

Manufacturing Companies Face a Challenge...

Selling and servicing complex products on a global scale via a dispersed network of sales partners (dealers, distributors, VARs, etc.) is not easy. Business goals are often misaligned, and each party, while supportive and reliant on the other, is out to maximize profitability and shareholder value for their own organization.

Thankfully it is becoming vividly clear to many companies that adversarial commercial partnerships are not in anyone's best interest. Competitive forces, advancements in technology and speed-to-market requirements have created a new paradigm. What is required to be successful in this environment? Creating and maintaining powerful on-line communities that foster collaboration, fluid knowledge transfer and the sharing of best practices between not only the manufacturer and the dealer network, but customers as well. Best-in-class companies have been at this work for years.

Simply put, these industry leaders have found ways to better prepare and enable their re-seller partners. It's all about a readiness to sell. Best practices dictate that organizations foster this readiness via a four quadrant framework of improving Engagement.

Why is this important? Companies that follow a plan to achieve improved levels of engagement are able to launch new products faster, ramp up new dealers more efficiently, sell more products and experience greater operating margins than their industry peers.

IT'S CLEAR FROM DOZENS OF STUDIES BY LEADING THIRD-PARTY ANALYSTS THAT ENGAGEMENT LEVELS OF EMPLOYEES AMONGST BUSINESS PARTNERS IS DIRECTLY CORRELATED TO IMPROVED FINANCIAL PERFORMANCE OF THE ENTERPRISE.

The problem we find is that manufacturers often think they support the dealer network better than the dealer network actually feels supported. This

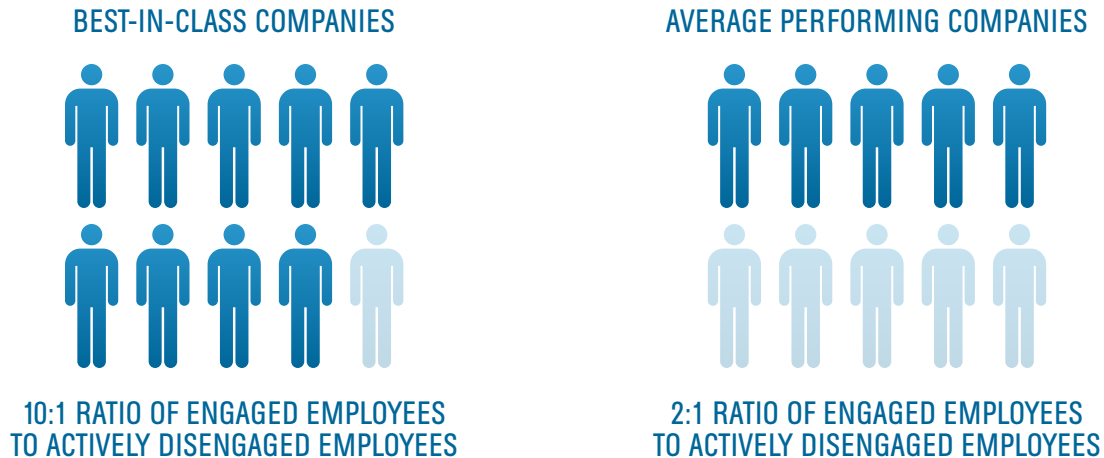
gap between perception and reality creates friction; the counter-force of engagement, and the enemy of optimal performance. A 2010 Abistar Group study measured this gap among hundreds of enterprises and over 10,000 of their sales partners. What the study revealed was that on average the corporations felt that adequate support was being provided, but the dealers clearly felt that support was sub-optimal. Best-in-class companies tend to have narrow gaps in this perception, whereas those not paying attention to engagement have very wide gaps. Regardless, narrowing the gaps can be worth millions in revenue and margin gains. Nevermind the intangible benefit of just making it easier for a dealer to do business with your brand versus another.

FOUR QUADRANT FRAMEWORK OF IMPROVING ENGAGEMENT



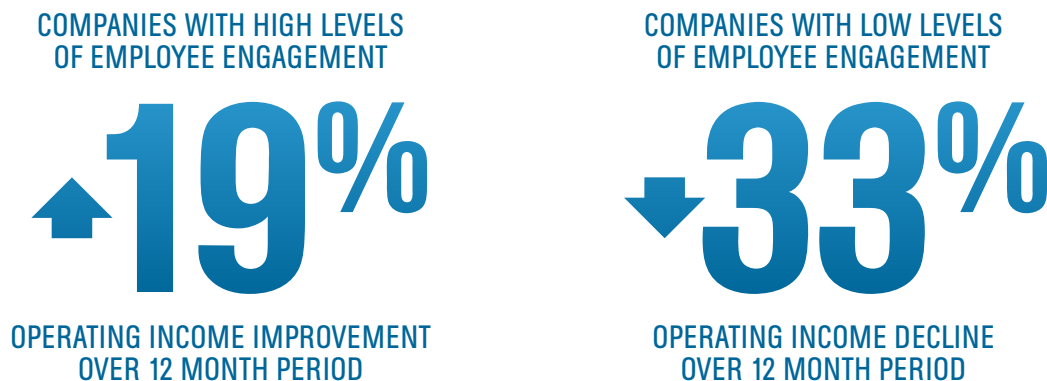
That's where a unifying Partner Relationship Management system comes in. It enables any manufacturer to replicate what leaders in the industry focus on: The four core elements of engagement. First, Collaboration, followed by Marketing/Communication Effectiveness, then Training & Certification, and finally Performance Management. With a focus on these best practices, on-line communities become powerful sources of leverage. This leads to optimal performance for all partners in the value chain, from manufacturer to dealer to the customer.

EFFECTS OF COMPANY PERFORMANCE ON EMPLOYEE ENGAGEMENT



According to a 2010 Gallup report on engagement, results showed that best-in-class companies had a 10:1 ratio of engaged employees to actively disengaged employees. While average performing companies had a ratio of 2:1.

EFFECTS OF EMPLOYEE ENGAGEMENT ON OPERATING INCOME



Towers & Watson reports that in companies with high levels of employee engagement, operating income improved by 19% over a period of 12 months. In companies with low levels of engagement, operating income declined by 33%.

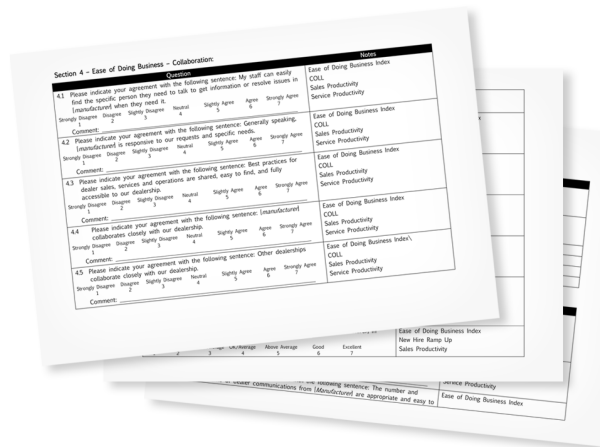
So how do you know where to start?

That part is easy. LogicBay has developed a proprietary diagnostic process for interviewing both sides of the business relationship. The current operating environment is assessed via a series of role-based surveys at both the enterprise level and within the dealer network. This exercise determines the gaps between manufacturer perception and dealer reality. Gap analysis is completed in the four critical areas of Engagement resulting in the preparation of a 'State of the Channel' report, complete with an Engagement index and an Ease of Doing Business index. These indices are then packaged with an ROI feasibility overview and include recommendations for making improvements that will drive increases in financial performance.

Contact LogicBay today at inquiry@logicbay.com to begin an analysis of your channel stakeholders. You will receive a detailed State of the Channel report, including an Ease of Doing Business Index and an Engagement Index.

Find out today how low levels of engagement may be costing your business money.

ROLE-BASED SURVEYS OF THE DEALER NETWORK



The image shows a stack of role-based surveys. The top survey is titled 'Section 4 - Ease of Doing Business - Collaboration'. It contains several questions and a table for responses. The questions are:

- 4.1 Please indicate your agreement with the following statement: My staff can easily find the specific parts they need to talk to get information or resolve issues in the field when they need it.
- 4.2 Please indicate your agreement with the following statement: Generally speaking, the manufacturer in response to our requests and specific needs.
- 4.3 Please indicate your agreement with the following statement: Best practices for dealer sales, services and operations are shared, easy to find, and fully accessible to our dealership.
- 4.4 Please indicate your agreement with the following statement: Manufacturer collaborates closely with our dealership.
- 4.5 Please indicate your agreement with the following statement: Other dealerships collaborate closely with our dealership.

The table for responses has columns for 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree', and 'Strongly Agree'. The bottom survey is titled 'State of Channel Report' and includes a 'Prepared For' section and a list of indices: 'Ease of Doing Business Index' and 'Dealer Engagement Index'.

BUSINESS CASE WITH FINDINGS AND ROI FEASIBILITY



**BUSINESS CASE INCLUDES AN EASE OF DOING
BUSINESS INDEX AND AN ENGAGEMENT INDEX**

About LogicBay

LogicBay provides technology-enabled Partner Relationship Management (PRM) solutions enabling organizations to support, develop and manage their dealer networks. LogicBay deploys powerful on-line communities which empower and connect the extended enterprise to be able to sell and service products more effectively by focusing on the key elements of engagement including collaboration, marketing/communications effectiveness, training & certification and performance management.