



COMPANY NAME

**SALES DISCOVERY
REPORT**



PREPARED BY

Advisor Name, Company Name

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»» SUMMARY

UDAP has realized significant growth in the last 3 years while securing more control and the management of a vertical position in manufacturing, packaging, and distribution of consumer product goods (CPG) with a specific focus on personal and bear protection. The rapid growth of UDAP has resulted in a lack of a diversified and capable group of individuals to support and take on the business management and customer communications aside from the management team. In addition to this, a lack of a strong feedback loop and inconsistent sales management has resulted in significant margin erosion and sales inconsistencies.

In an effort to build the necessary infrastructure to support the management team, what appeared to have been strong and meaningful hires lead to departures from sales leadership. These departures lead to additional work for the management team where efforts needed to be dedicated to client relationships and the challenges associated with a sales leader moving to a direct competitor. In each situation of a sales leader's departure, the individuals lacked clear expectations of their job performance, effective onboarding, management and a compensation plan to reward desired the outcomes of UDAP.

Equity Catapult, LLC was engaged to address the businesses lack of a cohesive sales strategy and structure to support sales growth. Other issues discussed as elements of a cohesive sales strategy included compensation plans for sales leadership, options for diversifying sales teams, strengthening dealer support through sales tools improvements and in-house hires and the simplification of sales programs.

The Genesis Sales Plan has been chosen and designed to identify the specific areas within the sales infrastructure that will help UDAP build a foundation for future growth. There is a real opportunity for UDAP and with a pragmatic approach to growth, the ability to secure \$20 - 25M annually in the next few years is achievable when key components of a sales infrastructure are put in place.

There are 5 key areas identified in the Top Areas of Focus on pages 19 and 20 are the most important areas to address first. Without addressing these foundational elements, future growth will be difficult and the overall company brand will likely suffer.

Sales Strategy

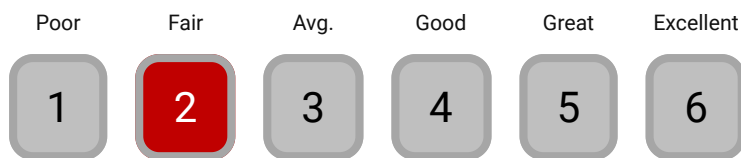
»» OVERALL SCORE: 9

| | Poor | Fair | Average | Good | Great | Excellent |
|---|------|------|---------|------|-------|-----------|
| Industry Positioning | 1 | 2 | 3 | 4 | 5 | 6 |
| Competitive Landscape | 1 | 2 | 3 | 4 | 5 | 6 |
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- • 5 Fundamentally sound with minimal deficiencies
- • **MED** 4 Has multiple strengths needs moderate adjustments
- • 3 Proficient with few adjustments
- • **LOW** 2 Minimal strengths with multiple deficiencies
- • 1 Vulnerable with many deficiencies

SALES STRATEGY:

>> INDUSTRY POSITIONING



LOW. 2
Minimal strengths with multiple deficiencies

Current Status: Sales Strategy for UDAP appears to be that of an advantageous organization who often is invited into relationships where competitors have missed deliveries and UDAP is secured to fill-in orders and opportunities with clients. Where competitors have fallen short of customer expectations is an incredible opportunity to have for any vendor, yet these positions are not maintained, supported and secured for continued growth and opportunity.

Although deliverables in product and completeness of orders are considered best in practice, performance heavily relies on the relationships with one primary customer, Costco, and a few other significant retailers rather than a more diversified account base.

The competition is fierce in the Bear Spray and Self-Defense category. Without the direct control over the sales activities of UDAP's sales team, the message is unclear, results are inconsistent and the ability to grow is based on the bandwidth of two executive leaders at UDAP.

With most every relationship, UDAP's management team is strained to support the account base, while managing the day to day operations of the business.

Proposed Action: Contact Key Relationships to explore other products and services that UDAP can provide to their customers.

Use the power of Direct to Customer Retailers who rely on retail sales for their survival by offering:

Secure the opportunity to:

- Build out Micro-Sites on client's websites
- Re-launch Drop-Ship Program with Retailers.- Create content that can be leveraged on Retailer's sites: New Photos, Video, Testimonials, Product Information,
- Establish Benchmarks of Success to secure pre-season orders on Drop-Ship item sell-through rates. (ie. when Item XYZ hits 48 units in sales it will be committed to for In-Store placement)

Website:

- Build out UDAP site to include all content above while posting Blogs & White Papers on LinkedIn.
- Become the undisputed thought Leader in the Category of Personal Protection and Bear Spray for Campers, Backpackers, Overlanders, Hunters, Anglers, & Public Land Users.
- Identify and target end users through aggressive online sales tactics.

Establish Key Relationships with:

- Leave No Trace
- Outdoor Retailers (attend OR with targeted list of retailers and reps to secure)
- Backcountry Hunters and Anglers

Sales Team Planning:

- Meet with current sales group to evaluate performance
- Request complete list of accounts to identify success rate with Dealer Base
- Set Targets of Focus and measure performance
- Present Bonus Plan for Performance

Secure Independant Rep Opportunity in Key Markets

- Establish Compensation Plan with Base & Bonus for growth on Pre-Season
- Establish Compensation plan with In-Season Bonus

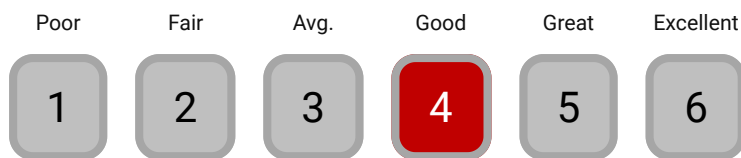
Purpose: Setting these actions into place will help you leverage UDAP's position with end customers. Currently UDAP does not have access to the current customer base and cannot control distribution or messaging to customers. By taking these steps UDAP will begin to strengthen relationships with the top three partners who will be marketing for UDAP to a highly targeted customer.

Lastly, we urge you to target specific customers you have identified and market to them with targeted sales tactics.

This will allow you to drive and control your brand, strengths and the message you hope is received. This not only widens your customer base but it also builds your database and referral system.

SALES STRATEGY:

>> COMPETITIVE LANDSCAPE



MED. 4
Has multiple strengths
needs moderate
adjustments

Current Status: UDAP needs to establish a regional and state by state strategy for a 3 year sales strategy to be successful in growing the business.

In each state, UDAP needs to understand our competitors strengths and weaknesses to ensure we promote our abilities to service them at the highest level in the market.

Without a CRM in use and the fact that our rep agency does not share their sales targets, and distribution plans UDAP cannot manage an effective communications plan to Educate, Inform, and Support the dealer base.

Proposed Action: UDAP needs to secure and install an effective CRM to manage all sales and marketing communications and outreach.

To leverage a CRM, we would utilize the API connection with QuickBooks to synchronize account contacts and build out 24/7 access to all communications conducted with current and future account leads.

Communication Templates would be created within the CRM to:

- Reduce the re-writing/re-addressing of email communications to Dealers
- Create Visibility of Email Opens, Shares, and Time spent reviewing the email
- Create consistency with Annual and Pre-Season Specials
- Triggered Automations for when Orders are received to send out Thank you's
- Monthly and Quarterly Opportunities or Specials based on Seasonality

Activities:

- Accounts can be flagged to remind in-house team to call for orders
- Call Tracking can be set to see who has not been called and who has
- Sales Person effectiveness can be evaluated and better performance can be coached
- Goals and performance against goals can be measured

Purpose: Companies that start out small also grow into larger companies because they do great things and have great relationships.

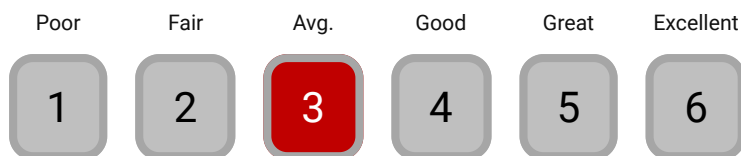
UDAP is being out-manuevered in numerous markets, lacks a means of targeting communications, and therefore does not have any metrics to measure objectives other than sales figures.

The current sales team lacks a desire to compete on behalf of the brand and does not secure pre-season and in-season opportunities where market positioning is critical.

We never want to underestimate a small local company or regional company that can impose their strength and service on your customers. By identifying similar type companies you will be able to keep a pulse on who is growing, why they are growing, in addition to learning their strengths and limitations.

SALES STRATEGY:

>> VALUE PROPOSITION & POINTS OF DIFFERENTIATION



MED. 3
Proficient with few adjustments

Current Status: What makes UDAP unique?

Expertise, strategic relationships, Vertical Operation and comprehensive offerings are the company's strengths.

The primary reason I continue to hear is that Mark's story is such a strong reason why people are attracted to the brand.

Proposed Action: Find one to two things that your clients, as well as your prospective clients, view as making your company unique.

This one or two sentence should be a statement separating you from all other like companies. In other words, you are creating a solid value proposition.

Items that come to mind for me are:

- Vertical Operation
- Highest Concentrate compared to competition
- Most in can pressure

Purpose: This will create a repeatable and consistent message that separates you from your competition.

This message should be consistent throughout:

- Sales,
- Marketing: Website, Handouts, Packaging
- Staff
- Every touchpoint possible that connects with with current and future customers.

Sales Methodology

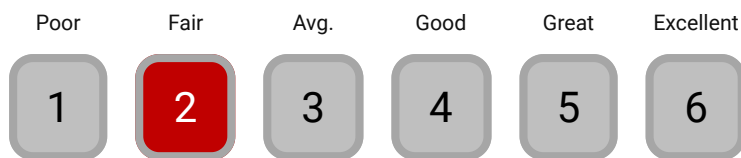
»» OVERALL SCORE: 7

| | Poor | Fair | Average | Good | Great | Excellent |
|----------------------------------|------|------|---------|------|-------|-----------|
| Sales Coverage | 1 | 2 | 3 | 4 | 5 | 6 |
| Sales Process | 1 | 2 | 3 | 4 | 5 | 6 |
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SALES METHODOLOGY:

>> SALES COVERAGE



LOW. 2
Minimal strengths with multiple deficiencies

Current Status: There is one sales organization that controls most outside sales activities, yet all servicing of accounts is coordinated from the in-house team.

sales, support and distribution of UDAP products of which UDAP has zero visibility and control over.

House Accounts are supported by the in-house management team who is spread across all areas of business operations.

A territorial map has been identified locally broken down into regions for the sales team. It has not been utilized yet, except for dispersing leads.

Proposed Action: There are a couple opportunities to define and further disperse the roles and responsibilities of UDAP's Sales Leadership, Account Sales and Support:

Equity Catapult proposes a regional territory breakdown to support the dealer base and create new opportunities for the UDAP brands.

Secondly, we feel UDAP should hire two inside salesperson.

With a company growing so rapidly a second inside sales person may be needed in the near future.

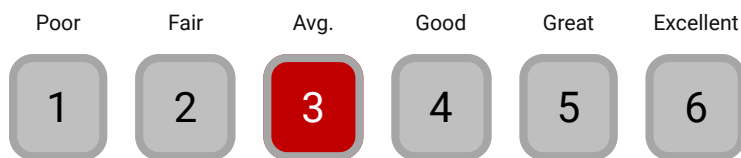
Purpose: We recommend a regional territory breakdown because of two distinct advantages. First, it will help to expand into new markets since you already dominate the market in Pittsburg. Secondly, it will allow each sales person to focus on more companies. Right now each sales person could easily overlap with another salesperson's potential customer and it is more difficult to track. This actually produces a larger customer pool and it harnesses activity.

We also suggest that the inside sales person have their responsibilities broken down. This will allow you to see

how customer service/upselling contacts that this person can handle before efforts are diminishing and clients see service as problematic.

SALES METHODOLOGY:

>> SALES PROCESS



MED. 3
Proficient with few adjustments

Current Status: There is zero sales leadership, the systems are less than effective while using QuickBooks as the primary communication tool along with email.

There is zero sharing of account communications and no definition of account status with the exception of Past due amounts and sales data on year, quarter, and month to date information.

The other primary selling process is to attend a trade show where most all orders are secured by UDAP and the Sales Agencies that represent the brand.

Proposed Action: The creation of a formal sales process that documents:

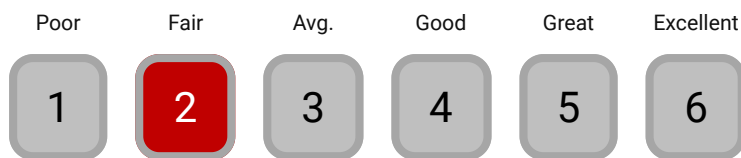
- dealer/retailer geographical location,
- account size,
- key contacts, and
- distribution emphasis,
- seasonality of activities and calendar of events

The Sales Process will detail key deliverables that need to be accomplished before moving on to the next step.

Purpose:

SALES METHODOLOGY:

>> CUSTOMER RELATIONSHIP MANAGEMENT



LOW. 2
Minimal strengths with multiple deficiencies

Current Status: QuickBooks and email are the only tools that are being leveraged for account management.

Proposed Action: UDAP should purchase and implement a CRM.
QuickBooks should be linked to the CRM through an API backend link.
All dealer communications with UDPA accounts need to be executed from within the CRM.

Purpose: Having a CRM to collect information that stores not only client information, history of all communications, but reports activity on sales professionals.

CRM's are not all the same and the ability to report key segments tailored around UDAP is a must.

Despite all measurements being documented the software is deemed useless unless it has accurate information being stored daily.

Sales Analysis

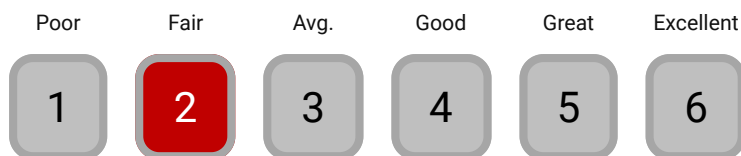
»» OVERALL SCORE: 5

| | Poor | Fair | Average | Good | Great | Excellent |
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SALES ANALYSIS:

>> SALES GOALS & QUOTAS



LOW. 2
Minimal strengths with multiple deficiencies

Current Action: There are no sales goals or sales quotas assigned or goals that have been communicated.

When asked if the company has a 1 or 5 years sales goal there were none. The current goal is for a salesperson to pay for themselves by producing at least \$10,000 a month. There is no clear method of determining the success of a salespersons efforts. Not having goals in place is one of the most critical issues right now.

Metrics are not being measure and not being managed within sales and nor are they being creatively incentivized.

There appears to be a reluctance to reward sales efforts and achievements as there is concern that they will be overpaid in comparison to other staff workers. This is a common misconception and should be reevaluated while sales activities can be directly measured within a CRM and coached effectively.

Proposed Action: Create a 1 and 5 year's sales goal.

Set up monthly, quarterly, and annual sales quotas for each sales person and hold them accountable while rewarding efforts that exceed goal.

Reduce the Base Compensation (Salary) to \$50,000 with expenses paid and create a Variable Commission structure that is not capped on opportunity. Each Year the plan should be edited to ensure the company is maximizing profits, is being fed first as the organization grows and create opportunities for sales growth.

Purpose: The purpose of a 1 and 5 year sales goal is to provide actionable steps that are tied to the company's vision.

Working backwards from a 1 or 5 year plan can set up quotas for each salesperson that will reach the respective goals.

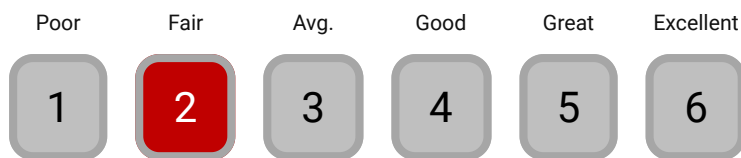
When it comes to sales quotas it gives a sales person something to accomplish.

A sales person will then be able to set up daily activities and monitor a plan to achieve their quota. Quotas will motivate, challenge and incentivize sales people in multiple ways.

A sales manager will be able to develop and manage their sales force, since they will be able to recognize early in the process where intervention is needed.

SALES ANALYSIS:

>> METRICS, REPORTING & DASHBOARDS



LOW. 2
Minimal strengths with multiple deficiencies

Current Status: UDAP reports on sales with basic QuickBook reports.

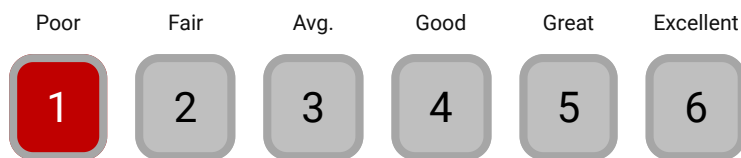
Proposed Action: We recommend that you update the metrics and dashboards currently being used.

Secondly, we advise that the system be shown to the sales team on how to use and fill out the proper information. Once everyone understands how to operate the system properly hold them accountable for filling out weekly unless a CRM is leveraged and then all activities will be automatically updated and visible to management.

Purpose: The dashboard and metrics of a CRM create the reporting system for executives to get a pulse on what is happening. Any executive will be able to read reports in multiple key areas and know customer info, sales info, industry segments; This is a must on being used properly.

SALES ANALYSIS:

>> COMPENSATION & INCENTIVE PLANS



LOW. 1
Vulnerable with many deficiencies

Current Status: After reviewing elements of the past programs and offers of recent compensation plans there are significant needs for modifications and management that understands the mindset of a sales person.

Proposed Action: We suggest that the compensation plans be restructured.

We advise that the compensation plan for experienced sales members be adjusted to create urgency in finding new sales, both Pre-Season and In-Season sales.

Purpose: The purpose of these changes is to drive activities and make sure the sales team does not get in a complacent state from making a certain amount of money. Additionally, the changes will align individual performance with corporate objectives.

Sales Organization

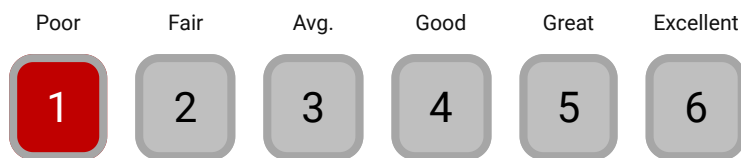
»» OVERALL SCORE: 4

| | Poor | Fair | Average | Good | Great | Excellent |
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SALES ORGANIZATION:

>> DEFINED ROLES & RESPONSIBILITIES



LOW. 1
Vulnerable with many deficiencies

Current Status: There are no clearly defined written roles and responsibilities for sales representatives.

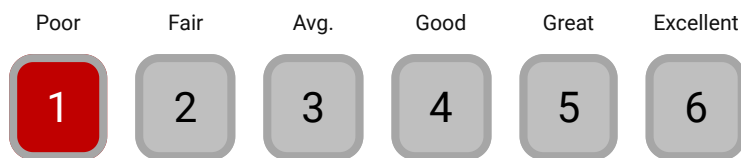
Proposed Action: Defined Roles and Responsibilities should be a separate document and stand on its own.

At the time of hire, we recommend that these documents be signed and dated by the sales manager, HR representative and new sales person, verifying that they read and understand expectations.

Purpose: These documents clearly state what is required of them and the consequences for not fulfilling their duties. This paper work will help resolve questions/issues down the road if any arise.

SALES ORGANIZATION:

>> STAFFING & HIRING PLANS



LOW. 1
Vulnerable with many deficiencies

Current Status: There is no sales leader within the organization, yet 2 individuals manage most all of sales and communications, while one sales organization deploys the use of some of their sales people in regions to sell UDAP products.

There is no detailed onboarding system or methodology to help ensure the success of a new hire.

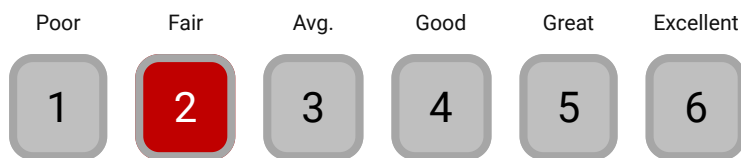
Proposed Action: Hire an In-House Sales Manager who can be remote and closest to a convenient airport or near the top producing accounts where visits can be frequent.

Set up Monthly trips to be with Sales Manager or have him/her visit UDAP in person. It would be best to hit the road with the individual to gain first hand experience and be present to evaluate the individuals relationship(s) with the buyers.

Purpose:

SALES ORGANIZATION:

>> SALES TRAINING



LOW. 2
Minimal strengths with multiple deficiencies

Current Status: There is no ongoing sales training or development.

There is no sales meeting held every other week based on product development.

We did not find any evidence to indicate that sales development is a typical agenda item. The owner traditionally reviews the CRM reports and much of the sales meeting is spent reviewing the sales pipeline, although we believe the CRM data is often filled with errors and duplications.

Proposed Action: We suggest the sales meeting have a specific purpose where value is received by all attendees.

We also suggest that each salesperson should have a weekly one-on-one meeting.

Reps should also run a CRM report before going into the sales meeting and be prepared to address/defend their pipeline and forecast.

Purpose: The reason for sharing specific content at the sales meeting is for the development of the sales team and to provide them with the needed sales collateral.

Having one-on-one meetings would allow sales management to gather more detailed information regarding each reps sales performance.



GENERAL SALES FEEDBACK



»» TOP AREAS OF FOCUS:

1. Sales Goals & Quotas

It is important that short and long-term goals be set to establish a foundation for all sales, marketing and operational activities. Corporate objectives must be established before allocating the appropriate sales revenue needed from each department and individual. Sales goals and quotas will focus salespeople on desired behavior and sales leadership will be able to recognize early in the process where intervention is needed.

2. Sales Process

The lack of a formalized sales process is a vital concern because of its impact on customer service, client execution and employee satisfaction. A formal process must be created, documented and communicated to the entire organization. This process should be integrated into the CRM and tied to the forecasting process. Each step in the sales process needs to have key deliverables assigned to it that needs to be accomplished before moving on to the next step.

3. Pipeline Management & Forecasting

There needs to be a formalized process tied to pipeline development, forecasting and the management of those processes. A formal process tracking each opportunity, along with their respective probability of closure is key to accurate forecasting of future revenue. A process to track the sales performance of each sales rep against their forecast and management's expectations is important to gauge the effectiveness of each member of the sales organization. Ultimately, future decisions can be made confidently, because they are based on an accurate picture of future revenue.

4. Metrics, Reporting & Dashboards

Key metrics must be created that are closely tied to company objectives. The development of dashboards would also be a useful tool to monitor the agreed upon objectives. Tools and processes must be put in place to provide management with the proper insights into the performance of the company and all personnel.

5. Compensation & Incentive Plan

Modest changes need to be made to the current compensation plan to reflect the desired behavior by management. Adjustments need to be made to eliminate the current motivation to hold back sales to a later month where greater sales will be realized. Serious consideration should also be given to compensate new business at a higher rate than existing revenue. Most importantly, compensation should be attached to individual quotas. Quota-driven incentive plans align individual performance with corporate objectives.