

The Lead that died



Once upon a time not so long ago, there was an account that had never used adhesive before. It was a very unique, one-of-kind packaging equipment line. The number of boxes it made wasn't high, but the boxes themselves were huge. Each contained over 1,000 linear inches of glue.

On the lines there were four different hot melt units. The line was set up, tested, and specked with National. National even had a signed agreement for four 3D auto-feed systems to go with it.

All this was accomplished over the phone with the potential customer by PAS and BDG. The sales rep was alerted, and there was plenty of time.

The Business Development Group waited for the start-up. As time

went on, they continued to call the sales rep to find out when orders would be coming in. Finally, the OEM informed BDG that the erector/sealer was using someone else's glue.

The National Adhesive sales rep hadn't called the account. He assumed that everything was taken care of already, so there was no need to go in. A competitive distributor went, and said, "I want your business. I'm here."

The customer switched from National's product to a competitive glue and stayed with it because of the distributor's relationship.

The account was worth 250,000 lbs. a year. It still is. And it's still gone, gone, gone. ■

Botts' Corner

interview with
Debbie Botts

As the in-house detective of BDG, **Debbie Botts**, researches all OEM leads. Here, Debbie explains how she makes leads more valuable before they arrive in your e-mail.

What kind of information do you look for?

When we get the leads from the OEMs, I immediately make calls to get information and possibly set up an appointment. I try to determine what type of operation they have, the kind of glue they use, and if they have other lines. I want to know what they manufacture, the number of shifts, current adhesive usage, and if our adhesive was specked with the machine.

Do you have any advice regarding these leads?

Usually the leads are very good and very hot. They represent new machinery and we know that they're going to use glue. It's a great opportunity for us to get in there and sell them our products and our solution.

I try to set up an appointment and give the reps much information as I can. I'll usually set up the appointment two weeks out, so the rep has time to coordinate his or her schedule around the appointment.

Some reps jump right on the leads and try to get in there to close the business. Others may have so much on their plate already that they don't think leads are a priority.

I want the sales force to know that I'm here to help. The time I spend is time the sales rep won't have to spend. If they want me to continue to calling to an account and to help push it, I'm glad to. I'm here to move it along to a sale.

You are also the reporter when it comes to follow up. How do you keep track?

Follow-up information from the sales channels to me is essential, because without it, the reports show no progress on the machine leads. I need feedback on two items:

First, what is the annual dollar value of the lead? For new business, that's the annual dollar value of the adhesives used at this account. For existing business, that's the annual dollar value of the adhesives used on this line.

Second, what is the current status? Designate the account as a "Prospect" if the account is not interested at this time, so we can regenerate or rechannel the lead. Designate the account as "Active" if the account has interest and the sales process is in the works (but be sure to update me when the status changes). And, finally, designate the account as "Current" if - good news! - the sale has closed. ■

leadingedge

Newsletter for the Machine Leads



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Welcome to the first issue of **leadingedge**

This newsletter will help you maximize your return on the most valuable sales tool we offer: machine leads.

Machine leads are pure gold.

They hot, they're active and they're opportunities to gain business quickly. But there's a catch. If they aren't followed up quickly, they die... and the opportunities are lost... sometimes forever.

The need for these leads is greater than ever before. Right now, National Adhesives is growing in dollars but not in pounds. Growth is flat. Having profitability growth without pounds growth and increased market share is not healthy. This year, National wants to see both top line and bottom line growth. To maintain financial health, we've got to get new business.

The Business Development Group (BDG) builds relationships with major OEMs and AEMs and creates a preference for National's products. Our goal is to gather information on new equipment placements and create a competitive edge for National. We get OEMs to use our glue as a testing vehicle, we get them to tell us where new equipment is going, and we deliver that information to you as a lead on new equipment placement, replacement equipment placement or a new point of usage.

Because we know your time is valuable, the lead you receive has already been researched. Debbie Botts calls each and every one, ensures that it fits the criteria for direct sales and prioritizes it as an "A", "B" or "C" lead.

"A" leads are high priority

Accounts where the equipment is shipping

right now. If you can get in there before set-up, chances are we can keep them running the glue that's already in the tank - usually our glue.

"B" leads

Accounts that will get equipment more than 30 days out. These are opportunities for you to meet prospects and pre-sell before the equipment comes in.

"C" leads

Accounts with equipment that have shipped, have been in the location for some time and are up and running. These are good for your prospect list.

Contact by the sales force is the most crucial part of this process. You are the key to successful closure of these leads and to the growth of our business.

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BRC

National Adhesives
A National Starch & Chemical Business

National Starch and Chemical Company is dedicated to meeting the needs and expectations of customers without compromising its commitment to sustainability. National Starch supports sustainability through its continuous efforts to improve the safety, health and environment of the communities in which it operates.

For detailed information on National Starch's sustainability program, visit www.nationalstarch.com. The information given and the recommendations made herein are based on our research and are believed to be accurate but no guarantee of their accuracy is made. In every case we urge and recommend that purchasers, before using any product in full scale production, make their own tests to determine to their own satisfaction whether the product is of acceptable quality and is suitable for their particular purposes under their own operating conditions. No representative of ours has any authority to waive or change the foregoing provisions but, subject to such provisions, our engineers are available to assist purchasers in adapting our products to their needs and to the circumstances prevailing in their business. Nothing contained herein shall be construed to imply the nonexistence of any relevant patents or to constitute a permission, inducement or recommendation to practice any invention covered by any patent, without the authority from the owner of this patent. We also expect purchasers to use our products in accordance with the guiding principles of the American Chemistry Council's Responsible Care® program.

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Follow up reporting is also very important.

Writing an e-mail to Debbie Botts with the following information is all we ask:

- What is the status of the account?
- What is the annual value of the machine lead?

If we have the business, what is the annual value of the adhesives used on this line?

If we do not have the business, what is the annual value of the adhesives used at this account?

The goal of these leads is new business, and the focus is on closing these leads. The 2008 goal is to close at least 30% of machine leads for new business, resulting in annual

“Machine leads open the door to new accounts and help protect existing accounts.

These leads can translate into sales wins representing, in many cases, six figures, plus.”

... Scott Williams, Business Development Manager



Larry Richter

Larry Richter
Manager - Business Development

sales of at least \$3 million.

A lot of teamwork has gone into getting these leads to you. Enjoy them, and help the rest of the team and yourself by getting new business and telling everyone about it.

How valuable are Machine Leads, Really?



Mark BECKER, Regional Sales Manager >>

Machine leads are our hottest, most real leads because we know the prospect is using glue, and in many cases the prospect is going in with our glue. There's no better time to get somebody's attention. Certificate leads are even better. I've seen both types translate into sales many times. The key is fast follow-up. There has to be a follow-up within days of when the machine arrives.

The biggest hindrance to follow-up is that the lead may not be seen in time. Some sales reps communicate primarily by e-mail, others by cell phone, still others by personal call. It could be a hot OEM lead and I'll fire it out to my team and then everyone trusts that the person they sent it to is going to follow up. The channel's working fine, but that particular day, the sales rep may be traveling and trying to sort through e-mails. I flag them "Urgent" or "Must Read" but try not to overuse those words.

The second hindrance has been following up, not getting return calls, and then getting caught up in day-to-day work. A week or two later, it may be too late. The new system with Debbie Botts doing preliminary research is alleviating this problem. We're able to make a connection and get an appointment with the customer more quickly.

John SEXTRO, SE Regional Sales Manager >>

OEM leads are often our first chance to approach new customers within days of the equipment shipping. The faster we can qualify this lead the better our ability to bring on new business when the opportunity exists. This is when the help of Debbie Botts and the PAS team is essential to pre-qualify each lead and filter it to the appropriate sales channel. Given that everyone's territory grew by 30 to 50% in 2007, the PAS team's qualification of leads is part of our team's territory management. Their effort to size up the lead, find the key decision makers, and set appointments is helpful in our territory management. We look forward to more great leads in 2008.

Tom MEEK, Sales Director North America >>

Machine leads provide a golden opportunity to sell our products to new and existing customers. They are well proven over many years to be the most valuable source of sales lead that the sales organization receives.

In addition, the machine lead program proactively builds a strong relationship and in selected cases a partnership with machine companies we work with. The OEM channel also provides the opportunity to understand trends and activity in our markets. It delivers fantastic insight and intimate customer and market knowledge on how the machine functions regarding adhesive application.

A great example of this is when we recently invested in training for our Book Binding team with Muller Martini. The knowledge and depth of relationship we gain provides a competitive advantage for National in focused markets where we aim to provide specialized knowledge to our customers. This focused effort in OEMs is a win-win that delivers value to the machine company because they have an experienced partner in the field who understands their equipment. Our commitment of resources and experience gives the OEM knowledge and peace of mind. They know they have a safe pair of hands in National Adhesives and that we'll make sure they are well represented from a support and adhesive standpoint with their customers. The machine lead channel provides significant growth opportunities. The Easy Pac program, for example, can be leveraged through the OEM channel creating market push for this profitable Must Grow program. In some cases there are strategic opportunities for joint development work with OEMs.

National is not the only adhesives company working in this channel. Our competitors leverage it with similar support and commitment. We must make sure we take advantage of each and every opportunity. I'm committed to this channel and look forward to more success from the recently implemented lead program process improvements. Sales lead conversion is at the heart of Guard and Grow!

Gary RZONCA, Sales Director - North America - Regional Team >>

Machine Leads are vitally important to our business. They represent guaranteed adhesive usage. Second, they can either help continue to build a fortress account that we already have or can help us gain entry into an account or market that represents opportunity. Third, we are typically familiar with the type of equipment the adhesive is being used on, and we can use that knowledge to make some strong conclusions regarding the account/opportunity. And finally, these opportunities usually lead to, or uncover, other opportunities within a customer site. The lead system was recently improved by a cross-functional team. They combined knowledge gained last year with identified opportunities to improve to refine the process so we can improve the rate and speed of our success rate.

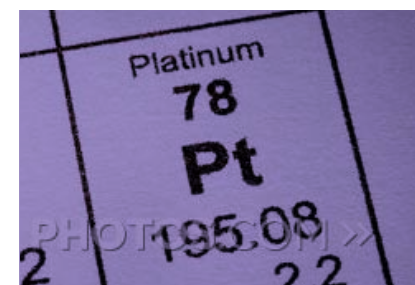
With today's process, we know more about the opportunity than ever, and we know the level of urgency. We also know for certain that the customer uses adhesive and we know the type of equipment they run. Based on the type of equipment, we know some of the machine demands, we usually know the type of adhesive needed, and we know that it has been properly researched and that it is the right opportunity for us to pursue. This results in a great combination for success.

Lee ABRAMS, North American Distribution Manager >>

Some machine leads tell us about a new piece of equipment going in without glue and are opportunities to sell glue. In an ideal situation, the machine is going in with our glue, and keeping our glue is the ultimate goal.

I've seen leads turn into substantial business. We've had situations where a new piece of equipment has gone in and have landed business worth \$100,000 where National wasn't doing any business before.

I can't understand why anyone wouldn't follow up. When people have a lot on their plate, they may lose sight of the opportunity. But if the opportunity is lost, a competitor will get in, just like we'd do to them. ■



The color of Certificates is Platinum

Most machine leads are gold, but certificate leads are platinum.

"Many OEMs offer a certificate from us in advance of machine delivery, good for 300 pounds of National's adhesive," explained Larry Richter. "The certificates are numbered, so we can track them and know when they are redeemed. We try to get the number from the OEM when they ship the equipment, so we can call the account and leverage their opportunity for free adhesive." OEMs like the certificate program because it

offers something special to their customers: free pounds of an adhesive that has already performed in the OEM's manufacturing facility. "They like to be sure there is a quantity on hand so that when the installer comes in there's an adhesive that will work and not cause problems," said Larry.

"We want to be able to reinforce that to the customer," emphasized Scott Williams. "The sales rep can say, 'Your new equipment is coming with 34XXX. The OEM used it because it fits the characteristics of your new machine.

They gave you the certificate so you could have the adhesive ready and waiting. Would you like us to redeem that certificate for you?"

"It's an opportunity to get a foot in the door before the equipment arrives," said Larry. Scott agreed, adding, "The Certificate Program is also a way to show OEMs the benefits of low-temperature technology." ■

The Lead that ROARED



How did one lead turn into \$500,000 worth of business this year? It began when Steve Smith, Sales Rep, received a call from Scott Williams about an opportunity with BDwe Bell & Howell, an equipment company unknown to National. As it turned out, BDwe Bell & Howell was making a machine for Cox Media... a machine to seal envelopes... envelopes that go to millions of households across the U.S... containing Valpac® coupons!

"They were using an HB Fuller product and were having issues with a new application for bonding the coupon envelopes," recalled Steve. "The sides were coming open while the envelopes sat in a tractor trailer before mailing in the Florida heat. They tried other products

and nothing was working." Steve was able to clear his schedule and get to Cox Media the next day. "I looked at what they were doing," he said. "Scott and I got Technical Solutions involved in helping us figure out the right product. Several people helped on the technical side - Karla Dennis, Seth Hyatt, and Jim Laser. Seth came up with a testing program, and we started trialing different adhesives. He and Carla spent quite a bit of time evaluating performance."

According to Steve, teamwork was key. "It was a great effort from everybody, even when it came to setting up the account," he said. "Tina Harney from Customer Relations was great. And Kris Getty really helped push things along with the help of John Meccia. On the R&D

side, there were products that were formulated." "Cox Media had a \$200 million investment in this brand new plant," said Kris, Marketing Director - Envelopes. "They had serious timeframes they were trying to meet. We said we would lend our expertise in adhesive application and in processing and if we solved the problem, we would ask for the adhesive business. Which is exactly what happened."

"We ended up going with an existing product, 34-182B, which we're currently using," continued Steve. "It's performing extremely well."

"Finding out about the opportunity was the catalyst that led to the sale," said Kris. ■

Safety Tip The need for Gun Control

"It's no coincidence that we call a gun a gun," said Ole Eriksen, Sales Development Manager.

"Electric and pneumatic guns containing traditional hot melt must be treated just as cautiously as a firearm.

"If a gun is in active mode when working in or on the machine, there is potential for disaster. The application equipment must be totally disengaged and depressurized before working on the applicator, and the parent machine should be powered off. If that isn't done, your hands, body, face or eyes can be severely burned. The unforeseen can happen. For example, a co-worker could inadvertently fire the gun."

Ole speaks from experience. "I was a victim myself many years ago, and it took the skin on my right hand four or five years to recover." ■

too important to ignore New Points of Usage

In 2007, the Business Development Group defined 198 New Points of Usage, representing 32.5% of all domestic leads. New Points of Usage are accounts not in National's data base. They mean new potential, new opportunities and potential for new business.

Every New Point of Usage lead is researched and pre-qualified by Debbie Botts. "These leads are pure gold," said Scott Williams.

I would like to receive further information on the following:

- something Please have a sales representative call me
 something else

Name _____ Title _____
Company _____
Street _____
City _____ State _____ Zip _____
Phone _____ E-mail _____

Please send LeadingEdge to my colleague at:

Name _____ Title _____
Company _____
Street _____
City _____ State _____ Zip _____
Phone _____ E-mail _____