



Channel Mastery Podcast, Episode #76: Kristin Carpenter-Ogden Interviews
Bill Johannesen of Vision Werks Consulting

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- Kristin: [00:02](#) Welcome, everybody, to another episode of the Channel Mastery Podcast. I am so excited to introduce my guest today, Bill Johannesen, who is the founder of Vision Werks Consulting. I feel like I have this secret weapon that I'm about to deploy here on the podcast. Welcome, Bill.
- Bill J.: [00:29](#) Very excited to be here, Kristin.
- Kristin: [00:32](#) Bill and I have been scheming about this show for a long time, Channel Masters. A couple months, I think. Right, Bill, at least?
- Bill J.: [00:39](#) Absolutely, and you've just had this unparalleled assortment of guests on your podcast, that I'm very proud to be included in that list of such fantastic inside education resources for your listeners.
- Kristin: [00:53](#) Oh, well let me just throw that right back at you, because you have an incredible background, and now you're actually doing some fantastic work in the outdoor specialty markets, which I'd love for us to start here today by having you give us your founder's story for Vision Werks and how you help specialty markets today, because ultimately what I feel like we're going to be accomplishing in this show is pulling together a lot of what we've talked about over the past three to four months specifically, and driving that into an implementable strategic approach through our episode here for the Channel Mastery audience. So take it away and give us your background story.

Bill J.: [01:31](#) Perfect, perfect. Well, first thing is, is I've been a lifelong specialty retail consumer, whether it's sporting goods or consumer electronics or fashion or anything. I mean, for my whole life I've been a consumer. I still do the grocery shopping. When we're at Bose, we would go into the Virgin stores on Michigan Avenue. Just an engaged person at retail. I started off as a hi-fi salesman. I dropped out of electrical engineering to sell hi-fi. I worked at that retail store for, well, I guess it was seven years, all the way up from salesman to assistant manager, store manager, merchandising manager, buying all the products from top to bottom.

Kristin: [02:18](#) What years are we talking about here?

Bill J.: [02:20](#) Oh my goodness, 1980 to 1987.

Kristin: [02:23](#) Hi-fi.

Bill J.: [02:24](#) Hi-fi. Receivers and speakers and turntables and laser discs and-

Kristin: [02:29](#) That's awesome.

Bill J.: [02:32](#) ... Electrovision. I've been in consumer electronics ever since then, so go on through that whole evolution of technology and the whole evolution of retail. We were the number two Bose retailer in the country, which will dovetail. Then I went to work for a distributor, to start a specialty distribution, sold Nintendo and cell phones, and started a rep firm with that distributor. Then I got recruited to go to Bose Corporation, so I spent the '90s with Bose, which is very significant. Doctor Bose was focused on the customer experience back then.

Kristin: [03:03](#) That is significant. Tell us about that, because you and I have talked a lot about that. I know that really shaped your approach. Tell us about your experience working for him.

Bill J.: [03:12](#) Well, he owned the company so it was his deal. He made all the decisions. He was an innovator in regard to product, whether it was the 901s, [inaudible 00:03:21] wave radio. He took the speakers on his back and sold them personally to the retailers, did the most personally. Worldwide we were doing events with the military personnel to get those young guys all excited, for their whole life relative to Bose. And so that was the requirement: that every customer had to have a demo. Every customer had to have a positive experience. Every customer needed to be leveraged into an advocate for the brand. We had to have consistent messaging at retail, and so we built a whole organization to do that.

Bill J.: [03:55](#) It was only direct to retailers, and we were deliberate about those retailers. It wasn't just anybody that showed up, they had to meet strict criteria as far as the inventory and presentation and demonstrations, part of the promotions. We launched unilateral pricing policy. Bose spent tens of millions of dollars to ensure that that was a legal way to stabilize pricing. So we could sell direct to the consumers in our own stores, get that engagement directly to the consumer to understand that we could take and push back out to the retailers with scripts and popup stores and events within the retailers, to provide that consistent customer experience to know that we were building the brand.

Bill J.: [04:37](#) And this was in the '90s. This was newspaper inserts. There wasn't an internet, there wasn't social media, and we had ... Dayton Hudson, isn't that swell?

Kristin: [04:53](#) That might have been the President calling everyone.

Bill J.: [04:53](#) Definitely not. So we were executing in Dayton-Hudson's. We were executing in Best Buy. We were executing in Circuit City. We were executing in Sears, Sam's Club. It was unparalleled execution that is so applicable today. And we had an organization systems and processes and measurements built around that that is readily applicable today.

Kristin: [05:16](#) I have a quick question on that. Were there sales reps, or were they inside, or were they contract? What did it look like in terms of how you guys had the mothership feeding these channels [inaudible 00:05:28] experience?

Bill J.: [05:29](#) We had 140 people and it was all direct. We did not have rep firms. The initial, with the Point Two brand we had rep firms, but it turned into direct sales. We had direct people that would go into the stores, that would service the stores, that would execute customer events, product presentations, weekend sales in the stores.

Kristin: [05:50](#) Okay.

Bill J.: [05:50](#) We owned the people, we controlled the people, we directed the people.

Kristin: [05:56](#) Okay, that's great. And then tell us this, Bill. What were you hired to do?

Bill J.: [06:02](#) I was hired as North Central Regional Sales Manager-

Kristin: [06:05](#) Okay.

Bill J.: [06:05](#) Away from a startup gig that I was doing in New York City to manage, live in either Chicago or Detroit. I still live in Chicago. I brought Sears on board, and I brought Montgomery on board, and I managed Highland, I managed Fretter, I managed Best Buy, Abt here in Chicago, United Audio, Tweeters, et cetera. And then I just got more responsibility, more responsibility, more responsibility, and I ended up being Sales Manager North America. So all wholesale responsibility, U.S. and Canada, worldwide military, premium and incentive, telemarketing, the whole thing.

Kristin: [06:45](#) Right. So tell us this. If you were in that role today, and you know what's going on so well in the market and we're going to get into all of that here in a moment, but would this model be able to work today?

Bill J.: [06:58](#) Absolutely.

Kristin: [06:59](#) Okay, so that's where we're going to start, right there, people. Because what Bill has brought to brands like Osprey and Giro, and there are others, but those are two recent wins, I think are really going to raise some eyebrows out there in the audience. Before we get into that in terms of specifics, and we've definitely rehearsed this and we have a really good outline to go from to make sure you get as much value as possible from Bill today, I want to make sure we get Bill's take on the biggest threats to specialty brands and retailers.

Kristin: [07:29](#) I mean, when he and I were rehearsing this we talked about the retail apocalypse, we talked about consolidation, we talked about where things were kind of mid-year last year, 3P, et cetera, all the things that we've been hitting on, but now we are here in February 2019. Bill, can you tell us what your take is on specialty as a market today. What are the threats?

Bill J.: [07:50](#) Well, if I pull it back to the manufacturers, relative to the threats with the manufacturers if that's possible ...

Kristin: [07:57](#) Yep.

Bill J.: [07:59](#) They need to massively evolve forward. What I see that's happening is they're just pulling forward the last 10, 20, 30 years of experience relative to the marketplace, relative to engaging retailers. They're just pulling that forward and putting Band-aids on it. They'll bring in a CRM system to help them manage, populate it with bad data, and then even if they populate it with good data they don't review the data to make decisions.

Kristin: [08:26](#) Right.

Bill J.: [08:26](#) They've got unstable pricing in the marketplace. They'll go grab and download a MAP policy from the internet. They'll try to execute it themselves or they'll go to a third party brand protection company that's going to do internet monitoring and do the MAP enforcement and outsource that to them. What's ends up happening is that, as you found in your 3P podcast prior, if your distribution's dirty you can spend all the money in the world on subscriptions to try to clean it up on the outside and it's not going to work.

Bill J.: [09:00](#) The biggest threat I see is manufacturers that don't understand the gravity of the requirement to fundamentally change how their operations execute and their go to market strategies, pack mix, and processes, and they just kind of pull these little pieces in based on the software or consultants that are yelling and screaming the loudest or promising the most, and then kind of pull those things in with some expectation whereas they really have to look holistically at the organization, understand how.

Bill J.: [09:33](#) It's like I've got a brand Kicker in the car audio. They started just by making the boxes in pickup trucks. They're speakers that, they kick you in the back, and they called it Kicker.

Kristin: [09:45](#) I never knew where that name came from. That's cool.

Bill J.: [09:47](#) And much like every brand that I saw at the Snow Show or I look at in outdoors, there's something where there was a passion for the end user, a passion for the product, that they wrap their organization around and go out to the marketplace. What's happening, I see with most manufacturers, is that's just kind of gone away and the accountants have taken over and you have to hit your numbers and it becomes transactional. They've kind of lost that original vibe, and we need to get that original vibe back. That's the system that we have that puts things in place, from the Bose or the Osprey or the Giro Snow, to really take that passion that they have and extend it out as it needs to be in 2019.

Kristin: [10:35](#) Okay. That is fantastic. Thank you so much. What I want to just clarify for the audience, that passion is how you get the end consumer to emotionally connect, no matter where they choose to buy or research or engage with your product. So many things you said brought up such an empathetic response in my heart, and I know you feel the same way because there's so many great people at these brands that raise their hand to work at these brands because they love what the brands stand for, what they do, how people wear them as identities.

- Kristin: [11:05](#) Yet, then they've grown like a groundswell around wholesale and, you know, they have this little business, or big business, and let's say it's still independent. This is a whole different conversation when it's acquired. Now, all of a sudden, they're trying to protect fiercely what they've built while they're realizing, "Oh my gosh, I need to cast out and go over here." I think that's where you could come in for an analysis and just an understanding standpoint here in the podcast today. Let's talk a little bit about how you do that, because I think you're absolutely right.
- Kristin: [11:43](#) You know how we talked about in the 3P series, the whack-a-mole 3P sellers. I feel like, if you look at a brand VP of marketing, if you look at a VP of sales, operations, or a CEO, or all of the above, they have their own game of whack-a-mole around the channels and experience that they manage. Oftentimes they're either competing with each other or they're not talking to each other. How do you come in and actually turn the arrows in the right direction? And then just, how do you get ...
- Kristin: [12:12](#) This is change management, and it's with people who maybe raised their hand to join these companies and grew up within the ranks of these companies. They may not necessarily have operational expertise. So how do you do that? How do you get them to come together and not change the goalpost but change the way the game is played?
- Bill J.: [12:31](#) Well, many, many, many companies I've worked with, I tried to do that by bringing them systems and processes and a MAP policy and agreements and a database, and then, "Here's how you vet your retailers, and you do this, that, and the other," and failed with a lot of companies a lot of times. There has to be somebody at the company that understands that we either don't have best practices anymore or the best practices aren't applicable anymore or we have to reimagine our engagement to the marketplace.
- Bill J.: [13:05](#) I know I need to quit smoking and I'm committed to quit smoking. It needs to be that kind of thing, or I can bring all kinds of process and insight and it doesn't matter.
- Kristin: [13:16](#) Right.
- Bill J.: [13:16](#) So what it comes down to is just a conversation about cause and effect. We talk about what's happening in the marketplace today. We talk about what the relationships are with the retailers, we talk about what successes and failures they've had with product ending up in the wrong places, or the pricing

flexing on the internet, and then really have a deep conversation about how they go to market, what's happening out in the marketplace, and then what are the drivers that need to get modified on how to they go about and do that to get a different result.

- Bill J.: [13:51](#) Generally they've gone and done brand protection or something like that, and they've applied the Band-aids with the expectation it's going to work, and it's not going to work. They see the cliff coming and that they have to do something dramatic and just basically talk through a standardized process I have that I took with me from Bose, but how it applies to their company because they're all different.
- Kristin: [14:14](#) Well, and I think let's start by one thing that I think will resonate universally with the crew here today, and that is the VP of sales role. Right? So many of the executives that I know in this space and in specialty markets grew up through the ranks as we talked about, and they brought these very important big retail relationships with them.
- Kristin: [14:33](#) And then all of a sudden, not all of a sudden, but they look up now and they're like, "Well, I had those relationships and I really knew how to really manage and leverage those relationships and service my REI, my MEC, et cetera," and some of these companies have even built entire processes and systems around specific retailers, as you well know, and now that's biting them in the A double-S.
- Kristin: [14:57](#) How do you actually wean them off the drug, if you will, and get a whole new vision where the VP of sales, operations, marketing, all of them are actually in the room together? Because, ultimately, all of those roles affect the consumer experience today.
- Bill J.: [15:14](#) It is drip, drip, drip. You know?
- Kristin: [15:18](#) Okay.
- Bill J.: [15:22](#) It's a cadence of events that gets to an a-ha moment. I have to have one that's already had the a-ha moment and then you have to incrementally work with the rest of them on just days and clicks to get to those a-ha moments. For example, most companies I look at the VP of sales. They focus on the 20 percent that does the 80 percent of business, so that's your REI, your regional retailers, your single store players. Everybody pays attention to them. The 80 percent that they're just collecting orders from, that does the 20 percent of the business, that's where we're getting a whole lot of bite in the ...

Kristin: [16:08](#) A double-S.

Bill J.: [16:09](#) ... situation is they're not really paying attention, so I gotta hit the numbers.

Kristin: [16:13](#) Right, exactly.

Bill J.: [16:14](#) [crosstalk 00:16:14]. I have to hit the numbers. I've got issues on the internet that my pricing is compressing, and so they're adding more distribution that's brick-and-mortar, they're allowing more of the retailers that they grew up with and had good relationships with to sell online. That might not be the best decision. So we've got two things that come to play is, the preexisting relationships over the decades with the reps and the retailers, that relationship really needs to get reevaluated based on what that retailer's really doing for a contribution to the brand, as opposed to, "Brett has been my bud for 20 years." That's tough.

Kristin: [17:00](#) This is a huge, huge point. Before you go into the next one, everybody just let that resonate for a minute. How many of us does that resonate with? Probably every single person listening here today, because those are challenging conversations to have. But now, go to point two, because we're going to dive in more on point one, but go to-

Bill J.: [17:20](#) Point two is just that 80 percent that's doing your 20 percent, that you just keep collecting the POs and you keep shipping it out. Guess what? They're the ones that are selling it to the folks that are putting it up on the internet that are your unauthorized sellers, whether it's in the Amazon Marketplace or other marketplaces, that are dragging your price points down. If we have serial numbers and traceable we can jump on it pretty quickly.

Bill J.: [17:46](#) If you don't have traceable serial number stuff, this stuff just kind of migrates up onto the web, and then there's your pricing issues, and then I gotta hit the numbers, and then they get in there and it's like, "Well, I'm not getting the margin." So then they give the dealer margin dollars. The dealer marks down the cost, then sells it out, and then the internet cost gets going where you get into this death spiral of where they're feeding themselves. And then who gets bit the most? It's that 20 percent that does the 80 percent of business that that VP of sales gets a really nasty call on.

Bill J.: [18:23](#) "I'm losing margin. You're losing share. You're dropping within the category. What are you doing about this?" "Well, I have a MAP program." Well, the MAP program is not a weapon of

distribution management or pricing, whereas most of them believe that it is. It is not. It's a relationship destroyer with these key retailers that you're going to end up sending a nasty-gram on pricing, because he doesn't want to look bad to his end user consumers that you're getting compressed because of your dirty distribution.

- Kristin: [19:00](#) Okay. We need to take a little breath here because-
- Bill J.: [19:03](#) Lot of stuff there.
- Kristin: [19:03](#) ... part of me feels like the Death Star has just gotten blown up. Is there any way to recover from this while keeping some of those A players who have brought the brand to where it is? Yes, what's going to get us to the next place is not ... We can't do what we've been doing. We get that. I hear what you're saying about we need to have somebody who's bought in, and I'm assuming that has to be the CEO, because the CEO would change the rules of the game, give new goal posts, if you will, a new game, and encourage people to fall on their face until they get it right.
- Kristin: [19:37](#) But I mean basically, you're basically we saying we have to cull retail partners and really focus on deeper relationships with everybody in our distribution family in order to make this go today. Is that right?
- Bill J.: [19:52](#) You need the bigshot, whoever it is. Some company structure, sometimes it's president, sometimes it's senior vice president, sometimes it's a general manager or whatever. I get a sales operations manager, I get the person in that organization that's the hub of the wheel, affects all the areas. They understand that, "Okay, we can go off and do what we need to do," part number one.
- Bill J.: [20:14](#) Part number two is the sales guy's like, "Dude, I hear what you're saying but I can't lose all my business to transition to this fantasy land that you're talking to me about right now. That's where we have to look at, okay, how do we go about and stage this revenue transition from bad revenue to good revenue? The way that we do it is, "What are your standards? We need an agreement that has trans, ship, this, that, and the other, that you actually do something about."
- Kristin: [20:43](#) So, the retail agreement, correct? Okay.
- Bill J.: [20:46](#) A dealer agreement that has your expectations, and then we need an internet sales addendum that has your expectations, and then we need a unilateral pricing policy that you announce

to the policy that has it. And then you actually have to do what you say you're going to do.

- Kristin: [21:02](#) Right.
- Bill J.: [21:02](#) And so then we also have to have that aligned, because if you've got a three-step MAP policy that says, "Boom-boom-boom, I gotta terminate you," and an REI goes, "Boom-boom-boom," you're not going to terminate him. And then you've just undermined the complete credibility of your program to the rest of the folks out there, and then you've put yourself in legal jeopardy, and then the program that you put into place, again, all of a sudden has no credibility with anybody. And step two is ...
- Bill J.: [21:37](#) So this is a three dimensional chess game that I've played hundreds of times relative to, "How do we stage this?" We have to have standards, we have to communicate, we have to understand who the retailers are, and then we have to make the smart picks.
- Kristin: [21:56](#) Right.
- Bill J.: [21:56](#) What's happening with the ones that figure this out, they have less retailers that are doing more business, with more control.
- Kristin: [22:05](#) Right. How long does it take, Bill, the brands that you've helped?
- Bill J.: [22:10](#) Oh, God.
- Kristin: [22:10](#) I do realize that means, how willing are they to actually go to bat and enforce what those systems and processes are, and how motivated they are, and disciplined, frankly. But on average can you tell us, is it a year? Is it six months?
- Bill J.: [22:25](#) It's a year. It depends on the mess.
- Kristin: [22:35](#) Right.
- Bill J.: [22:38](#) One particular brand, mess wasn't so bad. We got it straightened out in under a year, moving in the right direction. Another brand, where they've got 800 internet sellers and we had to get that compressed down and we had to get the legacy product cleaned out of the marketplace, it was a little over a year to get those things taken care of, because there's no snap overnight, which is again part of the problem, is they'd rather go to these Band-aids and listen to these companies say, "I can fix

it in 30 days. I can fix it in 60 days. I can fix in [crosstalk 00:23:12]."

- Kristin: [23:12](#) Well, they've got goals to meet.
- Bill J.: [23:15](#) So then they buy into that, or you know, a two-year contract or whatever. Now they just take a year that they could have been investing and turning the brand around, and then just wasted their time on it. Now they got a deeper hole, and then maybe it'll take more of a year because you have to transition from the bad revenue to good revenue. You have to possibly change some personnel that are unable to change the status quo. That's the thing I'm finding most.
- Bill J.: [23:43](#) I was, in the '80s with a retailer, in the '90s with Bose, I was with Sharp and Ingram Micro. There's a whole lot of guys I run into all the time, that are late 40s and 50s, they're not going to change the way that they go to business. You got your reps that's your buddy, you got your retailers that's your buddy, you end up in a different place you just get the band back together.
- Kristin: [24:05](#) Right.
- Bill J.: [24:05](#) Best, going forward, is not getting the band back together, it's changing the band to an orchestra with new music that has to be coordinated to be successful. Look at what's going through with these retailers.
- Kristin: [24:18](#) Let's talk about that. Tell us your take.
- Bill J.: [24:20](#) Why does the manufacturer have to do anything less? Sorry.
- Kristin: [24:24](#) What do you mean, why does the manufacturer have to do anything less? Let's talk about the retailers because that's, I think, a really important point. I think everybody is in agreement that 2019, it's been super interesting to see direct first brands and best in brick-and-mortar. People are, I think, openly discussing the merits of having that in-person discussion. We're still seeing 87 to 90 percent, depending on what report you read, of purchases are made in a store, in a physical store, so retail is really important.
- Kristin: [24:51](#) I realize it can be digital or brick-and-mortar, it also could be a brand store, but tell us what your take is on that right now.
- Bill J.: [24:59](#) I dealt with Sears for a long time, Macy's, Dayton-Hudson, Lechmere ... The headstone of consumer electronics is long and distinguished, is a comment that I like to make. I've worked with a significant diversity of retailers. Sears failed because Sears was

horrible. They thought they knew everything. They did 10 cents per store for a brand, but they you've got 1000 stores, they ended up being one of the top retailers, whereas we would look at Bose at per-store productivity and then leverage our business towards per-store productivity, not gross PO.

- Kristin: [25:33](#) Okay.
- Bill J.: [25:33](#) The brands that are dying deserve to die because they're-
- Kristin: [25:38](#) You mean retail brands.
- Bill J.: [25:40](#) Retail brands. Retailers are horrible, horrible. They deserve to go. So I just think like the hardware store. We had this great little hardware store downtown. The guys were awesome. You'd go in there and ask for something, he knew exactly what drawer the thing was in. He's gone. It's a fantastic sushi place, now. Then it goes to Home Depot. Home Depot's doing a magnificent job because they've figured this omnichannel out. Now I walk into Home Depot, I can't go more than an aisle or two without somebody coming up and asking me to help me.
- Bill J.: [26:10](#) And then your Chris Walton with his Red Archer and-
- Kristin: [26:14](#) And Omni Talk.
- Bill J.: [26:16](#) Oh my God, they are so on target of-
- Kristin: [26:19](#) I know they are.
- Bill J.: [26:20](#) ... what the frontline evolution of this is, he was recording on NRF and he's got Shop Talk and everything. The evolution is amazing, and there's a certain amount of amazing retailers out there that are investing. And that's what we identified, is okay, "Who's investing? Who's figuring out, like Amazon, that they need to make money?" They've isolated it down to categories. This is what we did at Bose, what we did at Best Buy. I need a leader in that category that I can count on for revenue and that I can count on for profitability and that's going to help me with that customer experience, because that manufacturer knows how to deliver the passion for their product better than me.
- Kristin: [27:02](#) Right.
- Bill J.: [27:02](#) Now those retailers that are reaching these pinnacles of customer experience from their setup need the manufacturers that can align with them, that can deliver them the materials and the ability to provide that coordinated customer experience in the omnichannel way.

- Bill J.: [27:20](#) I'm trying to get these manufacturers to understand, "Stop just being old school distribution, like you did in the '80s and '90s, that everybody everywhere has to have the product. We have the internet, now. Be selective about the internet, be selective about your brick-and-mortar, be controlling the standards about it, understand who the key players are and invest your time and energy in there. You're going to get more revenue than you're getting now, just doing a shotgun. The sniper is going to get you more revenue. It's going to get you better partnerships. It's going to get you more predictable revenue, and you're going to be able to stabilize your margins and control things."
- Bill J.: [27:58](#) But it's so counterintuitive to the generations of sales leadership that grew up to this point that I need the unicorns that identify, "You know, hey, that's not a bad idea." Then, when he asks the boss, oh, the boss will say, "Hey, we're going to do it," that usually it's because they've exhausted the other methods.
- Kristin: [28:18](#) Right.
- Bill J.: [28:18](#) Or they're out-
- Kristin: [28:19](#) [crosstalk 00:28:19] turnover, or they're tired of fragmenting everything by either farming it out or giving somebody who already has a 45 or 50 hour week job another 10 hours to police marketplace, or whatever. I totally hear what you're saying. Let's say we jump off and we want to land the jump. Right? What are some of the things that you feel from the companies that you help? What are the big emotions that you feel? Where are the things that they're like, "We can't do that. It's out of control," and then it turns out to be okay? Right? I mean, we have more transparency from data and can probably move things more quickly because of digital than we used to in the analog world when wholesale was, you know, what everybody did.
- Bill J.: [29:07](#) When you look at the retailer and the manufacturer's rep and the manufacturer, you look at that channel, that's kind of a closed loop. Right? And so we talk about these CRM systems. "Well, I want to get data and information to you." And then it's the requirement of the sales guy to populate, then they never populate it.
- Kristin: [29:28](#) Right.
- Bill J.: [29:29](#) So then what data and information are you getting? Most organizations, the only information they have is from their ERP

system, on what their sales are, to that top line, not even the number of storefronts to get it down to a per-storefront productivity. They measure the rep by revenue. They measure the retailer by revenue. They measure their regional by revenue. Everything is measured by revenue. There's no other credible data. So then we provide credible data. And then what happens is, the compensation is still based on that revenue number.

- Bill J.: [30:03](#) So, "Hey, here's this data. We want you to approach your marketplace in this particular way." The guy looks at him and goes, "Okay, so you're telling me to do this, but you're compensating me to do this?"
- Kristin: [30:16](#) Right.
- Bill J.: [30:19](#) I'm going to go with the revenue. I'm going to go with making the money. I was in a sales meeting, speaking to one of the clients and we have one of that. We just don't want to put somebody on. They've got to go through the process. I've got this video of a guy that's doing security at a stadium, and he just waves his hands past him and has them go in, it's like ... Whereas, you really want to understand. So he got up and said, "You know, you ruined my income for December because I had this distributor to put on, and I couldn't get it put on. I didn't make any money in December." It was like, "You should really find something different to do, because that ruined your revenue."
- Bill J.: [31:03](#) I was over at a brand new client. The Snow Show was so fantastic, the passion, the brands, the products. It's like consumer electronics used to be, until it died.
- Kristin: [31:11](#) Oh, that's so wonderful to hear.
- Bill J.: [31:14](#) Oh, I was so energized. I was so excited. Millennials and women and just, you know, excitement and enthusiasm and passion and style and fashion, it was just, dogs.
- Kristin: [31:26](#) Yeah, there were dogs there.
- Bill J.: [31:29](#) [crosstalk 00:31:29], beer. It was amazing. So then I had the feedback. These reps are the same as the reps at Osprey and Giro. One rep was like, "Man, what happened over there is fantastic. We are doing great business and it's all figured out." One rep was talking about the outcome, and how unbelievable it was. And that was kind of the talk for Giro's Snow of the show. And then another rep was, "Man, that was the most difficult, horrible, horrendous thing in the world to do," because

the retailer had to do work to present themselves, to be qualified and all that.

- Bill J.: [32:08](#) He didn't even realize that, "You didn't need to do the work. They had to do the work," but because the work was so painful for the retailer they put the pain on the rep, and so he was expressing this a horrible, horrible process because so many of these people in the channel are just used to, "I got a PO. Here's the PO. They've got credit. You ship the PO. Thank you."
- Kristin: [32:29](#) Right.
- Bill J.: [32:30](#) That's death [inaudible 00:32:32] 2019 and forward, unless you're selling salt.
- Kristin: [32:36](#) Right. That brings up such a good point. What you mean by that is a commodity item, and what we do especially is the antithesis of that. That's why there isn't a choice on this approach anymore.
- Bill J.: [32:48](#) Correct.
- Kristin: [32:50](#) I do, I hear everything you're saying, and I love that it pulls together so much of what we talk about here on the podcast. I just want to make sure that we're ... Let's also talk a little bit about messaging and marketing, because that's a big part of ... What we talked about at the show when we got together was, a lot of the brands in that building had already written their orders. Right?
- Bill J.: [33:12](#) Mm-hmm (affirmative).
- Kristin: [33:13](#) Though a large part of it is, "How are we going to get traffic" or, "What are you going to do for attention," or learning about the interplay between retail and brand. Right? What are the opportunities there for 2019? Can you talk a little bit about the importance of consistency, and that emotional connection through brand communications?
- Bill J.: [33:32](#) Yes. The thing that happened at Bose, that is applicable now, is that we came up with an 18-month calendar of events. When are we launching products? When are we discontinuing products? When are the natural promotional periods? When is the three REI promotions? When is the back-to-school? When is the thing? So we look at an 18-month calendar of promotional activity because the retailer naturally wants to promote, but we need pricing stability. You unilateral price a certain amount of the SKUs, and then a certain amount of the SKUs you don't unilateral price, so that the retailer has the ability to promote.

Bill J.: [34:18](#) Then, with the unilaterally priced products, you set up a calendar of promotion so that we know, 18 months, that this is the marketing that we're going to be doing whether it's a discount, a gift with purchase, a product launch, or whatever. Then what we do with marketing is we step away from creating grocery stores of marketing materials. I've got these global brands that spend hundreds of thousands of dollars to create these digital asset management product information store houses. That's like a grocery store.

Bill J.: [34:50](#) And the marketing fills it up with all this information with the expectation that the dealer's going to come through and pick the stuff that it is that they need.

Kristin: [34:56](#) Right.

Bill J.: [34:57](#) Then they're going to go off and build the raft.

Kristin: [34:59](#) It's such a beautiful theory.

Bill J.: [35:02](#) It is a theory, and it doesn't execute.

Kristin: [35:04](#) No.

Bill J.: [35:05](#) It's cost companies hundreds of thousands of dollars in bad decisions because the dealer does not go ... Two problems. One, they don't go through and pick up this stuff at the grocery store. One. Number two, you don't want them just going and doing what it is that they want to do, when they want to do it.

Kristin: [35:22](#) Right.

Bill J.: [35:22](#) You can't support it. It's unsustainable. It throws to the control. So by organizing the promotions we coordinate marketing to deliver, based on what's in the schedule to be delivered. And then sales goes over and says, "Okay, here's what it is that we have coming up. This is what's going on." And because we've got stability in the pricing, that's what a MAP policy UP is all about. It's not about using it as a weapon to go crush people online, it's about your stabilized, authorized accounts that, for Black Friday I can bring the pricing down, and for whatever period of time, and I can bring the pricing up. And everybody will follow. And then everybody advertises at that time.

Bill J.: [36:08](#) That's what we did with Bose. It looked like we spent a billion dollars on advertising, whereas now, like talking to Ben at Promoboxx, you can coordinate that and you get that lift in the marketplace. When you combine social with your earned media with your other earned media, with all your dealers doing the

same thing with the same look and the same feel at the same time, everybody that's your brand advocates, that's been waiting for that product to go on sale, it goes on sale, whew. You create a lift in the marketplace.

- Bill J.: [36:43](#) Your messaging is all about your brand and your brand features and your brand distinctions, that not only gets the consumer deeper into the brand but also educates those salespeople that rotate, that you have to keep informed. A needle in the arm of the salespeople, you get a needle in the arm of the retailer, you get a needle in the arm of the end consumer, that we execute on a schedule that rolls, that everybody knows about. And the economy of scale is fantastic. The cohesion on the messaging is fantastic.
- Bill J.: [37:12](#) And now that there's no arguments in the buying office about pricing or B.S. your reps can be out there supporting sell from building relationships on something that you know is predictable and rolling. And so that's the next phase of things because the manufacturers companies have shrunk so much they can't ... The only way you can help everybody is if you have some continuity and focus of how you're going to do it.
- Kristin: [37:38](#) Right. And he doesn't mean to be everything to everybody, he means actually standing behind your message and giving everybody a controlled message.
- Bill J.: [37:47](#) Correct. And this isn't done in a vacuum, either. This is all done with the retailer, relative to, you know, you want everybody to be in on the promotion. And then, if everybody's in on it, guess what you're going to hear back. "Well, this part of it worked. This part of it didn't work." You'll know the stores that had the best sell-through. You know the stores that had the lousy sell-through. And because you've got that uniformity of execution you could actually start getting data and feedback back to tell you what works and doesn't work.
- Bill J.: [38:14](#) But right now, blowing everything out, whether it's marketing or product, all you're going to get back is the social media bad news.
- Kristin: [38:26](#) Right. Let me ask you this. Let's talk, and I know we can't do a lot in terms of opening a kimono on what's happened at Osprey and Giro Snow, but were those two brands, did they have a pretty active direct-to-consumer business from their own website, like Osprey.com, OspreyPacks.com? I know that they didn't, and they were later to that game. What about Giro?

Kristin: [38:54](#) The reason I'm asking is, I want to know what you had to get them to unlearn. What level of unlearning did you have going on there?

Bill J.: [39:03](#) I'm going to speak in generalities.

Kristin: [39:04](#) Okay.

Bill J.: [39:05](#) Okay? Because I got familiarity with it. Generally, what happens, and this has no connection to those two.

Kristin: [39:11](#) Okay.

Bill J.: [39:12](#) But in general what happens is, is the eComm that's executed by the brand at VisionWerks.com is disconnected from Bill's organization and the retail activity. If there's any contact, it's with marketing.

Kristin: [39:30](#) Or it's in competition with each other.

Bill J.: [39:33](#) So, "Hey, we've got this MAP policy that we're pushing out in sales over on this side, and then eComm isn't even aware of it.

Kristin: [39:42](#) Yep.

Bill J.: [39:43](#) And they're doing their own deal. And so that's part of the thing. It has to be together. The brand should not compete with the retail. That goes back to my Bose, what we did with Bose back in the 90s was, "Jesus, I've got to understand what product I put in what channel. I can't just take every product and put it in every channel. What channel is best for this group of products, and then what retailers in that channel?" Get that organized and pricing stable, and then you go direct to ... You want to go direct-to-consumer with your brand, and that's going to be a benefit to the retailer.

Bill J.: [40:21](#) Because we're going to understand, if we do it right, in concert and tandem, we're going to understand how to engage the end user better because we're doing it directly. We're going to understand what works and what doesn't work, if we do it directly. And then we take that and bring that back, in addition to the feedback we get from our best retailers, to overall improve how we go to market. So it's really the dot-com is an education tool that needs to be in alignment with the rest of the distribution. They're going to end up being successful in dot-com, if they do it right, because some people just want to buy from a manufacturer.

Kristin: [40:59](#) Right, and that's really, again, the North Star. We have to be where the consumer wants to buy the product, period, the end.

Bill J.: [41:06](#) Correct. But if you've got, you know, your skis, or you've got fitting ... I mean, even Osprey has some tactical packs that require fitting. It's not going to happen at Osprey.com, it's going to happen at Uncle Dan's or whatever it is that's the local guy. By having the pricing stable, which I have to say that we do a magnificent job at because, as supporting manufacturers and that, as a pillar, when you take that out of there it goes down to the service. And then the retailer stands on its own, and then you start looking at, "Where's this guy going to add value?"

Bill J.: [41:37](#) One thing I [inaudible 00:41:38] Alexa.com, you can find out the traffic to sites.

Kristin: [41:45](#) Oh, yeah. Mm-hmm (affirmative).

Bill J.: [41:45](#) So if I look at-

Kristin: [41:45](#) We'll put the link in the show notes, everybody, but yeah, that's a trusted tool.

Bill J.: [41:48](#) So if I look at Giro.com, for example, I think they're like number 23,000 in traffic. And then the reps bring in a retailer. He's like, "Oh my God. I'm not going to get the PO unless we can sell on his site," this, that, and the other. We go check and he's number, you know, he's two million, or he's 800,000. He has no traffic to his website. If Giro has got 23,000 and they have that draw on the website, what do they need some guy online for that doesn't have that?

Bill J.: [42:19](#) And so this is where we have a whole lot of brick-and-mortars, they're absolutely magnificent at the local. We had this with TTI Floor Care and Ace Hardware. Ace Hardware, what's your add? You're the local place. You're supposed to be the brick-and-mortar guy that gives the in-store experience, yet you want to sell online as an individual store? So retailers have to understand what their strengths and weaknesses are relative to what's valuable to the manufacturer, and not just jump up and down that they gotta have whatever the manufacturer has, just to get the PO because that's the way that it's been the last 20 years.

Bill J.: [42:53](#) The retailer needs to find the right manufacturers, and the right manufacturers need to find the right retailers, for this customer experience thing to really, really work.

Kristin: [43:04](#) And you know what, that is a perfect jumping off point to kind of close our conversation today, because what you just brought up is very heartening, and also very terrifying. It's heartening because, in the specialty markets reciprocity and those relationships, that's what we're good at. We know how to serve a community, we know how to build tribes, and there's stuff that we just have in our DNA that we do really, really well. I love that you brought up the passion around the Snow Show with Outdoor Retailer and SIA, et cetera. There's not a single show in our markets that doesn't have that. It's awesome.

Bill J.: [43:39](#) Unbelievable.

Kristin: [43:40](#) And there's consumer shows, like Overland, where you see it with consumers folded into the mix. It truly is a special component of what we do. I'm saying this out loud for everybody's benefit, because I want you to know you have everything in your DNA, everything inside of you to succeed, but what you have to do is unlearn what used to work when a brand partnership and a retail partnership was really, really shining as an example, and understand, "What does that relationship need today?" That equation still works, but the backdrop is so different, the foundation is different.

Kristin: [44:17](#) Disconnecting from what you're doing and reconnecting back in is the way you described it in our call, prior to this interview. So maybe we can close our discussion today with you talking about some steps to take around that.

Bill J.: [44:30](#) Well, I just, I think of Seth Godin, who's been my marketing guiding light for decades.

Kristin: [44:37](#) He is fantastic.

Bill J.: [44:39](#) Smallest viable market.

Kristin: [44:40](#) Yep.

Bill J.: [44:41](#) You know? With the internet, I mean, who is the one, The Long Tail? Is that Chris Smith or something? The whole long tail of the internet? Back at brick-and-mortar, your distribution had to get to Paducah and Salt Lake City and Lake Tahoe. You had to be everywhere. But with the internet, you can get everywhere with the right targeted amount of retailers that are doing the investing, that are making that happen, and that are going to support your brand.

Bill J.: [45:07](#) Then your brick-and-mortar guys, the person-to-person thing is coming back, as I dig into Gen Z and Gen X and, "Yeah, okay."

Half my life is social and half my life is real life." The person-to-person thing is coming back. I mean, books, tangible books are coming back. People are starting to figure out that, "Okay, the internet, the interweb is a tool, and these apps are a tool, and my smartphone, and the Facebook, and oh, my shared [inaudible 00:45:34]." The person-to-person thing is swinging back, and retailers are figuring out that it's swinging back.

- Bill J.: [45:40](#) It's not going to be a robot servicing you in the store. You're going to have technology that's going to apply to it in certain areas, but you're still going to have shops with limited technology, for their inventory and supply chain and to appropriately get what it is that they need, it's going to be person-to-person at retail. Retail's not, it's not going anywhere. Talking to Ben [Carcio 00:46:03], you know. We're believers in this post-apocalyptic world that retail's not going to die, and it's going to thrive. And it's true.
- Kristin: [46:11](#) We believe in that, too.
- Bill J.: [46:13](#) I believe in that to be true because it's people. And, you know, Barbra Streisand, people need people.
- Kristin: [46:20](#) Right.
- Bill J.: [46:22](#) And the whole outdoor industry, and the Snow Show and all that, it's interwoven with it.
- Kristin: [46:32](#) Right. And the people have to be willing to evolve. There can't be a half-ass anywhere in your company. You know what I mean? I do think you're right. We have everything we need to succeed, but we also can't, we can't rest. We can't go back into our habits, even though everything is telling us, from what we used to be motivated by, or certain seasonal deadlines hit and you get kind of woke up at 3:00 in the morning. You're like, "Oh, wait. My motivation is different. My goal is different now." It's just going to take time to relearn it, but you have to be disciplined and you have to go big. There is no half-assed, to make it work.
- Bill J.: [47:08](#) No. And I really think that things are stabilizing. You're going to call me crazy, but I think the dynamic of, you know, the imposition of the internet, the disruption to retail, the dynamic between the two is stabilizing.
- Kristin: [47:22](#) That's good to hear.
- Bill J.: [47:23](#) You're not going to have these earthquakes and volcanoes of the stuff changing, but you're going to have the iteration of

what's available within. So it's just like, the CRM package they buy, Salesforce.com, Salesforce.com is a campaign-based CRM package that I'm finding a lot of manufacturers are buying, which means BMO Harris Bank has got a new call center, and so there you're going to have AT&T and they need to have all new headsets. [crosstalk 00:47:55]

- Kristin: [47:56](#) Where are you going with this?
- Bill J.: [47:56](#) My GN Netcom is that you've got to get the right technology.
- Kristin: [48:01](#) Okay.
- Bill J.: [48:01](#) The IT guy that's calling your store to sell you technology just wants to get you on the subscription rolls. There's not really a deep understanding of your business. You need to work with humans that have systems and processes, so you can understand what you need and see the technology that's out there, as it applies to your business, instead of the guy that's most tenacious, loudest screamer, trying to sell you to get you into the 21st century. That was where I was going.
- Kristin: [48:32](#) And I love that, because you have to bring a passion for it, and you have to have specialty market experience. We call that market fluency, right?
- Bill J.: [48:40](#) Yep.
- Kristin: [48:40](#) And I think that you're absolutely right. The people-to-people approach, I think, with support from the right technology, and that's always going to evolve, so subscriptions can be dangerous in some ways. But I think that that's the equation. While we started out feeling a little bit like, "Wow, how do I ever, you know, evolve through this," you just kind of brought it to a really beautiful place right there, which was, "You have everything you need." It's just a matter of getting the right guide and then really signing up and raising your hand and being disciplined with your team, and looking at everything differently, not just what you're responsible for.
- Bill J.: [49:17](#) Great retailers at the show, great retailers in the show daily, talking about being authentic, making sure that they fit their customers with just what they need. It's the same thing for the retailer, needs to find somebody that fits business processes, business systems, business solutions for just what they need. There's a never-ending amount out there. Are you buying authenticity and fit, or are you buying fad and flash?

Kristin: [49:44](#) Right. It is kind of scary sometimes, because you're like, "Oh, that could really save my you-know-what if I buy that," but in actuality it has to be a holistic decision, for sure. Tell us where we can learn more about what you do, Bill.

Bill J.: [49:59](#) VisionWerks.com.

Kristin: [50:01](#) Yes. And it's W-E-R-K-S, correct?

Bill J.: [50:03](#) Yeah. V-I-S-I-O-N-W-E-R-K-S.

Kristin: [50:07](#) How long have you been doing this, again?

Bill J.: [50:09](#) 11 years.

Kristin: [50:10](#) Okay, and that's as an independent. You have obviously much more, decades more experience in this specialty, beyond that, but for 11 years you've actually been going in and embedding yourself at companies, and working side-by-side with these brands to help them, even through the really bad troughs they're able to kind of see the light at the end of the tunnel because you're in it with them. You aren't just dropping off a binder.

Bill J.: [50:33](#) The good, the bad, and the ugly, in the trench, hand-to-hand combat. Most of it's been consumer electronics, and that has just all collapsed into your iPhones and your smartphones and your Alexa speakers, and all that stuff. And that passion that we had at Bose is prevalent in the outdoor industry, so that's the transition. I answer my phone. I love working with manufacturers that have that passion to move forward. That's what I'm seeking to help and support. I'm not a subscription service. I'm not highly scalable. I'm trying to be more of someone that they can go to for the guidance without -- what do I want to say here -- authentic guidance with-

Kristin: [51:22](#) Right. You're in it for the long game, is what I think you're trying to say.

Bill J.: [51:26](#) I'm in it for the long game because there's nothing more satisfying than having a brand, a leader of a brand, call up and go, "Oh, yeah, yeah. My revenue's up. My profit's up."

Kristin: [51:37](#) "It worked!"

Bill J.: [51:38](#) "Everybody's more excited. My retail relationships are better. Oh, there's more adoption and understanding of my brand out there with the customer expertise, and I can see a way forward."

Kristin: [51:49](#) That's awesome.

Bill J.: [51:50](#) That's it for me, right there, I gotta tell you.

Kristin: [51:52](#) Well, and I have to say, since I encountered Bill -- that was probably around November of 2018, somebody introduced us -- he has been just so engaged and relentless on you guys, the audience of Channel Mastery and the people who have served you, that I've had on the podcast. I'm really, really honored that you've taken such an interest, and I see how it all fits together and I have ... I don't think I've ever had a guest that pulls all the pieces together, like you. Whether you like it or not, I'd love to have you on the show regularly.

Bill J.: [52:22](#) You got it.

Kristin: [52:24](#) Because I really value your insights, so much.

Bill J.: [52:27](#) Thank you.

Kristin: [52:27](#) Yeah. With that, did I leave anything out? Because obviously your insights are super valuable for my audience, and I want to make sure they get every bit of what you have to offer here.

Bill J.: [52:37](#) Just looking at who you've had on the podcast, you're brilliant at who you select, you're brilliant at how you get the best out of them. And the industry that you're in and that you serve can garner massive benefits-

Kristin: [52:53](#) I appreciate that.

Bill J.: [52:53](#) ... going forward. They got all the opportunity in the world because all the components exist, as opposed to all these other industries I see that technology is really hacking them down.

Kristin: [53:02](#) Yep.

Bill J.: [53:02](#) Whereas our floor is not going to get hacked down by technology. And the number of millennials that were at the Snow Show, that were Duded and cranked and stoked was phenomenal, just phenomenal.

Kristin: [53:16](#) Yep. You should go to Overland Expo in Flagstaff. You'd see a whole, a different, equally excited but different crew. Every single one of these communities, you see a lot of commonalities, and that is the stoke and passion, but then you also see just the different communities they belong to. But there is a guiding thread, which is what we make and what we do, how we serve them. That is literally part of their identity

and the best part of their lives. That's just something that I think will always encase the passion of these industries that we're in.

- Kristin: [53:50](#) Thank you so much for taking interest and helping us, and you're going to continue to help us. I think I can foreshadow some things that you and I have on the horizon this year. We've got some cool stuff we're going to try and work together on, everybody. So, really excited about bringing more of Bill and our community together for you in an implementable way. And I'm looking forward to that.
- Kristin: [54:11](#) Thank you so much for-
- Bill J.: [54:13](#) Thank you.
- Kristin: [54:14](#) ... for all you've done here today, and everything you're doing at Vision Werks.
- Bill J.: [54:18](#) Thank you. I'm proud to be part of your package.
- Kristin: [54:20](#) Aw, well, we're just getting started, folks. All right, Bill, thanks until next time.