

Five Ways to Minimize Sales and Marketing Frustration, Waste, and Cost

By Michael J. Webb

What steps of your sales and marketing process produce the most cost, waste, and frustration? Here are five important mistakes you can work on to make your sales and marketing more productive. Fixing any of these five areas will produce big returns for your organization.

1) Observe the Use of Your Product in the Field

Developing the right products and services is hugely important, yet most companies still produce too much of what customers don't really want. Avoid this frustration by basing your product development, your marketing, and your sales process on solid Voice of Customer evidence. You can even integrate your salespeople into this effort. For example, on a trip to Japan, one executive I know observed a sales report open on a worktable in a robotics manufacturing plant. It caught his eye because rather than having words and numbers, it contained sketches of the product in use by a customer, with detailed illustrations of how the customer had modified the grippers for their application. The result, ultimately, was that the robotics company began offering new types of grippers, and the salesperson had something new to talk to his customers about.

2) What Your People Already Know Is Better Than Market Research

For a product launch years ago, my salespeople were to receive extensive (and expensive) data telling them who each of the prospects were. Our jaws dropped when we realized that 50% to 60% of that so-called data on companies in our territories were trash. I've since learned that this is not atypical: just last week a client confided that the \$260k they had spent to get the results of a government-sponsored study of their customers was almost a complete waste of their lead generation money. How much cheaper would it be to have the mindset for documenting what distributors and salespeople already know about their customer's businesses?

3) The Quality of Your Leads Is Everything

What's the telltale sign that your marketing and selling are wasteful? It's when salespeople won't follow up on leads provided to them. It happens for one of three reasons:

- 1) they don't believe the leads are worth their time (they may have evidence for this)
- 2) they don't have a good way to identify the high-quality leads and thus are overworked
- 3) they have too many high-quality leads, so some are falling through the cracks

Any one of these situations means lots of time and energy is going down the drain. For example, most marketers are not rewarded for the quality of their leads and don't know how to do it in any case. Unfortunately, many executives (who should know better) mistake high activity for the likelihood of results. Nothing could be further from the truth! Only high quality implies likelihood of results. Giving your team a (statistically) valid way of qualifying their leads and opportunities is fundamental to improving them.

4) Try Getting Prospects to Do What They Are Ready to Do

Once you find someone who is likely to buy, marketers and sellers who believe "it's a numbers game" tend to make big mistakes. In an effort to maximize their results, they maximize their activities—the number of products, promotions, leads, demonstrations, and proposals they produce. Instead of learning what is important to the customer, they tend to "do what they're supposed to do":

- Talk about their product or service before prospects want to know (boring!)
- Assume their product is best without proper evidence (arrogant!)
- Waste time and money on demonstrations, samples, and proposals the prospect really didn't ask for (wishful thinking)
- Make offers and deals when their prospects don't buy their proposals on the assumption that price is a motivator (it often it isn't unless you make it one)
- Fool themselves into thinking customers should buy and business will get better (head in the sand)

Getting higher output while requiring lower input comes from doing different things, not more of the same things. Companies need to design interactions which tell them what the customer is ready to do and encourage them to take the next baby step. It is much easier to help the customer do what they want to do instead of what they don't.

5) It's the Relationship, Stupid!

The cost of keeping a loyal customer is much cheaper than finding a new one, but apparently not to accountants and lawyers who never have to sell anything. Consider these examples of companies that manage their relationships with customers poorly. They deserve the publicity:

- The Fireman's Fund Insurance Company happily took my premiums for 21 years, during which time I had one claim for less than the amount of the annual premium. Then, in year 22 of my "relationship" with them, winter ice tore down my gutters, and my garage and cars were vandalized, for a total of about \$5k in damage. Owing to the "relationship" we had, they cancelled my policy. (No lie.) I'm not loyal to Fireman's Fund any more.
- We've all had longstanding relationships with the telephone companies, the cable TV companies, and credit card companies too. Yet they still don't recognize our phone number when we call them, wonder if we speak Spanish, require us to enter long account numbers on the phone, and can't remember them during the long hold times they give us, so the agents we talk to have to ask for them again. That's not to mention the poor service you often get once you do get through on the phone.
- Bob, an engineer friend of mine, had his 4-year-old Maytag dishwasher go down. Since it was right before the Christmas holiday, Sears repair service would not answer his call. Facing a gaggle of relatives and a holiday party, he took the machine apart himself and found that a circuit board had burned through. He was able to replace the \$100 part the next day through an Internet parts store. Then he called Maytag to return the defective part and to recover at least some of his money. Their response? A cheerful, empathetic e-mail pointing out he had made an "unauthorized repair" and they would therefore pay zero.

These problems occur before the sale too. Have you ever felt like salespeople were jumping out from behind every rock when it came time for you to buy something? Customers get irritated if the only reason you come around is to get their money. On the other hand, if someone seems to always come up with something useful and helpful, you will listen, and if you trust them you are likely to buy.

Companies that can devise ways of interacting with customers throughout their life cycle have a tremendous advantage. One client I worked with discovered that their prospects needed a template for proposing and cost justifying their systems to management, a process which took place when budgets were set ... at least a year before any transaction was even possible, long before they usually began talking with salespeople.

Another client realized they could profitably sell training on the advanced modes of their product, typically about 18 months after its initial installation. What's more, learning advanced modes made customers less comfortable with competitive products down the road. These discoveries created great ways for these companies to interact with customers—and make more money from them—at times when the customer was not ready to buy their main product offer.

Conclusion

When it comes to the sales process, companies that leave things up to the salespeople get what they get. Instead, taking a strategic look at the Customer's Journey, the stages of how customers solve their problems, can reveal ways of interacting with customers that are more profitable in the long run and are genuinely more appreciated by customers as well.

Biography of Michael J. Webb, President, Sales Performance Consultants, Inc.

Michael J. Webb is the founder of Sales Performance Consultants, a firm devoted to helping senior executives who need to make their sales funnel flow faster. Michael delivered the keynote address to the first two conferences ever held on applying Six Sigma to marketing and sales. He has helped companies such as MAQUET, Replicon, Thermo Fisher Scientific, Electro Technick Industries, and many others to find more of the right customers at higher margins and lower costs by improving their sales and marketing processes. Michael is the author of “*Sales and Marketing the Six Sigma Way*” (Kaplan, 2006) and numerous articles.