

Seven Ways to Permanently Improve Sales

By Michael J Webb

Leading a company is a difficult job in the best of times. Yet executives can take common sense steps to make things easier to generate customer revenue.

Our work in a variety of industries has revealed seven ways to make the sales funnel flow faster. Taken independently, they are simply shifts in how the executive thinks about the situation. Taken together they comprise a powerful framework for winning in business.

1) Find a Starving Market

The famous direct response marketer Gary Halbert once said, "A key to success is to find a starving market whose needs you can fill."

No doubt your company's original success was due to this. Unfortunately, rather than continuing the search for starving markets, most companies start believing their product is what makes money for them. As a result, when the market changes from, say, electron tubes to integrated circuits (or from cell phones to wireless PDAs), they are left behind.

Chances are some of your customers have been asking you for things you don't currently provide. Ask yourself, for example:

- How often your salespeople say no to customers?
- What things your customers want, but don't think you can (or will) offer?
- What workarounds does your customer employ as they try to achieve their ultimate goal?

Finding and filling these new needs mean changing and growing. Doing it consistently is the definition of a successful business.

2) Know Your Customer's Journey

Once you are in the right market, chances are someone else is too. To win you must do a better job than they do. That starts with making yourself easier for customers to deal with.

Your customer goes through stages (called the Customer's Journey) as they attempt to solve their problems. At first they may not be aware of their problem. Then they have to prioritize it, attempt to understand the causes, determine a solution, and so forth.

If you understand their journey you can decide where and when to interact with them. You can avoid aggravating them about your product when they haven't yet realized they need it. You can build a process that helps them, builds their trust, and gives you an advantage over your competitors.

Without understanding your Customer's Journey, you can still succeed, at random intervals. With it, you have the potential to build a more consistent money machine.

3) Establish a Systems Perspective

Many senior executives try to achieve results by optimizing marketing and selling as independent functions.

This is wrong. As evidence, consider the swarm of cancers it creates:

- Marketers work hard to generate "leads" that are not what salespeople can sell.
- Service departments see customers complain again and again about issues that product designers don't pay attention to.
- Salespeople don't have enough opportunities to make quota because they have to nurse existing customers or because prospecting is so time-consuming.
- Managers tire of the internal bickering and complaints. Unable to resolve the dilemmas, they resort to "just do it because I say so" policies.
- Worse, the functional view has no means of correcting its errors. Why would your definition of the functions be any better than mine or someone else's?

Whether you know it or not, the part of your company that finds, wins, and keeps customers is a system of interdependent elements. How well it works depends on how well it generates actions on the part of the customer. You make an offer; if they like it, they respond.

The goal is not to optimize the output of the marketing department or the sales department (as the functional view suggests). The goal is to optimize the movement of prospects through the stages of their journey. Ads and offers with high response and high conversion create value. Those with low response and conversion are wasteful.

For example, an engineering company raffled a widescreen TV at an industrial conference. It generated many names, but few were prospects for their services. The effort was wasteful. Likewise, proposals that get ignored are a tragedy. Features customers chronically complain about are a crime.

These feedback loops signal the need for improvements. The defining characteristic of the systems perspective is its ability to evaluate improvements according to their effect on the entire system.

4) Simplify the Steps and Write Them Down

Things get tricky when the thing you are trying to control (your customer) can't be controlled in the first place! That's why many salespeople resist efforts to document the sales process. Dealing with this issue correctly separates meaningful selling from wasting your effort (or the paper it is printed on).

Knowledge of the customer's journey is pivotal for clarifying and simplifying this work. It allows you to lay out a game plan with defined roles for your players. It also provides a language for identifying variations in the quality of sales opportunities.

For example, signals such as body language, tone of voice, or something that happened when they dealt with you last year can indicate how to handle a prospect. Yes, these are judgment calls, but they are judgments of facts, of observable characteristics of a sales opportunity. Identifying them can tell you crucial things, such as:

- Whether an opportunity really exists
- The extent of the pain/value/urgency to the customer
- The extent of the potential value to your company
- The likelihood of your company winning the business

Much of the sophistication of salespeople revolves around their ability to gain insight into these factors and to use them to advantage. In my experience, salespeople love to articulate and clarify this logic. Helping them do it puts your company light years ahead of others for three reasons: 1) it elevates the consistency of salespeople's decision making in the field, 2) it enables new salespeople to get up to speed more quickly, and 3) it serves as a surprisingly accurate forecast indicator.

Far from a boring, pointless exercise, documenting the sales process can and should be an essential goal of every sales organization, one grounded in street-savvy facts that everyone (especially customers) must face.

5) Measure the Process by Following the Money

Measuring live deals through the stages of the customer's journey improves the performance of your production system. Unfortunately, instead of measuring these facts, most companies substitute someone's arbitrary estimates or "percent chance of close."

The futility of this has always mystified me, but considering the difficulties of getting good data from field salespeople, some people may consider it an option.

Why is it so hard to get data from salespeople? There are many reasons, many of which are actually true:

- Recording data is extra work that creates no value for us (salespeople).
- Any information we provide can (and will) be used against us.
- What we do is art, not science, so this is a waste of time.
- This is another example of how management just doesn't "get it."

Rather than being designed in any systematic manner, most sales "processes" have grown helter-skelter over the years through personalities and chance. "Somehow" it generates the money the salespeople and the organization need (although few people understand exactly how). Fooling around with people's money generates fear and mistrust.

Sales process measurement is actually a leadership problem, and not an analytical one. Doing it requires adroit and persistent effort (often with the help of outside consultants). Even the most effective interventions generate some immune reactions in any organization. In sales, if you don't have something immediately credible, and there is nothing obvious in it for the sales department, you are going to get fried.

This is obviously worth the effort. Salespeople are like an enormous array of sensors, each with partial knowledge of what is happening. Focusing this mosaic effectively enables you to do learn things like which million dollar deals will close next quarter, which packaging tweaks will increase market share by 15%, and which promotions will pre-empt the competition.

6) Provide the Supporting Infrastructure

Normally, behaviors can only change after the systems change, the training changes, and the performance evaluations change. Often the systems, training, and performance evaluations simply need different linkages and policies rather than a major redesign.

One HVAC manufacturer saved hundreds of thousands of dollars when it realized that the infrastructure for managing coop-advertising funds was unnecessary. They freed up even more sales time, eliminating controls around price discounting, when they realized a change to the commission policy could help sales managers self-regulate.

Another company developed a better sales process, only to discover most of the salespeople were still in the dark. They had been busy booking business while the process improvement team did its thing, and thus missed the chance to grapple with the issues and concepts themselves.

Working with a skilled facilitator gave them the opportunity to grapple with the question of "what does great selling look like" in their environment. They applied the new process on some of their live sales opportunities. They devised improvements to the sales tools and proposal templates. They came out with an appreciation and enthusiasm for the new approach.

Their permanent behavior changes produced more than enough ROI for the process improvement project. Improvements to the CRM's report formats and the ability to forecast deal closures with 90% accuracy reinforced the new sales mentality.

7) Manage Based on Facts

Getting things done through other people bedevils managers everywhere:

Are our salespeople prioritizing their time and their choices in the best way?

Are our sales managers effectively coaching and guiding them for the best results?

What do our executives need to know to take appropriate corrective actions?

How can our senior managers gain the facts they need to determine whether problems are in the market, in the sales force, or in the product?

A properly designed process enables managers to focus on achieving results rather than activities. It aligns everyone's interests with the customer's, so facts and data can actually flow throughout the organization. Most important, it enables managers to learn which of the seemingly "little problems" they are seeing are actually big problems, representing system-wide opportunities to increase margins and decrease costs.

Conclusion

Far from taking the "human element" out of sales and marketing, the right approach to the sales process engages people's talents to observe what is real, consider the perspectives of the customer, the salespeople, and the company, and create new opportunities to make more money.

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About The Author

Michael J. Webb, president and founder of Sales Performance Consultants, is the foremost expert on sales process improvement. Michael has helped business executives of both Fortune 500 and smaller companies apply the principles of Six Sigma and Lean to achieve greater sales and marketing results.

Michael delivered the keynote address to the first two conferences ever held on applying Six Sigma to marketing and sales. Michael has helped companies such as Thermo Fisher Scientific, MAQUET, Marriott, WaterFurnace, DDI, and many others to improve their revenue generation by identifying bottlenecks, changing behaviors, increasing close ratios, and improving forecast accuracy. He also has extensive sales training facilitation and field coaching experience with hundreds of sales people and managers in the U.S. and Canada.

Michael is the author of "Sales and Marketing the Six Sigma Way" (Kaplan, 2006) and numerous articles. He holds several professional certifications. Michael has a BS in Mathematics from Southeast Missouri State University.