



## Complex Pricing, Quoting, Estimating Successes

<p><b>Bookmark 731.3</b></p>  <p><b>Mike Fairbairn</b></p>	<p><b>\$560 Million Division, Engineered Pumps, Valves, Systems, Services for Oil &amp; Gas Confidential Client</b></p>	<p><b>Grew Operating Profit from \$14 million to \$120 million/year Through Disciplined Sales Quotation Process</b></p>	<p><b>SQP (Sales Quotation Process) Problems Prevented:</b></p> <ul style="list-style-type: none"> <li>• Hidden warranty, In and Out, and other costs</li> <li>• 3rd party commissions cost out of control</li> <li>• Order taken from customer before diligence performed. Must tell customer no or raise price</li> <li>• Negative cash flow</li> <li>• Reduced major risks such as Liquidated Damages</li> <li>• "1,000 page contract that gets signed, but not really read or understood"</li> </ul> <p><b>SQP (Sales Quotation Process.) Resulted in dramatic improvements in margin, forecast accuracy, change order payments. Big reduction in legal risks, "surprise costs" over 10 years. Average Order \$2.4-\$7 million. Average 500+ Orders Per Year. 30% Close Rate</b></p> <p><b>SQP RESULTS:</b></p> <ul style="list-style-type: none"> <li>- <b>50% ACCURACY IMPROVEMENT IN SALES PIPELINE</b>, Revenue, Margin Forecast</li> <li>- <b>5-10% MARGIN INCREASE</b></li> <li>- <b>15%+ IMPROVEMENT IN GETTING PAID FOR CHANGE</b></li> </ul>
---	---	---	---


			<p><b>ORDERS</b> because tracked against better specification, defined as billable earlier in sales cycle, better baseline to enforce change order payment</p> <p><b>- 25%+ REDUCTION IN SURPRISE COSTS</b> In first year due to reduced risk in Warranty, In and Out, Technical Application and Scope of Supply costs</p> <p><b>- SAYING 'NO' TO BAD BUSINESS</b>, Negotiating Better Terms: Increased from near 0 to 3 big quotes per month sent back for negotiating improved terms</p> <p><b>- REDUCTION IN CATASTROPHIC LEGAL RISK:</b> A single mistake on a small \$500,000 order can bankrupt the company. e.g. "A mistake with Shell will cost you \$2 million in a heartbeat"</p> <p><b>SQP Key Lessons:</b></p> <ul style="list-style-type: none"> <li>• <b>NEED, DEADLINES drove much of the success:</b> Acquired and start up business units had no systems, <b>critical deadlines, had to make transition as fast as possible</b></li> <li>• Choice was between simple, PC based solution at \$100,000 per business unit and SAP/Oracle solutions at \$1 million+ per business unit</li> <li>• <b>First implementation was hard, difficult but resulted in blueprint</b> that could be replicated for next seven. Critical issues that had to be worked through: <ul style="list-style-type: none"> <li>○ Item Master</li> <li>○ Chart of Accounts</li> </ul> </li> </ul>
--	--	--	--

			<ul style="list-style-type: none"> <li>○ Division financial rollups / consolidations</li> <li>○ Standard Cost and Cost Accounting</li> <li>○ Bills of Material</li> <li>○ Taxes</li> <li>○ Customer Management</li> </ul> <ul style="list-style-type: none"> <li>● <b>Decided to use simple software because most difficult part was going from no automated system to an automated system.</b> Chose to tackle this learning curve first, switch to more complex system later (turned out was not needed.)</li> <li>● MRP component worked well</li> <li>● <b>NO CUSTOMIZATION</b> of software except for tax jurisdictions</li> <li>● Customizations were thoroughly documented to allow software to be upgraded. <b>AVOIDED THE TRAP of undocumented customization causing extreme cost, delay of software upgrades</b></li> <li>● Capacity Planning was only component that was never successfully</li> </ul>
--	--	--	---


			resolved and standardized
--	--	--	---------------------------


<p><b>Bookmark 3.7</b></p>  <p><b>Tom Ingram</b></p>	<p><b>\$750,000 Million Business Services Firm, Broker Confidential Client</b></p>	<p><b>\$2.5 Million Savings, \$10 Million Sales Gain from Improved Pricing, Quoting, Estimating Process</b></p> <p><b>Removed 250,000 Chances to Make a Mistake</b></p> <p><b>Freed Up 63,000 Sales and Support Hours Per Year</b></p> <p><b>Consolidation Of Sales Processes from Nine Acquisitions Pays Off</b></p> <p><b>Complexity Increasing</b></p>	<p><u>Before</u> 200+ step process  <u>After</u> Reduced to 64 core steps <a href="#">CLICK for Case Study</a></p> <p><b>Summary of Key Optimized Actions for Existing Products (90% of Sales Activity):</b></p> <ul style="list-style-type: none"> <li>• <b>Post Promotion/Discount Analysis:</b> Focused, disciplined, data based (no excuses). Promo/Discount sell what expected? Reconcile with trade funds system.</li> <li>• <b>Annual / Quarterly Promotion Planning with Customer:</b> Plan joint calendar (on facts, not demands.) Build execution of shipment, stocking, promotion into plan with ACTION to confirm weak / at risk components. Promo, pricing concessions evaluated, agreed, signoff.</li> <li>• <b>Day to Day Promotion Execution:</b> Monthly, weekly execution of plan and adjustments including Temporary Price Concessions, Ads, Displays, Major Promotion Execution, Discontinued Items.</li> <li>• <b>Promotion / Discount Request System, Other Systems:</b> Self entered by customer or rep, minimum 5 day lead team, contract request minimum items, entered, approved. Contract available to customer on web site (as reminder). Details to other systems for setup. Final QA review.</li> <li>• <b>Selling to Distribution, End Customers:</b> Selling takes place, pulls orders through, execution consistent. Reps enter into end customer systems.</li> </ul>
---	--	---	--


			<ul style="list-style-type: none"> <li>• New Product Introduction similar but substantially more research, diligence, test marketing jointly with customer.</li> <li>• “Did we make money on that customer last year?” (Key question answered) <ul style="list-style-type: none"> <li>○ Required white-collar time tracking, services costing</li> </ul> </li> <li>• Customer service department dramatically improves working relationship with field business units</li> <li>• 80% reduction in email in one business unit</li> <li>• Clear on who performing well, who not</li> <li>• Improved Differentiation, Perception of Value-Added by Customers</li> <li>• Huge buy-in from system users because they helped design</li> <li>• Excellence breeding excellence: Doing this well multiplied the efforts of other functions – saw improvement possible and rewarded</li> </ul>
--	--	--	---


<p><b>Bookmark 3.13</b></p>  <p><b>Tom Ingram</b></p>	<p><b>Casualty Insurance Property Replacement Firm Confidential Client</b></p>	<p><b>Pricing, Quoting, Order Processing Reduced from 5 Days to 1 1/2 Days</b></p> <p>75 Step Process Reduced to 40 Step Primary Process</p> <p>60% of Price Quotes Handled by 40 Step Process,</p>	<ul style="list-style-type: none"> <li>• <u><a href="#">CLICK for Case Study</a></u> See BEFORE and AFTER</li> <li>• Orders between 15% and 25% gross profit skipped approval, executed immediately</li> <li>• Cost of quoting and processing an order quickly identified as \$55. Immediately stopped taking orders with less than \$100 gross profit.</li> <li>• Determined bulk purchasing not always best. Shifted to minimum quantity or drop ship</li> <li>• Removed double entry into two systems, numerous problems, failure to balance</li> <li>• Credit risk significant so accurate information prevented credit losses</li> </ul>
--	--	---	---


		No Approval Required	<ul style="list-style-type: none"> <li>• Payment on facts, not “who screamed the loudest”</li> <li>• <b>Cost of Errors: Demonstrated that one error cost the entire profit of an order – or more</b></li> <li>• <b>Made salespeople responsible for accurate pricing, quoting, estimating, data entry</b></li> <li>• Removed four unneeded control steps for 60% of orders</li> </ul>
--	--	----------------------	---


<p><b>Bookmark 902.1</b></p>  <p><b>Sam Devens</b></p>	<p><b>CECO Environmental</b> Air Pollution Control Technology, Products And Services</p>	<p><b>Grew Organic Sales 29% in Two Years, Overall Revenue by 10% to \$400 Million, while Increasing Profit 10%</b></p> <p><b>Reversed 5% Annual Organic Sales Decline</b></p> <p><b>70% of Sales Engineered to Order</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Simplified business systems, operational transformation, operating rigor</li> <li>• Refocused on long term growth markets, three divestitures, two acquisitions.</li> <li>• Upgraded talent throughout organization</li> <li>• Sales club, incentives, special treatment of sales people (despite pushback from manufacturing and other parts of organization – decided results worth the friction)</li> </ul>
---	--	---	---

<p><b>Bookmark 902.2</b></p>  <p><b>Sam Devens</b></p>	<p><b>International Battery</b> Lithium-Ion Batteries And Systems For Large Energy Storage</p> <p>Private Equity Owned</p>	<p><b>Changed Sales Execution to “Value / Market Pricing for Strategic Customers”</b></p> <p><b>Reduced Cash Burn Rate By 20%</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Led thinking away from “technology – cost” focus to Vale</li> <li>• Optimized operations, delivered cost savings</li> </ul>
---	--	---	--

<p><b>Bookmark 902.3</b></p>  <p><b>Sam Devens</b></p>	<p><b>Siemens Energy &amp; Automation, Inc</b></p>	<p><b>70% of Revenues from Services</b></p> <p><b>Improved Profit by \$100 Million in 2007, Grew to \$3.7 Billion in Sales, \$307 Million in Cash Flow, \$233M EBIT</b></p> <p><b>Delivered \$3.9B Sales, \$290M EBIT And \$428M Cash Flow In 2008</b></p> <p><b>Managed Business During 2009 Economic Crisis to Within 1% Of Pre-Crisis Targeted EBIT Margin</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• overarching business performance improvement plan</li> <li>• new go-to-market benchmarks and organizational culture changes centered on customer value, leadership integrity, and disciplined execution.</li> <li>• Solved Costing Data problem. Aluminum costs skyrocketing but costing data not keeping pace</li> </ul>
---	--	---	--

<p><b>Bookmark 902.4</b></p>  <p><b>Sam Devens</b></p>	<p><b>Siemens Factory Automation Sensors</b></p>	<p><b>Formed \$100M Factory Automation Sensors Business</b></p> <p><b>Secured Major Customers: Metro, General Motors</b></p> <p><b>Gained Foothold In Emerging Markets</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Led major developments in RFID technologies for manufacturing and supply chain applications.</li> <li>•</li> </ul>
---	--	--	---

<p><b>Bookmark 902.5</b></p>  <p><b>Sam Devens</b></p>	<p><b>Siemens Power Distribution &amp; Controls Division</b></p> <p>\$700 Million, 3000-employee North American division</p>	<p><b>Top-Performing Business Unit For 2 of 3 Years, #1 In Customer Service</b></p> <p><b>1.5% Market Share Gain</b></p> <p>Increased Margins In Down Market</p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Segment-specific strategy / sales / marketing plan</li> <li>• Developed / introduced several new product families</li> <li>• Restructured in response to 9/11 and dot-com downturn.</li> <li>• Relocated 25% of US production to Mexico resulting in \$30 Million cost / productivity savings, \$45 Million additional savings identified</li> </ul>
---	--	--	---

<p><b>Bookmark 902.6</b></p>  <p><b>Sam Devens</b></p>	<p><b>Thomas &amp; Betts</b></p> <p>\$2 Billion Electrical Products, HVAC Equipment And Transmission Towers</p> <p>Lighting, Premise Wiring, Cabletray, Utility Divisions, Power Connectors, Electrical Products, Meter Sockets</p>	<p><b>Led \$400 million unit with 14 plants through 4 Acquisitions, Growing by \$240 million.</b></p> <p><b>Grew Component Sales 12% While Maintaining Margins</b></p> <p><b>\$4M Profit Improvement While Reorganizing \$100 Million Steel Structures Unit</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Decisive Leadership</li> <li>• Moved Business Strategy and Sales / Marketing away from Cost-Plus toward “Value / Market pricing”</li> <li>• New Product Innovation</li> <li>• Targeted Marketing</li> <li>• Operational Consolidation and Shift To Low Cost Manufacturing.</li> <li>• Credit Losses From Growth Overemphasis: Fixed problem of credit losses to 2nd largest customer</li> </ul>
--	---	---	--

<p><b>Bookmark 902.7</b></p>	<p><b>General Electric</b></p>	<p><b>Product Manager For The \$150 Million Electrical</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>• Improved Competitive Position</li> <li>• Major Customer Wins</li> </ul>
------------------------------	--------------------------------	--	--





**Sam  
Devens**

**Electrical  
Distribution,  
Switchgear,  
Controls,  
Nuclear  
Power**

**Switchgear  
Business**

**~\$10 Million  
in  
Incremental  
Sales,  
leading to  
\$100M In  
Related  
Equipment  
Sales**

**Value  
Pricing /  
Marketing  
Shift for  
Integrated  
Electronic  
Solutions**

- **Working Across Boundaries**
- **Shift The Value Approach To Integrated Electronic Solutions**
- **Led Newly Integrated Business Team And New Product Development Group To Regain Leadership In Power Management Systems**

**GREAT STORY, WHERE HAD BIGGEST IMPACT?**



How can we get to Value / Market based pricing - Move away from Cost-plus pricing?


- Often all you know is cost
- E.g. “Last time we bid a 32% markup and lost the sale. This time we’ll bid 27%”
- Must think really hard about:
  - Competition – every aspect, will they cheat?
  - Will customer pay a premium to work with us? How much? Why?

**LEARNED THE RIGHT QUESTIONS TO FOCUS ON**


1. **How can we get to Value / Market based pricing - move away from cost-plus pricing?**
2. **How do we get to Organic growth – away from Acquisition only growth?**
3. **Are we Growth focused or “Cost-out / Productivity” focused?**
4. **Is Costing Data Right? Hidden costs?**
5. **Is Engineered to Order (Long cycle) or Make to Stock (Short cycle) business better for us? What is Right Mix?**
6. **What Culture / Mindset / Leadership Issues Really Matter? Where focus?**



			<p>7. <b>What Sales Competence Issues Really Matter? Are Actionable? Where focus?</b></p> <p>8. <b>Where Can I Find More Margin in Engineered to Order (Long Cycle) Sales? (Reduce costs, keep margin?)</b></p> <p>9. <b>Is Distribution Channel Earning Their Pay? Do We Understand Our True Cost of Sales? Can We Rework / Improve Significantly?</b></p> <p>10. <b>What disciplines must be in place? How will Leadership reinforce and sustain, preventing snap-back to BEFORE state?</b></p> <p>11. <b>How get to cooperative, high performance leadership?</b></p>
--	--	--	--

<p>903.1</p>  <p>Hal Turner</p>	 <p><b>MOTOROLA</b></p> <p><b>\$100 Million Subsidiary</b></p> <p><b>Complex Video Solutions for Law Enforcement</b></p>	<p><b>\$5 million savings From Error Reduction in Complex Orders</b></p> <p><b>Reduced Material Errors from 15% to 5% of Orders over 10 years</b></p> <p><b>Disciplined Sales Accountability, Costing Results in Big Improvement without Big System Costs</b></p>	<p><b>Project Quotation</b></p> <p><b>Problem:</b> Sales not knowing proper parts to sell, results in order errors, too many parts shipped, air shipments, often giving away parts for customer satisfaction and preventing implementation delay. Sales not incented to do order right, would move on to next sale.</p> <p><b>Solution:</b> Immediate: Strong discipline, accountability for sales people. Saying NO to bad business. Increased customer service rep numbers, skills, systems. Laid groundwork for Quoting System to prevent misquoting. Serious effort in labor cost rollup and loading.</p> <ul style="list-style-type: none"> <li>• Average complex orders over \$20,000, grew to 500 orders/year. \$5 million+ savings over 10 years.</li> </ul>
--	--	---	--


<p><b>Bookmark 906.1</b></p>  <p><b>Ed Matthews</b></p>	<p><b>Alcatel-Lucent</b></p> <p>\$9 Billion Americas Division, Advanced Cell, Microwave, Optical Networks for Telephone Carriers</p>	<p><b>\$27 Billion in Proposals Created, \$9 Billion in Proposals CLOSED in One Year</b></p> <p><b>20% Reduction in Proposal Creation Time</b></p> <p><b>Maintained 50%+ gross margins</b></p> <p>17% Increase in Orders from New Customers / Products Two Years</p> <p><b>15% Of Revenues From Services On Average</b></p> <p><b>25+% Of Orders From Services On Average</b></p> <p>Accomplished through <b>DISCIPLINED MANUAL SYSTEM - BETTER FOR THIS SITUATION.</b></p> <p>Did not waste time on IT solution.</p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>- Insisting that Sales' strategy is sound, discounts, concessions necessary (not just path of least resistance)</li> <li>- Strictly controlled Sales organization's desire to cut price, just close sale and move on</li> <li>- Controlled and authorized "give-aways" to aid closing sales</li> <li>- Right people reviewing the costs are right level of detail</li> <li>- Sales accountable for setting correct expectation. E.g. price not final until tower site survey completed</li> <li>- Documented, comprehensive approach so all signoff (sales, manufacturing, engineering, installation, business unit, client, legal)</li> <li>- Big Reduction in Surprise Costs: (e.g. warranty, un-estimated components/services, bad costing data)</li> <li>- Reduced Legal risks (e.g. standard contract and legal at the table for review)</li> <li>- Got Paid for change orders instead of absorbing</li> </ul> <ul style="list-style-type: none"> <li>• - Saying NO to Bad Business</li> </ul>
--	--	---	--

<p><b>Bookmark 906.2</b></p>	<p><b>Alcatel-Lucent (Nokia)</b></p>	<p><b>Led Pricing Team for \$3 Billion AT&amp;T U-</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>- Insisting that Sales' strategy is sound, discounts,</li> </ul>
------------------------------	--------------------------------------	--	---



	<p>Advanced Wireless, IP, Microwave, Optical, Fixed Access, Installation, and Professional Services for Telecom Carriers located in North America Professional Services</p>	<p><b>verse and \$3.5 Billion Verizon FIOS Wins</b></p>	<p>concessions necessary (not just path of least resistance)</p>
<p><b>Ed Matthews</b></p>		<p><b>Penetrated Billion Dollar Client Programs</b></p>	<ul style="list-style-type: none"> <li>- Strictly controlled Sales organization's desire to cut price, just close sale and move on</li> </ul>
		<p><b>Improved Margins 2% through Disciplined Price, Quote, Estimate Process</b></p>	<ul style="list-style-type: none"> <li>- Controlled and authorized "give-aways" to aid closing sales</li> </ul>
		<p><b>A DISCIPLINED MANUAL SYSTEM WAS BETTER IN THIS SITUATION.</b></p>	<ul style="list-style-type: none"> <li>- Right people reviewing the costs are right level of detail</li> <li>- Sales accountable for setting correct expectation. E.g. price not final until tower site survey completed</li> </ul>
		<p>Did not waste time on IT solution.</p>	<ul style="list-style-type: none"> <li>- Documented, comprehensive product / service pricing approach so all signoff (sales, manufacturing, engineering, installation, business unit, client, legal)</li> </ul>
			<ul style="list-style-type: none"> <li>- Big Reduction in Surprise Costs: (e.g. warranty, un-estimated components/services, bad costing data)</li> <li>- Reduced Legal risks (e.g. standard contract and legal at the table for review)</li> <li>- Got Paid for change orders instead of absorbing</li> </ul>
			<ul style="list-style-type: none"> <li>• - Saying NO to Bad Business</li> </ul>

<p><b>Bookmark 905.1</b></p>		<p><b>\$5 Million Savings + Profit Over 5 Years from Solving Complex Estimating, Pricing, Quoting</b></p>	<p>How Results Achieved: Details on request</p>
	<p><b>\$12 Billion Manufacturer of Electronic Connectors</b></p>	<p><b>Key: Set Tiers of Quote Due Dates Based on Complexity, Dollar Size.</b></p>	<ul style="list-style-type: none"> <li>•</li> </ul>


		<p><b>E.g. Easy Quotes Due in ½ Day, Medium in 2 Days, Complex in 5 Days, Very Complex in 10 Days.</b></p> <p>Labor Savings Came from Not Expediting Everything – 80% Of Quotes Follow Standard Path, Freed Up Time for More Sales</p>	
--	--	--	--

<p><b>Bookmark 907</b></p>  <p><b>Lori Davis</b></p>	<p><b>Johnson &amp; Johnson</b> <b>Medtronic</b> <b>Cardinal Health</b> <b>AT&amp;T</b> <b>Microelectronics</b> <b>Siemens</b> <b>Texas Instruments</b> <b>Bell Labs</b> <b>IBM</b></p> <p>(Clients and employers over long career)</p>	<p><b>Complex Pricing, Quoting, Estimating Successes:</b></p> <p><b>Reduced Errors That Eat Up Margins: Eliminated Electronic Device Failure Rate Due To Improper Gate Thresholds</b></p> <p><b>Reduced Surprise Costs through Defect Reduction Program Which Tripled Yields For Memory Product</b></p> <p><b>Pricing Model Updated to Show Actual Project Cost</b></p> <p><b>40% Margin Improvement from eCommerce Solution Permitting High Volume Sales Direct to Customer</b></p>	<p><b>How Results Achieved:</b> Details available on request. Lori is a special case – has been implementing these systems for decades.</p> <p>Lori’s experience demonstrates how many areas, functions and systems are involved in solving the <b>Complex Pricing, Quoting, Estimating Problem</b></p> <ul style="list-style-type: none"> <li>•</li> </ul>
--	---	--	---

		<p><b>Eliminated double entry of Orders for Dielectric Material</b></p> <p><b>Made Orders Visible to Sales Reps</b></p>	
--	--	---	--

<p><b>Bookmark 908</b></p>  <p><b>Susan Matthews</b></p>	 <p><b>\$4 Billion Manufacturer of Electronic Audio Video Control Systems</b></p>	<p><b>6% Margin Improvement in 12 Months from Solving Complex Quoting, Estimating, Pricing Problem</b></p> <p><b>Reseller Confidence Won Back by Restoring Confidence In Quoting / Delivery System</b></p> <p><b>Close Ratio Improved from 1 / 5 to 2 / 5 for \$10,000+ Orders in 18 months</b></p> <p><b>Forecast Improvements Gave Operations 80% Confidence In What to Build / Buy</b></p> <p><b>Increased No Discount / Low Discount Sales: Changed Comp Plan From 100% Revenue to Revenue + Margin</b></p> <p><b>Obsolete Inventory Reduced from \$90 million to \$20M through improved Forecasting and Sales of Slow Moving Inventory</b></p>	<p><b>How Results Were Produced, Some Keys:</b></p> <p><b>PROBLEM:</b></p> <ul style="list-style-type: none"> <li>- Comprehensive quotation process overhaul needed to eliminate hidden pre-sales / non-approved discounts (margin erosion), finance audit issues for discount approvals, delays in entering orders due to pricing issues and SKU availability.</li> <li>- Sales team and channel partners lost confidence in negotiated price approval or product delivery on time</li> </ul> <p><b>SOLUTION:</b></p> <ul style="list-style-type: none"> <li>- Automated quote system implemented with focus on SKU availability, forecasting, tiered confidence rating, audit trail on discount requests, emphasis on fulfillment as promised</li> <li>- Gave sales channel a system they had confidence in: What skus are available? What is margin? Will all key parts needed for sale / installation available for project schedule?</li> <li>- Prevented miss-shipments</li> <li>- Reduce steps with change orders</li> <li>- Protected margins and quick shipment during the Discount Request process</li> </ul> <ul style="list-style-type: none"> <li>• - Automated tiered / rapid approval of different discount levels</li> </ul>
---	--	---	--

		<p><b>“Customer Win-Backs”:</b> Reduced frequency and expense win-back discounts.</p> <p><b>Disciplined Discount Process with Transparency to Finance and Audit</b></p> <p><b>Early Cash Collection and Up Front Collection Improved</b></p>	
--	--	--	--

<p><b>Bookmark 909</b></p>  <p><b>Neal Cardone</b></p>	<p><b>Emerson Automation Solutions</b></p> <p><b>Electronic and Mechanical Automation for Electric Utilities, Oil &amp; Gas, Energy</b></p> <p>Includes results from previous employers</p>	<p><b>Operating Profit Increase by 2.5.%, Eventually from 24% to 28% (personally led)</b></p> <p><b>Reduced Quote Lead Time from Six Weeks to Eight Hours for Configure to Order, Engineer to Order Products</b></p> <p><b>How to Keep Margins High: Learned When Possible, When Not</b></p> <p><b>Reduced Product Development Time from Two Years to One Year (avg).</b></p> <p><b>E.g. Seven Product Iterations and Out The Door As Production Part In 4 Months while</b></p>	<p><b>How Results Achieved:</b></p> <ul style="list-style-type: none"> <li>- Banned use of older, legacy, high volume, low configure product development system, required product development system to match low volume, highly configured growth / higher margin products requiring rapid config by customers</li> <li>- Decreased staff 20%</li> <li>- Increased productivity 25% by rearranging workflow, prioritizing</li> <li>- \$10 million sales gain with Marketing Safety Products to Indian Oil &amp; Gas companies, plus big reduction in accidents</li> <li>- Pulled through \$15 million in sales by redesign of flagship product</li> <li>- <b>How To Keep Margins High:</b> Learned possible to keep margins up if can deliver on time, provide Support, Other value add - e.g. specifications, training, instructions online, available. If cannot deliver on time and provide other value margins will spiral down. Hardest part: Convincing senior management that a product, on its own technology, cannot justify it's price.</li> </ul>
--	---	---	---

		<p><b>Maintaining Hazardous Rating</b></p> <p><b>Formal Screening, Qualifying of Sales Proposals – Reduced Time Wasted</b></p> <p><b>IT Barriers To Rapid Quoting And Sale: Required Key System Rework. Had To Get Tough, Demand Resolution</b></p>	<p>- Restructured configure to order, changed personnel, dramatic shortening of lead times</p> <p>- Consolidated product line after excessive acquisitions</p> <p>- Six Sigma, Continuous Improvement</p> <ul style="list-style-type: none"><li>•</li></ul>
--	--	---	---