



Case Study

Challenge

A fledgling provider of custom, in-the-ear hearing instruments, forced to adopt a wholesale approach due to lack of funding, had to develop a strong sales organization that would help it grow profitably.

Solution

Danita Bye created a successful sales force by establishing sales management processes that the company continues to use today.

Bottom Line Results

- Company has grown to \$28 million in annual revenue
- Sales management systems drive profitability, generating 40% gross margins
- Sales representatives increased contacts with decision-makers 400 %
- New products catapulted to 30% of total sales in just six weeks

Hearing the Call for Sales Management Systems

When funding sources dried up a year and a half after Larry Hagen founded Micro-Tech, he was forced to alter his business model from a patient-direct provider of custom, in-the-ear hearing instruments to a wholesale organization. Instead of serving patients who would come to Micro-Tech outlets, Micro-Tech would have to call on audiologists, hospital clinics and private clinics to proactively sell its products.

Larry's sudden, urgent need for a strong sales force prompted him to recall a radio interview about the "science of sales." "The concept, which seemed advanced for 1983, was captivating. I had thought of sales as an art," he explains. "But sales as a science based on a series of proven procedures sounded valid. And today, as a veteran entrepreneur, I can say that young companies need a variety of systems. While some entrepreneurial organizations can do well following pre-established systems, most do not have the level of experience required to develop those systems. That's probably why a large percentage of these companies do not make it. I know we would not be realizing gross margins of 32-45% without our systems."

But Micro-Tech made it thanks to Larry's foresight in bringing Danita Bye on board. She joined the company as a salesperson, having had a stellar track record at Xerox. As she won new accounts that required additional sales personnel, Danita assumed the role of sales manager. "Not all sales people make good managers," Larry says, "but Danita's adherence to a prescribed set of activities reminded me of the 'science of sales'."

*"All of our sales management systems – commission structure, recognition, reporting, collaborative quota setting – were aligned to create a disciplined, high-performance sales organization."
-- Danita Bye, President
Sales Growth Specialists*

Case Study Continued on Reverse



Discipline... Creativity... Bottom Line Results
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