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## **SCHNEIDER ELECTRIC'S NEW STANDARDIZED APPROACH TO SALES SPELLS "C.A.S.H."**

Palatine, Ill. July 29, 2004 -- A new standardized approach to the sales process and performance management is providing the focus needed for sales engineers to meet higher expectations at the Schneider Electric North American Operating Division, a market leader in electrical distribution, control and automation products, systems and services.

In the wake of the recession, the \$2.5 billion company, one of four operating divisions of Paris-based Schneider Electric, realized that improving growth and customer service goals would require greater efficiencies among its sales force of more than 800 sales engineers supporting a portfolio of more than 30,000 products. The company is best known in North America for its flagship 101-year-old Square D brand of electrical equipment.

The solution is a new sales performance management program for members of the sales management team. Focused on strategic relationship building to improve growth and efficiency, the program was launched late last year and is producing significant results. Through the second quarter, sales-to-base cost improved 9 percent; sales per sales engineer rose 14 percent; and commercial efficiency (margin cost) showed a gain of 10 percent.



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"We have one of the greatest sales forces in American industry, but we recognized that we needed to do something dramatic to get everyone on the same page and raise the standard for performance," said Chris Curtis, vice president of electrical distribution. "Too many people were doing too many things their own way and this became increasingly obvious as the recession set in. The volume of the late '90s covered up many of these inefficiencies. We needed to establish a common language and common processes so that everyone was working from the same playbook."

The new common language is spelled out clearly in a sales training program called "C.A.S.H." developed for the sales engineers. It directs sales engineers to focus the majority of their time on consulting, adapting, selling and helping customers and prospects.

### **Path of Progress**

C.A.S.H. describes the steps that sales engineers need to take to pursue a prospect or category of business. According to Curtis, this makes it easier to diagnose how any individual sales professional is progressing and what type of help he or she may need to get to the next level. C.A.S.H. includes a new set of performance indicators applied toward virtually every aspect of the sales process. The company no longer measures solely against 12-month sales quotas. It's now looking at market share, cost and channel efficiencies. Some metrics are measured monthly, others quarterly.

"We're trying to establish a more effective way of measurement that provides meaningful direction," said Brice Beyke, director, performance and productivity strategies for Schneider Electric North American Operating Division. "The program is certainly not designed to penalize people. We want to help our sales force understand the system, where they stand in the sales process and how to proceed as efficiently as possible down the path of progress. The program actually eliminates some of the guesswork that often contributes to unnecessary stress and anxiety."

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Sales engineers are participating in C.A.S.H. training programs that emphasize business consultancy skills, self awareness and other relationship building approaches to work more effectively with a changing customer base.

### **Changing Customer Base Requires New Sales Skills**

Historically, Schneider Electric’s customer contacts, like its sales engineers, have been very technology and engineering oriented. But the nature of the customer relationships has changed since the recession. The technical infrastructures that have been in place at many of its customers, particularly large OEMs, are either gone or have been dramatically reduced, explained Curtis. As a result, fewer customer contacts have technical backgrounds and those who do are wearing new hats and don’t have as much time to devote to technology issues.

“In many cases, the people we’re calling on have taken on P&L responsibilities and they expect us to know as much about their profitability goals as we know about our own,” said Curtis. “That’s a realistic expectation of a true business partner today. To be better equipped, we’re augmenting our sales engineers’ technical skills with business skills and communication skills and bringing it all into balance. “

Electricity, automation and communication technologies are converging, explained Curtis. This requires that sales engineers be able to effectively communicate an increasingly complex value proposition to customers seeking to enhance the performance and reliability of their power management systems.

“More than ever, our sales engineers need to offer insight to customers, because that’s really what they value,” said Curtis. “We need to be able to help them see that the seriousness of the challenge they’re facing outweighs the cost of our solution.”

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## Schneider Electric North American Operating Division

Headquartered in Palatine, Ill., the North American Operating Division of Schneider Electric had sales of \$2.5 billion (U.S.) in 2003. The North American Operating Division is one of four operating divisions of Schneider Electric, headquartered in Paris, France, and markets the Square D, Telemecanique and Merlin Gerin brand products to customers in the United States, Canada and Mexico. In the United States, Schneider Electric is best known by its flagship Square D brand, with Telemecanique becoming increasingly known in the industrial control and automation markets and supported by many Square D distributors. For 100 years, Square D has been a market-leading brand of electrical distribution and industrial control products, systems and services. Schneider Electric is a global electrical industry leader with 2003 sales of approximately \$9.9 billion (U.S.). Visit Schneider Electric on the Internet at:

- Corporate – <http://www.us.schneider-electric.com>
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