

Workshop Preparation Kit

for the Workshop

“Using Financial Tips to Build Loyalty”

A Workshop Facilitated by
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Recommended Timeline For the Workshop

12 Weeks or More Before Your Workshop

Schedule and book the workshop with Lodestar. (12 weeks is the suggested minimum time to have a reasonable chance of getting the dates you want. On some occasions, it may be possible to book a workshop on a shorter time frame than this, but the earlier you contact Lodestar, the better are your chances of getting the date(s) you want.)

8 Weeks Prior to the Workshop

Notify your territory managers (TMs) of the coming workshop (if you have not already done so).

e-Mail out the invitation memo (a sample is included in this kit).

If you need to order audio-visual equipment, schedule it now. If you have it on hand, skip this step. Equipment needed: computer projector (VGA, SVGA, or XGA) and screen; flip chart with 1 full pad of paper.

If you decide to hold the workshop off-site, make arrangements for a meeting location. If you go off-site, remember to make arrangements for lunch or dinner (depending on when you decide to start your workshop) and early and late refreshment breaks.

2 Weeks Prior to the Workshop

Remind your TMs of the coming workshop.

(Optional: e-Mail the confirmation notice to all who will be attending. See the sample in this kit.)

1 Week Prior to the Workshop

Print any materials from the master material sent to you by Lodestar (if applicable).

1 Day Before the Workshop

- Make sure the room is set up per the attached room set-up diagram.
- Make sure the audio-visual equipment and flip chart are set up and ready to go.
- Make sure the meal (lunch for an 8:00 - 5:00 workshop, dinner for a 1:00 - 9:00 workshop) is set.
- Make sure the breaks are set up. You should have coffee/tea on hand when your guests arrive; donuts and fruit are optional. Plan on a mid-morning break (around 10:00 am; refresh the coffee; add soft drinks) and an afternoon break (around 2:30 pm; soft drinks).
- Designate a representative from your distributorship to be present to start the meeting with welcoming comments, etc. (This person is not required to stay beyond the kick-off speech.)

Day of the Workshop

- Make sure your welcomer will be present and has appropriate welcoming comments ready.
- One hour before the meeting starts, make sure the opening refreshments are out and ready and that the caterer is on schedule for the first and second breaks and meal.

1 Week After the Workshop

- You will be receiving the invoice from Lodestar for your workshop.

Workshop Description

One intense day of activities and discussion geared towards helping field sales reps become more proficient at understanding the financial workings of a contractorship and becoming adept at offering hints, tips and suggestions that can open financial dialogs and help the contractor become more profitable. If handled well, this will result in incremental business for the sales rep.

Participants should bring a computer to the workshop.

Who would best benefit by participating:

Field sales representatives (“territory managers”, “account managers”, “sales reps”, etc.) of all experience levels and market foci (residential or commercial); sales management personnel

Deliverables:

Manual (100 pages), CD (Excel files and templates; participants should have Excel 2000 or later to use the software)

What the Participants will do:

- ★ Analyze a typical income statement and balance sheet and identify possible problems in this hypothetical business
- ★ Compute ten key (“dashboard”) ratios and describe how they relate to core business processes
- ★ Learn the principles of throughput and how to improve throughput
- ★ Learn how to set a profitable street rate for service and installation labor
- ★ Learn how to price jobs three ways and discuss the pros and cons of each method

Workshop Objectives

1. Identify the key sections of an income statement and a balance sheet.
2. Describe what each statement reports and how.
3. Compute ten basic financial ratios given a hypothetical contractor's statements and identify possible problem areas and suggest strategies to improve those areas.
4. Define "throughput" and list 11 key measures of throughput.
5. Discuss how to improve throughput in each of the 11 key measures.
6. Given a contractor's financial data, compute a profitable street rate for service and for installation.
7. Given a contractor's financial data, compute a job price three different ways and describe each method's pros and cons.

Workshop Logistics

TMs should bring the following:

- ★ Notebook or note paper
- ★ Pens or pencils
- ★ Laptop computer with CD-ROM bay and Excel 2000 (or later)

Lodestar will provide the following:

- ★ Sign-in sheet
- ★ Name tent cards
- ★ CD-ROM with Lodestar's *Fiscal Fitness* software (see description of that course for more details)

Distributor should provide the following:

- ★ Workbook printed from the Adobe PDF file sent to them by Lodestar (100 pages; can be put into a 1/2 -inch 3-ring binder)

How To Sell It To Your TMs

Lodestar believes strongly in (and teaches) the use of SPIN[®] questions. Therefore, we recommend that this workshop be sold using a series of SPIN[®] questions. The following are offered as possible question sets to use. Feel free to use them or create your own.

Situation

Do you ever have your dealers ask you questions of a financial nature on your sales calls?

Do they ever ask questions that you are not sure how to answer?

Problem

When you don't know the answers, does that frustrate you?

Implication

Do you think the dealer may not think you are as savvy about the business as you should be?

Do you think your lack of understanding may hinder the dealer from feeling comfortable with opening up more to you?

Needs Pay-off

If you could gain the basic skills of understanding the financial workings of a business, and could communicate those ideas to your dealers as they try to grow, what do you think that might do for your sales and your relationships with your dealers?

NOTE: This course is *not* designed to turn TMs into financial consultants. It is only designed to help them understand the fundamentals and how they apply to a dealer's daily survival.

Workshop Cost Estimating Sheet

| Item | Quantity | Cost Ea | Net Cost | | |
|--|----------|---------|----------|----|-----|
| Facilitation Fee (get quote from Lodestar) | 1 | \$3,500 | \$3,500 | | |
| Travel expenses (estimated) | 1 | \$1,000 | \$1,000 | | |
| Workbooks | | \$ | \$ | | |
| Arrival refreshments | | \$ | \$ | | |
| First break | | \$ | \$ | | |
| Meal | | \$ | \$ | | |
| Second break | | \$ | \$ | | |
| Audio-visual: VGA projector/screen | 1 | \$ | \$ | | |
| Audio-visual: flip chart/pad | 1 | \$ | \$ | | |
| Room rental | 1 | \$ | \$ | | |
| Trinkets you may wish to give away | | \$ | \$ | | |
| Other: | | \$ | \$ | | |
| Total workshop costs | | | | | \$ |
| Less Manufacturer Co-op funds approved | | | | | -\$ |
| Total expected attendance | | | | | |
| Cost per attendee | | | | \$ | |

Sample Invitation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

Most of you probably have dealers who want to grow but are frustrated by the challenges growth poses. They are not sure how much money it will take, or if they have the skills, or if they can steer clear of the reefs along the way. They often want help but are afraid to ask for it, or too embarrassed to admit they have a need.

However, experience shows that when a dealer's TM can help the dealer understand some of the financial fine points of running a business and help the dealer predict what a certain course of action might do, the dealers view their TMs with a new respect and business often grows both in the area of the relationship between the TM and the dealer, as well as a growth in raw dollars.

You are going to have the opportunity to acquire or improve your financial skills in a few weeks. We have hired a company called Lodestar Consulting to come to our place and conduct a one day workshop that can help you understand what it takes financially for a dealer to be successful. You will then be given some ideas on how to communicate your knowledge to your dealers when the time and circumstances are right and leverage that knowledge for a deeper relationship, more sales, and safer growth. Your attendance at this workshop is not only requested—it is required, because we believe very strongly that a sales team that knows how to use questions better is a more productive team, and we *all* reap the rewards of that!

Mark your calendars for [date]. To be ready for this workshop, you will need to bring your laptop, a pen or pencil, a pocket calculator, and some note paper.

This course is **not** designed to turn you into financial consultants. It is, however, designed to help you understand the basics of dealer finance so you can help your dealers safely and profitably grow.

I am looking forward to this time and I think you will appreciate the fact you participated too.

[Signed by sales manager or other appropriate executive]

Sample Confirmation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

This is a reminder that you are confirmed to attend our upcoming workshop, “Using Financial Tips to Build Loyalty”, conducted by Lodestar Consulting, on [date] at [location].

Be sure you bring your laptop, a pocket calculator, a pen or pencil and some note paper.

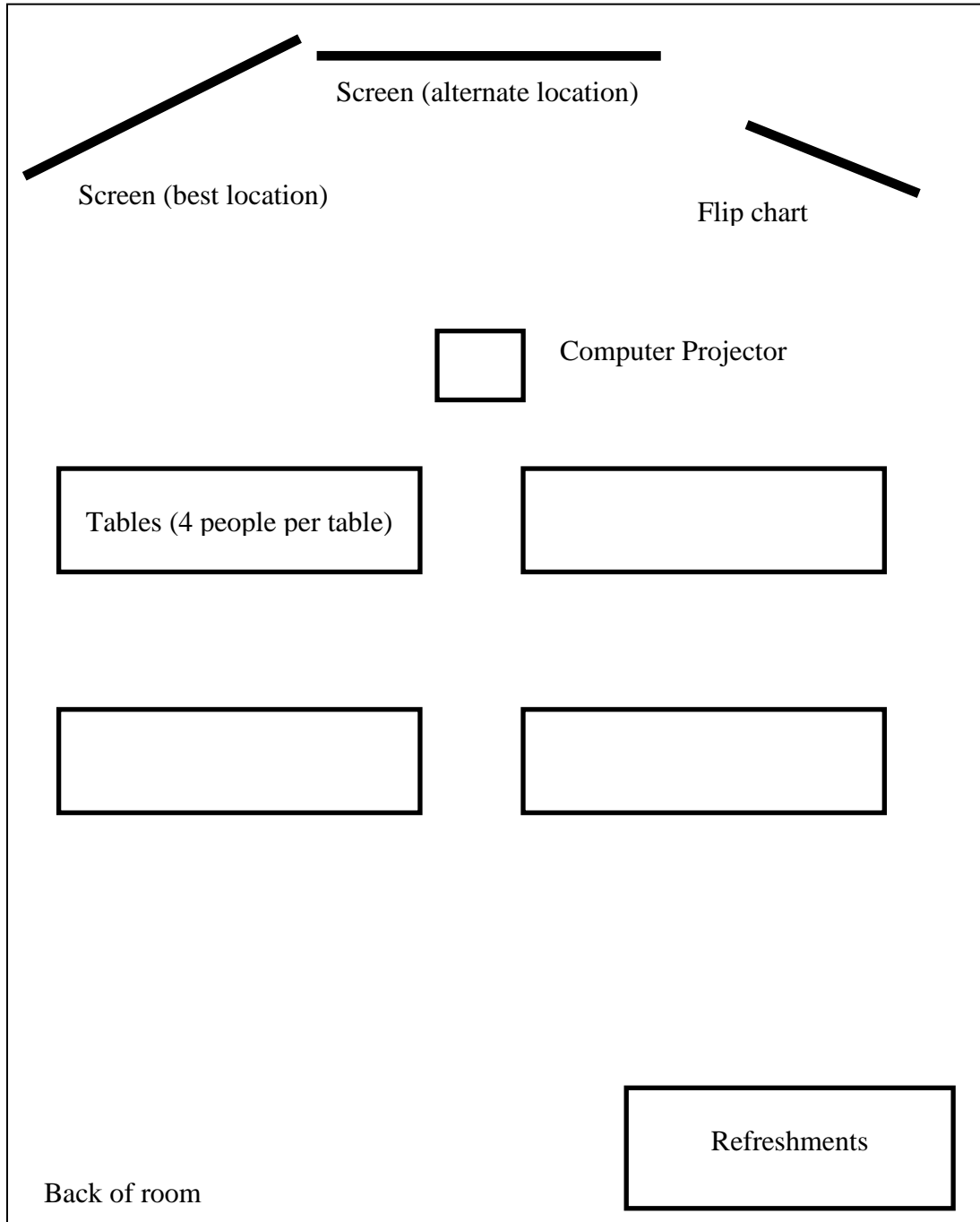
The meeting starts at 8:00 am sharp! We’ll have coffee and rolls ready for you.

See you on the [date].

[Sales manager or other appropriate executive signature]

Requested Room Layout

As much as possible, try to have the workshop room arranged along the following scheme:



If you will be using computers, please be sure to have adequate power arrangements set up.