

**Utilizing their S.O.L.D™ Process with an Outsourced Model,
Sales Focus Inc. is Building Dedicated Sales Teams focused on
Growing Small & Large Companies across the Globe**

**Business Services
Sales Outsourcing**

**Sales Focus Inc.
2205 Warwick Way, Suite 320
Marriottsville, MD 21104
410-442-5600
www.salesfocusinc.com**



**Tony Horwath
CEO**

BIO:

Tony Horwath is the President and CEO of Sales Focus Inc. Tony pioneered the Sales Outsourcing industry in 1997 and officially launched Sales Focus Inc. (SFI) in 1998.

SFI was developed on a simple outsourcing model of building dedicated sales teams that are focused on generating immediate revenue. Tony has held executive positions for over 25

years. He is an expert in Outsourcing Solutions with a focus in the IT Professional Services environments. His background includes launching start-up organizations, transitioning existing sales organizations into a focused productive unit and improving process management of successful sales organizations in stand-alone, Fortune 500, and privately held companies.

Tony has extensive knowledge regarding the process of developing sales & marketing organizations into a productive entity, as well as transitioning from a government revenue base into a commercial revenue sales model. As an EVP for several IT based organizations, Tony led the building and management of several professional services organization through organic growth and acquisition.

He has drafted strategic corporate business plans, raised capital for startup organizations, defined new services portfolios, developed associated infrastructure requirements, and handled the redesign and redirection of sales efforts away from "commodity" sales towards value-based service sales. He has also led executive team discussions to prioritize build vs. buy competencies, and identify strategic alliance and acquisition candidates.

Recognized as a creative and motivational leader with a clear focus on results attainment, Tony brings a legacy of helping companies increase sales capabilities and capture greater shares of their clients' budget. He has been a featured speaker regarding selling process and procedures,

interviewed as the key contributor to major magazines about sales techniques as well as published several articles and white papers centered on the development and management of success sales teams.

Tony is married to Marilyn for 27 years and has three children, Alex who is a professional soccer player, Emily a graduate of Virginia Tech and Zachary a student at UNC Wilmington. Tony is a sports fanatic, loves competition of all sorts and is a huge supporter of the Ravens and the Orioles.

About Sales Focus Inc.:

SFI Pioneered the Sales Outsourcing Industry. Building Intelligent Sales Outsourcing Solutions has been our only focus since we pioneered the Sales Outsourcing industry in 1998. Sales Focus Inc., (SFI) has generated well over \$10B in revenue for our clients, utilizing our repeatable S.O.L.D™ process, which allows us to build dedicated sales teams focused on growing small & large companies alike. Our solution is a "true" business process outsourcing model, whereby the outsourced sales team is exclusively recruited, trained, and managed to meet our clients' revenue goals. In 45 days, we will build your sales plan, recruit a dedicated sales team of W2 Sales Focus employees and have feet on the street acquiring new clients for you, all while reducing your cost of sales!

Intelligent Sales Outsourcing Solutions. Focusing on client acquisition, building and launching dedicated sales teams on a national level, all

while reducing the cost of sales is what makes Sales Focus Inc. (SFI) unique. We create repeatable and sustainable business processes designed to bring sales results in a short period of time. SFI is able to provide a dedicated sales team across the country or across the globe to meet the needs of each individual client. Our sales representatives are thoroughly trained using our Sales Master Training Program for both tactical and strategic solution based selling. Sales Focus is committed to providing our clients constant sales intelligence in the form of daily, weekly and monthly reports, allowing for our clients to own the customers. Whether our outsourced sales teams are feet on the street or inside sales, Sales Focus is committed to driving down the cost of sales, generating immediate revenue and building "Intelligent Sales Outsourcing Solutions".

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Horwath, Sales Focus and you are pioneers in sales outsourcing solutions. What was the basic concept and how are you carrying it out today?

Mr. Horwath: The foundation was very simple. My background was in technology. In my career, I got into sales and marketing very quickly and my model was to build a process driven and sales organization. As I went through my career in different organizations, I was always developing sales organizations based on process. In the mid nineties, this term 'business process outsourcing' started to be thrown around as a model instead of just IT outsourcing, not just a product but the entire organization. I came up with this idea of doing sales outsourcing. The model was simple it was building dedicated sales teams for our clients. It was a true outsourced model and one-to-one relationship where we provide all the planning, development, recruiting and the training. The salespeople are W-2 employees of ours but they are 100% dedicated to that client, the card-carrying member of that brand. The model is simple it is building dedi-

cated sales teams whether it is locally nationally or globally for our clients.

CEOCFO: Who are your typical customers today?

Mr. Horwath: Our customers are really interesting. It is typically very large organizations that have adopted the model of outsourcing or smaller companies that need a turnkey sales organization to take over the entire selling process. Large customers want to acquire the small and medium business marketplace. For them, our model of feet on the street and door-to-door business-to-business sales is a very affordable effective model. Most large organizations Fortune 500 and Fortune 1000, typically most of the revenue is from other large organizations. There is a time in organic growth that they have to figure out how to now acquire the small and medium business marketplace. They can do mass marketing, television advertising and many different methods. Our method is feet on the street, door-to-door business-to-business. The large organizations we work with are some of the world's biggest companies like GE, British Petroleum, AT&T, Consolation Energy, PPG Industries. Some of those organizations have adopted this model of outsourcing for specific reasons typically to speed the market scalability and cost of acquisition. It is an operational expense compared to an HR expense, so there are many different reasons why they have accepted the model. The other side of the spectrum is we work with many small clients that do not have the knowledge or wherewithal to develop their own sales organization. For them to come to Sales Focus means I already have that infrastructure in place. I do not have to try to build that internally and I can work with an organization like Sales Focus that can immediately put a sales team together and have all that infrastructure that I need. The third area is international organizations that want to get into the US marketplace. It is very expensive as you can imagine to come over to try to develop the infrastructure, the foundation, the facilities and so forth so for them it is easier to work with an organization like ours as well. Primarily for them it

is cost effectiveness but also knowledge of US customs and US HR laws. It just makes a much easier decision for them.

CEOCFO: Are there any particular industries of focus for you?

Mr. Horwath: When I first built my business model, my focus was technology. The reason for that is that is what I knew and I had spent 25 years in IT so it was easy to go in to technology companies and talk bits and bytes and really understand what they were doing. What happened early in our foundation is we had companies come to us and told us that we were doing this for technology companies and asked if we could do it for them. They said they would teach us the product. That has really been the foundation going forward. We have worked in every industry from health-care, telecom, advertising, financial services, industrial, travel and tourism to energy deregulation. It is across all spectrums because what we bring to the table is our ability and our S.O.L.D.™ process that allows us to quickly and effectively develop and manage a sales organization.

CEOCFO: When are some of the things about your business that people may not understand?

Mr. Horwath: It is about process and people. We are a process driven organization and we manage our sales teams very tightly on a daily basis. Many companies for whatever reason do not do that very well. In my travels of 25 years experience, I found that process is so important and it is not just about relationships or product knowledge. When you incorporate process into a sales organization, the effectiveness is tremendous and that is really what we bring. When we look at an organization independent of industry and geographic location, we have a foundation that says we can take a company independent of size and if you want ten or twenty or two sales people we can build that team out in 45 days. We can do this because we have our internal infrastructure that allows us to recruit and train as well as manage a dedicated sales team that quickly. It is a very close partnership with our clients.

Somebody does not hire us and just put us at arm's length but we become very tied to that organization. It is a transparent relationship where we have to work closely with our clients. The other part is people. Because we are not experts in every industry, we have to hire good people who know that industry. One of our larger clients is in paint and coatings. I am not an expert in paint but it is a situation where we have to go out and find people with that expertise. We are going to teach them our sales skills and methods. We bring the process part and find the good people. We have excellent products and brands from our clients and we are very successful.

CEOCFO: Is there anything you cannot or will not sell?

Mr. Horwath: Where we are not as successful is long sales cycle environments because most of our clients want to see results quickly. In transactional selling environments where it is less than three to six months sales cycle that is a better scenario for us. We only do commercial acquisition we do not do any residential sales. Everything we do primarily is either feet on the street or inside sales. We have a sales center it is not telemarketing or lead generation. It is a sales center. We do full life cycle sales inside and then we have feet on the street across the country based on our clients' needs. There is not a product we cannot sell it is just where we fit best is in that small and medium business and business-to-business sales organization.

CEOCFO: How do you reach potential clients?

Mr. Horwath: Most of our marketing is done via our website. I will tell you that 99% of the clients that we have worked with over fifteen years have come to us. Some of those big names that I mentioned to you have all come to us. It is a matter of accepting the model first and they look for organizations like us that have the credibility and experience or have the success stories that we can point to and they

actually seek us out. We do reach out but it is more in education. We have taken the approach of let us educate the market about sales outsourcing and then we will bring them into us because they will be looking for the person that can do it.

CEOCFO: What do you look for when you hire people and how do you know who will be a good salesperson or can you train anybody?

Mr. Horwath: No, you cannot train just anybody. Every client asks that question and it is a good question. Then first thing we look for is work ethic. If you have experience in the industry, that is important to me. The most important thing to me is somebody who has great work ethic. I always say that the only door I cannot help you open is your front door or

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your car door. Besides that, we can assist you and guide you into selling techniques and sales process that will make you successful. Good sales people will be more successful but we can take someone who works hard who has that understanding and drive to be successful and make them successful. We do look for people who have had prior successes and that commitment to say military experience and are used to regiment cadence requirements. We break it down and you look at all of our programs across the country, look at where we are successful and where we are not successful. If you drill down to the numbers and the cadence, it really comes down to the activity levels and process and how hard they work and communicate. It is the little things that you have to look for in individuals, and we do drug and background testing but it really comes

down to that hunger to be successful. If you find that competitive spirit and that hunger to be successful, we can make people very successful.

CEOCFO: What is the competitive landscape?

Mr. Horwath: Competitively there are probably twenty to fifty companies that say they do sales outsourcing. Many people use the term now because it is a sexy term instead of sales consultant or trainer it would be sales outsourcing. The companies that were telemarketing companies are now sales outsourcing companies. I know from a competitive landscape what we look at is there are a few competitors that we run into but it is typically not us against them but it is a decision by a company to keep it internal or to outsource. We are one of the largest and have more awards than any company. We started the industry, so from a competitive landscape, we are extremely competitive and focused and most people use our model that we launched fifteen years ago. The model that is out there is pretty much a Sales Focus model that people use now. It comes down to a fit and to whether the client feels comfortable with using us

compared to somebody else. Sales is an intimate relationship. Clients will not hire you to go out and bring in clients to generate revenue unless there is a real comfort zone not just from a relationship perspective but there has to be trust and ethics and all those things that come into play and that is really where we shine. We have been in the energy deregulation market for twelve years, have written tens of thousands of contracts for our customers and have never had an issue with the Public Service Commission. We take business ethics very serious. Our internal code of conduct is signed by everyone. Our corporate communication is all about personal accountability. I take that to heart so for us it is about building relationships that last for a long period.

CEOCFO: When you talk to new clients do they appreciate the history?

Mr. Horwath: Yes, they appreciate it but it comes down to let us talk about what you can do to me now. The key for larger clients if I am working with a Fortune 500 company is if you done this for companies of size before. With smaller companies it is not nearly as important but if I am going to work with a large manufacturer or a large energy company they are going to want to know if we have done this before. We could point to some of the world's biggest companies that we have utilized our S.O.L.D.™ process to launch, manage and develop sales organizations effectively.

CEOCFO: Would you like to reach that middle market that is not really appreciative of what you do?

Mr. Horwath: Our hardest part is controlling growth and managing our growth. Over the last four or five years we have been somewhere between 45% to 85% annual growth, so it is not a problem for us finding clients it is finding the right clients. We do not work with everybody, but they have to find the right product or model and it has to have the right price point and fit our model. We work with the middle market some but they already have an infrastructure and typically they are utilizing that infrastructure, so they would have to really think about themselves launching a new product or service and not wanting to get their people out of focus. That is a good fit for us but if they are just going to expand their existing model and put us competitively against their internal groups, it is not a good model because you are not being fair to both sides. We would like to enter it but it is not really a mandatory need for us now.

CEOCFO: What is ahead for the company?

Mr. Horwath: I still feel like we are scratching the surface. We do not go out and market ourselves that well and that is where we have to change as an organization. When I say we are scratching the surface, we have so many opportunities of growth this year. Our expectation this year is about 120% growth. It is a tremen-

dous time for us and based on the economy we are a good fit for that and we allow organizations to grow without having that HR expense because we are an operational expense. We allow them to scale, so we could grow quickly and reduce if it is not working. There are so many tools that we can bring that they internally could do if they have to but they have to build that and manage it and it is difficult for big companies to move as quick as we can. Our opportunities right now are higher than they have ever been.

CEOCFO: How do you decide what to take on?

Mr. Horwath: It has to fit our model. What I mean by that is typically looking for a more transactional sales environment, which means 30-day close cycle and maybe 90-day max. A price point that makes sense and it has to have a cost of sales or acquisition that fits for the client and for us as well. Most companies do not really know what their cost of sale is, so we have to work with them to establish what it should be. If they are looking at a price point on a product that is only \$100, it is not going to be a fit for us because our model is experienced knowledgeable sales people who are salaried people. It is not necessarily the product type or service but does the product or service fit financially in what we can do for them. Geographically it does not matter as we have sales people across the country and partners globally. It is about whether the product mix fits and the other part is whether there is a good relationship between the two of us because it is such a give and take back and forth. We have three key deliverables to our clients; the first is brand protection because I am representing your company when I am out there so for a client I am carrying your business card and I have to protect your brand at all costs and all times. The second is revenue generation, which is why we have to bring in money for you and reduce your cost of acquisition. The third is what we call sales intelligence and that is where I am providing you not just revenue but informa-

tion from the field, competitive landscape information and all the information that we gather going door-to-door business-to-business. If there is a relationship with a client it is taking that and allowing us to help them make decisions that is a good relationship and we will go far together. If the client wants to just hire somebody and put feet on the street, which is more of a manufacturer's rep model different from us that is not a good fit for us.

CEOCFO: What surprised you as the business has developed?

Mr. Horwath: I went back recently and looked at my business plan that I developed in 1997 and we are doing exactly what my business plan was from fifteen years ago so that surprises me that we are exactly in line with what I expected. I think what surprises me now more than anything is the acceptance of sales outsourcing as an accepted form of outsourcing. I still get the deer in the headlight look from many people, as to say they really have never heard of sales outsourcing before. However, many more people are accepting and knowledgeable about the industry.

CEOCFO: Why should the business and investment community pay attention to Sales Focus?

Mr. Horwath: We are a high growth organization that can service industries across the globe. We have a market space that allows us to focus on a very targeted industry and customer base that clients really want with is the small and medium sized business acquisitions. We can show people that our cost of acquisition and cost of sales is very attractive compared to what they can do internally, but foremost is our professionalism and our background as well as process and knowledge. It can allow any organization to grow at a controlled and expanded rate whatever they want to do.