

Does Your Sales Process Create Value

Gerhard: Hi. My name is Gerhard Gschwandtner and welcome to Selling Power TV. Today we have the pleasure of meeting with Michael Webb, and he is the author of a wonderful new book called, "Sales Process Excellence." Welcome Michael.

Michael: Thank you. Happy to be here. Appreciate it.

Gerhard: What made you decide to write this book?

Michael: I have the opportunity to learn how process excellence works in manufacturing. I always wondered how come you can't apply that wonderful business system to sales and marketing. My first book was about Six Sigma in sales and marketing, published in 2006.

After that book was published was when I actually got to really get involved with companies to help their production system. Sales and marketing is a production system is the main theory, and the result of, well, eight years since then, is the new book which goes much, much further.

Gerhard: In the book there are a lot of examples of companies where you help them improve the process. Give us just one case study.

Michael: A lot of people think process is about discipline. It's about making sure that the sales guy does this and then that and does the other thing. I don't believe that. Process is about creating value. Really, really good sales people can invent ways to create value. Often they spend ninety percent of their time trying to work their way around all the road blocks that their own company puts in their way.

A process approach is a method of finding out what does the customer want, how do we keep our own company from not giving it to them, and making a path that easier to follow, both for the customer and for the sales people. Once you have that idea, then the process is the sales person's best friend.

What happens in business is we work with the client whose story is threaded throughout the book. They sold water filtration. They had national accounts and they had a distribution organization. They knew that they were missing some growth and they knew that they had ways to improve but they just couldn't get their arms around how to do it.

We began with a discovery of where does it hurt and why does it hurt, and diagnosis. One of the things we found out, they found out as they went through the process, was they really didn't understand why – what was working out in the field and why it was working. There are always different opinions across the business. Well, they had previously almost spent over a million dollars on a CRM system. Once they realized that they really didn't have a way of knowing what was working and not working, they realized that

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that had to be a fundamental purpose of any kind of CRM that they would have put in.

Had they put that CRM in without understanding that, it would have been a waste of a million dollars. We began to say, okay, how do we begin understanding what's working and not working in the field? We helped them get a team together, get some voice of customer, figure out what steps does the customer go through, and what steps do we go through? Where's the gaps? There were a lot of gaps.

Because nobody had really stepped back to look at it before. Business isn't done that way yet. When we found out what those gaps were, we discovered that this was the national accounts people, big accounts people. They were spending so much time in the keeping phase, because the rest of the business was built around broad distribution. It wasn't built around handling national accounts.

A salesman would come in with a big \$600,000 order, 120 locations, and have to spend the next six months making sure the rights and the right fittings and the right hoses and the right technicians arrived at the right store at the right time because nobody else was doing that. Bottleneck problem. Big gap.

When we fixed it, they hired people into a department. They set up a hand off package so that the sales people knew what information they had to get to hand in a clean order and sure enough, the amount of time sales people had to spend doing that went down. The national accounts team was really pleased. Now we finally have some time to go after new accounts. That increased the flow and then they started calling on new accounts.

Lo and behold, gee – these engineers at these new accounts we're calling on, they're not calling us back as often as we thought. Why would that be? Well, we need to call the Marketing Department in – they should help us. It's their job to find leads, right? They tried it. Well, they found out that they really didn't understand what would turn the heads of those engineers.

They didn't have materials and offers and case studies and engineering studies to prove the value of their product. Now the stuff existed in various pieces and parts, but nobody had taken an organized approach to it. So that became the next thing. And that's what happens in organizations. The bottleneck, when you uncover it, you solve it and then the bottleneck moves to someplace else and you solve that and that's how performance improves.

I think that's one of the huge advantages that “Process Excellence” brings to businesses, because the way people manage sales and marketing now it's just somebody's hunch. “Hey, I think, you know, the problem with our sales

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process is, I think it's time and territory management training. So let's do that.”

Gerhard: Right.

Michael: Another solution, they never define the problem.

Gerhard: So if I summarize what you just said, is that the focus has to be on the customer value. How do we as an organization create value for the customer?

Michael: As an organization – the sales person plays a huge role but it's only one role.

Gerhard: Right.

Michael: Among many.

Gerhard: And then as I understand it, that the process needs to be aligned with the strategy and it needs to be aligned with the technology and needs to align with what people are doing.

Michael: It needs to be able to provide feedback from reality back up the chain.

Gerhard: So that you can have a process that improves on an ongoing basis.

Michael: That's right. You look at it, it's really pretty simple. You've got the voice of the customer, he's got pains and problems. That's why your business exists. You've got the voice of your own business. We've got to make money. What happens in between?

Gerhard: Help me understand the relationship between strategy and process, and how do we get alignment?

Michael: Strategy might tell you – well, market research might tell you, where in the market is going to be the most fruitful places to work with. But process is going to give you the feedback and allow you to do the experiments so that you can learn in order to optimize that. I see anything that is not directly connected to measurements of data and evidence, people's actions and so forth, as pretty useless.

Unfortunately strategy is often big ideas – I worked for a company, won't mention their name, spent eight, ten million dollars on a brilliant new product in factory automation. It was brilliant. And it didn't sell. Strategically it sounded great, but nobody traced all those grand ideas down to the tactical grass roots level of what actually happens in the field.

Gerhard: I recommend the book. I think it's really a growth engine for your business. I want to thank you for writing it and thank you for sharing your ideas.

Michael: Thank you. Appreciate it very much. Thanks.