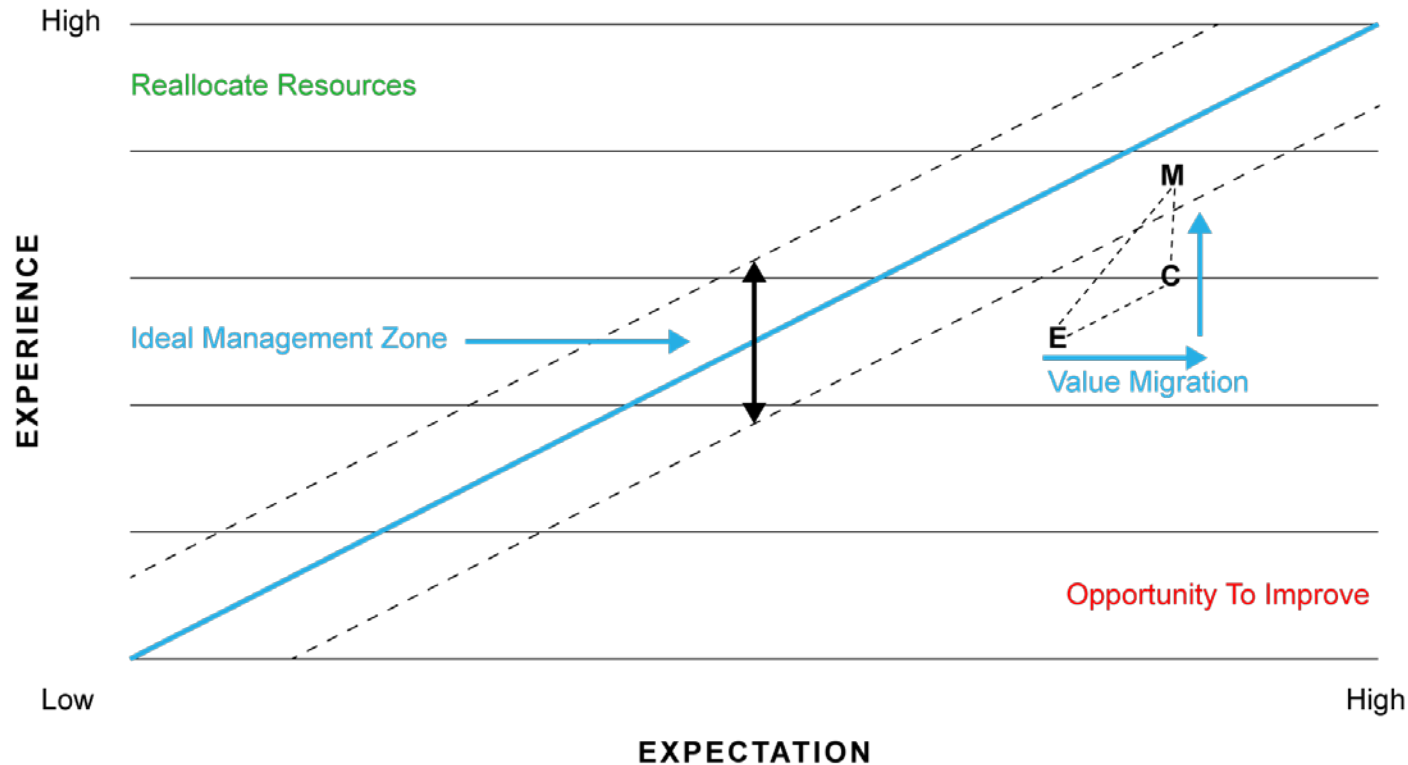
Determine what will be measured and why

3

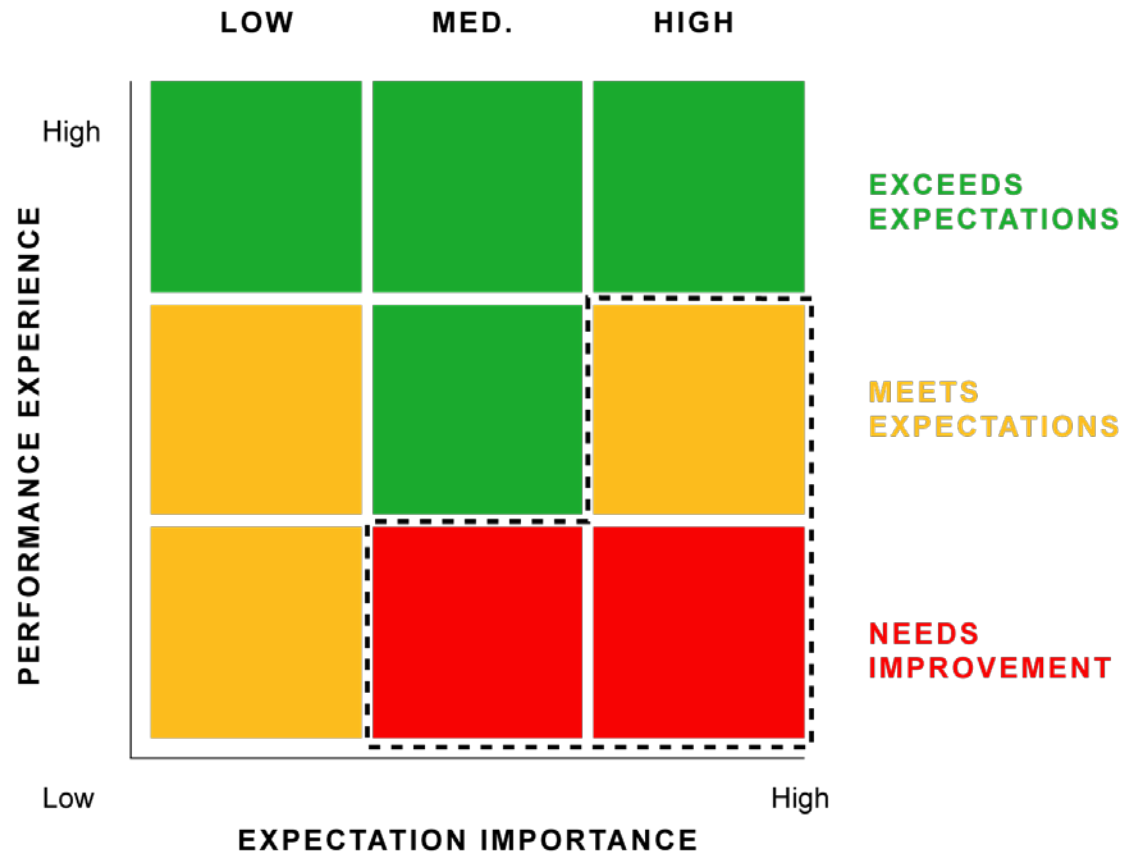
1. Performance Matrix
2. Net Promoter Score
3. Customer Feedback



# Performance Matrix: Customer Experience / Expectation Index (E/EI)



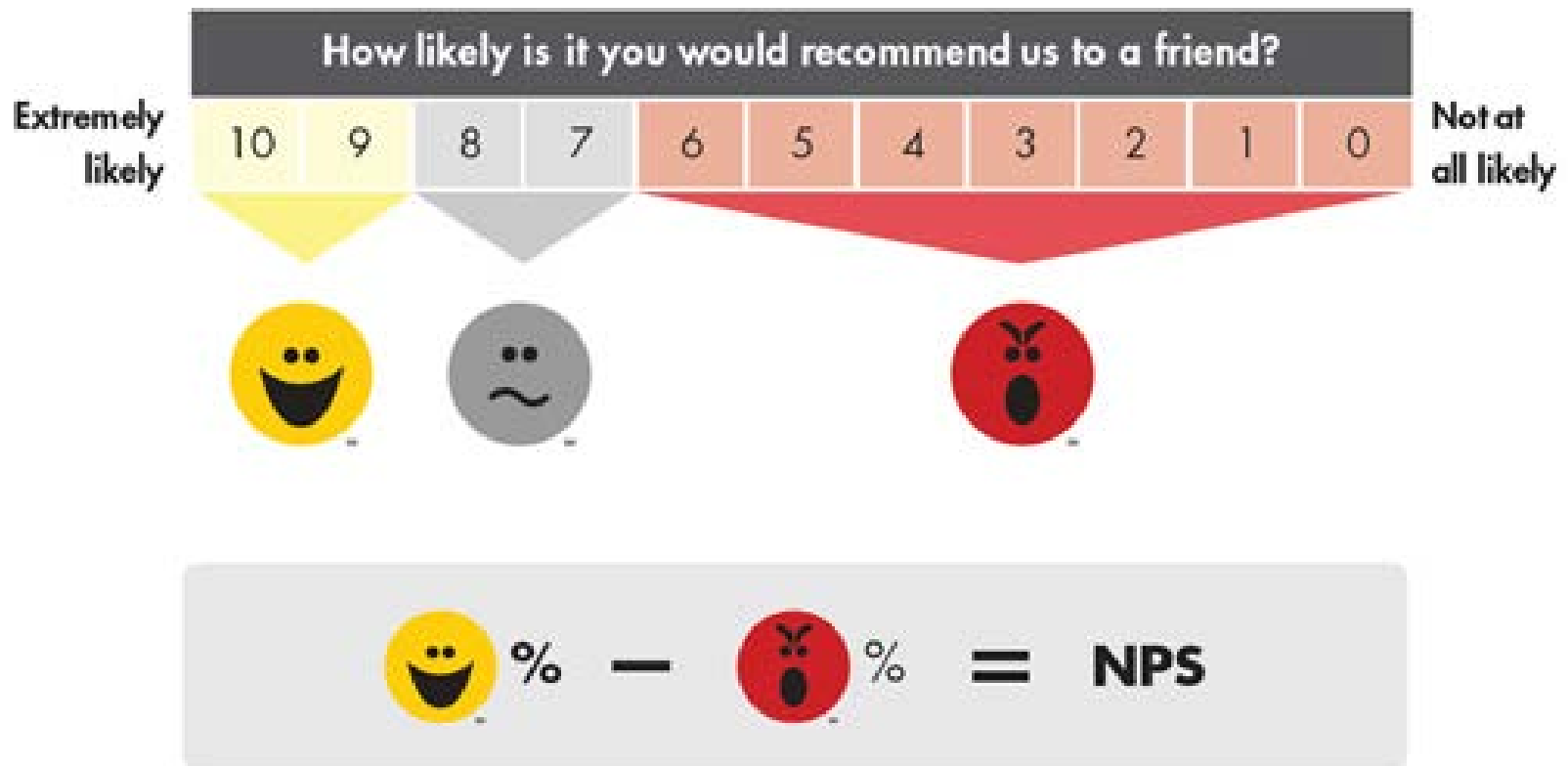
# Performance Matrix: Opportunity for Improvement



# Net Promoter Score

## The Ultimate Question!

3



# Customer Feedback

3

*“I appreciate your time to ask these questions, that I may even have some input. But, I believe your employees are very well knowledgeable and well trained, which makes my job that much easier, and convenient. Keep up the satisfying work you all provide.” – Real Customer*

*“Better communication. When I send an email with a request, acknowledge the email promptly. If you are unable to fulfill my request right away, let me know when I can expect it. I at least need to know the request has been received.” – Real Customer*

*“Go to Hell” – Real (most likely ex-) Anonymous Customer*

**How was your experience?  
Tell us how we did.**



**CLICK HERE**

# Be Agile and Enable Others

3



## The Agile: Scrum Framework at a glance

Inputs from Executives,  
Team, Stakeholders,  
Customers, Users



Product Owner



The Team



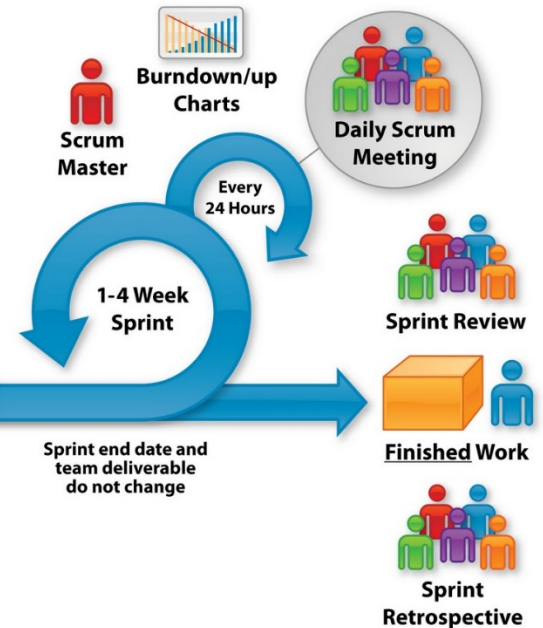
Product Backlog

Team selects starting at top as much as it can commit to deliver by end of Sprint

Sprint Planning Meeting



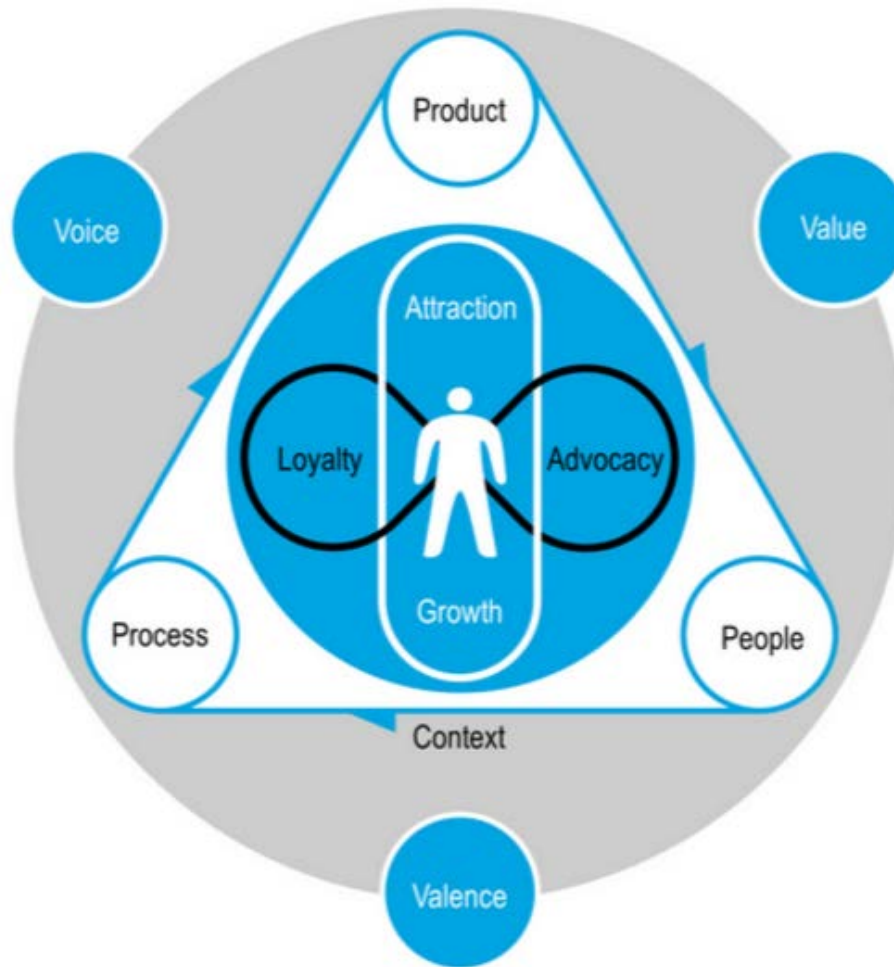
Sprint end date and team deliverable do not change





# A new way forward...

3



“Two simple words that can take you far in life:  
“Thank you.” Don’t underestimate their power.”  
- Jaclyn McNeil

3



# Questions



Paul St. Germain



Wholesale Distribution Industry Leader

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