BPTrends.com gives "Sales and Marketing the Six Sigma Way" Top Rating

Reviewed by Paul Harmon

When most people think of Six Sigma, they think of it as deriving from the Quality Control movement in the mid-Eighties and being used by Motorola, GE, Texas Instruments and other manufacturing companies to refine their production processes. In fact, Six Sigma has come a long way. It has incorporated Lean techniques and it spread to other types of business processes.

Michael J Webb and Tom Gorman have written a book on how Six Sigma (and Lean) can be used to improve Sales and Marketing processes, and suffice to say that any marketing or sales manager who reads this will be convinced.

The book has a number of detailed case studies and several smaller cases. In all cases Webb focuses on identifying the problem and then suggesting a remedy. He argues that most sales and marketing managers don't understand their specific sales processes well enough to know how to fix them. He describes a case, for example, where managers urge standard solutions: Hire more salespeople, train the salespeople in a new technique, do more marketing. Here's a summary of one of Webb's examples:

"To bring in more business, the private banking division of a major financial institution decided to hire more salespeople. But first, it asked an internal quality improvement expert to examine its sales process. This person found that the division's procedure for opening accounts—and the information it required—caused customers to drop out at that point. By changing its account-opening procedure, the division increased its revenue by 18 percent in one year with no increase in staff."

This brief example provides a good insight into Webb's approach–which involves carefully studying the sales process to determine where problems arise. To facilitate a good analysis of the process, Webb insists that Marketing, Sales and Support must be treated as subprocesses of one overall process. He generally refers to the overall Sales and Marketing Process as being divided into Finding, Winning and Keeping.

One of his innovations is to track the number of prospects through the entire process. Thus, for each activity in the overall Sales and Marketing Process, he lists the average number of prospects being addressed. This is a variation of the idea of sales as a sieve or funnel, but it's much more powerful since it not only shows how each step reduces the numbers, but suggests which activities you would need to explore to determine how to increase the numbers being passed from one activity to the next. (I'll never do diagrams of sales processes in the future without using this simple technique.)

The emphasis on the average number of prospects being addressed by each activity in the Sales and Marketing process leads Webb into a detailed discussion of measures of all kinds and he rightly argues that getting good numbers is the key to understanding any process. In another nice example, Webb considers how one conducts a Sales Operations Audit that ties sales activities to Activity-Based Costing, and how that in turn allows the sales manager to tie process changes directly to changes in the financial statements of the company.

In still another case Webb introduces the idea of tracking exactly how the customer's process corresponds to the sales and marketing process. I hadn't read this before writing my advisor last month on Customer Process analysis, but if I had I would certainly have cited Webb. He clearly lays out how one should focus on the experience you are putting the customer through and examines how each step is perceived by the customer as either adding value or wasting his or her time. Powerful stuff!

The heart of the book is Chapter 4, An End-to-End Six Sigma Project That Increased Revenue by 94 Percent. This chapter walks the reader though a complete project that the author worked on, as a Black Belt, that sought to improve the revenue from a Web site. This is as nice an introduction to doing a Lean Six Sigma project as I have encountered. Moreover, it is entirely focused on a sales problem, so it's a perfect introduction to Six Sigma for any sales, marketing or service manager. More broadly, it's a great

introduction to Six Sigma for anyone interested in how one can use Lean and Six Sigma to address service processes.

In the Seventies, I worked primarily with banks to improve sales processes. At that time, I considered writing a book on how one analyzed and redesigned sales processes, which is only to say that I thought a lot about the problems of sorting out sales. My vision, at that time, however, wasn't as comprehensive as the vision of Webb and Gorman. They have written the best book on improving sales processes that I've ever read. Moreover, it's a very well written book that explains things simply and then provides enough examples to convince you that their approach is worth trying.

There are lots of books sold on sales and marketing every year. Most advocate a new technique or methodology. This book is different. It explains, in a convincing way, that you improve sales only by understanding exactly what your customer wants, what you are doing, and then carefully aligning each activity to assure that you provide the best value to anyone you are trying to turn into a customer. This is an analytic approach to sales that goes well beyond the usual focus on numbers to focus instead on the processes that produce the numbers.

Everyone interested in sales or marketing should read this book. Every senior manager who wishes his company was doing a better job of marketing and selling should skim it and then give it to his SVP for sales and marketing. Anyone interested in knowing how Six Sigma can be used to improve service processes will also find it worthwhile. Any business process practitioner should have it on his or her shelf and grab it whenever they are asked to help improve a sales or marketing process.

Paul Harmon is the executive editor of BPTrends. He is the coauthor of several books on expert systems.