Designing and Implementing a Sales Process

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Matt, the Director of Sales, had been invited with the rest of the management team to a luncheon to welcome the company's new president.

At the end of lunch the new president had the opportunity to share his background, philosophies, and expectations. It was followed by a question and answer session. One of the managers asked the new president to share best practices' that he had experienced with his previous employer. He cited several, in a summary sort of way, and one that he dwelled upon was the sales process that had been in use.

That prompted the CFO, who was seated next to Matt to nudge him and quietly ask, "What's the basis of our sales process"?

Matt, who had been listening intently to the Q&A, wasn't pleased with the interruption and whispered back something about concentrating on profitable customers and the firm's new product line. He knew by the CFO's reaction that his answer wasn't consistent with what the new president had just said. Fortunately, no one else heard it. Quite honestly, Matt wasn't that familiar with the concept of a sales process, arid didn't want to admit it.

Matt, it would have been better if you "fessed up" This Boulder Group white paper will help Matt — and other readers — to ensure they have a solid sales process in place.

Let's explore how you can create and manage your sales process. There are many ways to do this, but there is only one "best way". The "best way", or the best sales process for your sales organization is dependent on the nature of your products and your services and most importantly on your customers' buying process. The best sales processes don't come "out of the box". They are not found in a training regimen. They are always customized, never generic, and they are always authored by you and your people – no one else.

First: Definitions

Let's clarify a common misconception. A sales process is not the same as a sales methodology. A sales process is the complete series of sales action steps from unqualified lead to close, undertaken by all those in your firm who lead and assist in the personal selling function and are supported by your own sales tools and by your sales methodology.

A sales methodology is a formal set of communication techniques that enable sales participants to lead and guide sales interviews and discussions to successful conclusions. The use of sales methodologies are imperative throughout the sales process and make your sales process more efficient.

There is also a "best way" sales process management practice. Sorry, the best sales process management practice does not come out of a box either, but needs to be customized by you. Your goal is to manage your organization's sales process via an effective sales management tool. That management tool as most of you know, is called your "pipeline". You also have the responsibility to create and manage your pipeline process, which of course must be based upon your sales process.

Here's Where We're Going:

In order to correctly build and utilize your sales process there is a sequence that must be followed.
1. First, you must map and confirm your customers' buying process — the steps they go through from initial awareness of a need or want to an acquisition to fulfill that need or want. *Everything* to do with marketing and sales begins with the customer. Your sales process system is no exception.

2. Second, you will overlay their buying process steps with a sales process—step by step—a process you and your team will create. Your sales process begins whenever your customer has an 'itch' to buy. They define the beginning and the end, not you,

3. Third, you will brainstorm and define a comprehensive menu of activities, or tactics, which can be used by your salespeople and supporting staff at each sales process step.

4. Fourth, it is essential you create and regularly refresh a comprehensive toolbox of sales aids and collateral materials that can be drawn upon, as needs warrant, for *each* step of the sales process.

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5. Fifth, you then construct a computerized pipeline management tool, modify an off-the-shelf version, or create an Excel spreadsheet for your salespeople to record the position of each sales opportunity as it progresses through your sales process.

6. Sixth, you must train and continually coach your team on how to implement the sales process for the customer's benefit—which of course is for your ultimate good as well.

7. Seventh, you need to prepare yourself to conduct periodic pipeline reviews with *each* of your salespeople for the purpose of guiding, supporting, and coaching them with each opportunity 'in the pipe'. And secondly, you need to do this for your own information and assessment of the state-of-the-business as you proceed towards your sales goals.

8. Eighth, you must inform your management colleagues and superiors what your sales process is— because they may be called upon frequently to support discrete steps. And you must inform them of your pipeline tool—and how you will be using it to manage sales efforts, and how you will be sharing it with them.

This White Paper will follow these eight steps.

1. The Buying Process:

You are going to be deciding what sales process, sales tactics, sales tools, and pipeline process are best for you and your team, but what's best for you must first be best for the customer. So — the thing you must first determine and confirm is the buying process for your products and services, That's a subtlety many companies miss. They try to force-fit their firm's selling process into people's buying process, when the opposite should occur. Or, they don't even think about their customers' buying process at all. You must see things from your buyer's perspective and match your sales process to your customers' buying process.

The buying process is the mental, emotional, and physical progression that buyers go through. It is a progression of thoughts and action steps—from unawareness of a need, to a feeling of discontent or want, to a clear awareness of a problem or opportunity, to deciding to do something about it—to considering options, to creating criteria, to shopping— to settling on preferences, to evaluating, to decision making, to actual purchasing, and then to reinforcement of the decision. That's the theory, but buyers don't always express themselves in those words.

2. Sales Process Outline:

After finalizing the buying process map, then the next step is settling on a sales process for your team. You need a sales process to overlay on that buying process—step by step. That series of steps lets your team *execute and* manage a sales effort from beginning to end, while being in sync with your customers.

For example; the sales process could be planning a contact, establishing a business reason for the contact, creating attention, fact-finding achieving understanding, establishing credibility, building needs— then, providing information, reaching situational agreement. Influencing the buyer's selection criteria, recommending solutions, answering questions—then getting commitment, obtaining agreement, following up, and reinforcing the relationship. There could *be five, nine,* twenty or more steps that overlay — that 'fit'. Think of it like gears meshing together. The feeling of harmony when you overlay and execute your process, being on the buyer's wavelength, is very gratifying.

This is a team activity, so, as you did in the initial kick-off meeting, it is best if you expand attendance to folks in other business functions who also have contact with customers. The team now has a chance to contribute to creating the process rather than just being told what to do. It will be *their* very own sales process. They will be comfortable using it *because* they had a voice in designing it. They become the sales process owners.

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What you do at this point is simply label a sales process step for each buying process step and identify those people in your firm who have a role in, or should have a role in, that process step.

3. Sales Process Tactics:
Now that you have identified *each* of your sales process steps, role players and responsibilities identified you need to generate a list of specific actions, or tactics, that the team can use to apply at each process step. These become your "best plays".

Again, get the team together and step by step, brainstorm potential tactics at each point of the process. Be expansive. The sales staff and supporting role players now have a comprehensive menu of potential tactics to employ at *each* process step.

A certain few tactics—or a single tactic—can work wonders to win the business. They may have proven themselves over time. They *greatly* influence yields and buyer satisfaction.

Your sales history has surely taught you lessons on the desirability and effectiveness of certain tactics. For example; the effectiveness of a well-planned factory visit, or executive-level assistance, or a test drive, an open house, or a seminar. What has history taught you at your firm? What tactics do your "stars utilize? In what situations? On whom? In what manner? And which ones *greatly* influenced yields? Highlight those tactics. Emphasize the use of those tactics.

4. Sales Process Tools:
At each step of the sales process there are tools that are available to make your tactical actions more productive and yield results more quickly. For example, a written proposal is a tool that can make the recommending-a-solution sales process step very effective. The best tools in the hands of the *best* people utilizing the *best* tactics and the best process generate the *best* yields.

5. Sales Process (Pipeline) Management:
Now that you have your sales process and supporting sales tactics and sales tools you need a management tool to let you know *where* all of your opportunities reside in *the* sales process. Management tools ensure good order—and good order makes organizations bold and successful while disorder makes them tentative and ineffectual.

The most important sales management tool you have at your disposal is your pipeline tool.
The steps of your sales process define your pipeline *"check-points".* If you have eight sales process steps you will have eight pipeline checkpoints; ten process steps ten checkpoints, and so on.

It is the job of your sales *team* to keep the pipe full of potential business and to employ your process tactics, and tools to keep those opportunities smoothly moving in the right direction. If there's little or nothing in the pipe, it doesn't matter how good you are with your process, tactics or tools. So; one of the three key measurements with a pipeline is its volume, how much is in it. Beating on an empty pipe just makes a lot of noise. So priority number one is to keep putting opportunities in the pipe, to keep the pipe full. But what defines 'full'?

It's a numbers game. You know what your 'number' is for the year. Let's assume it is $35 million. You *should* know how many dollars of opportunities you need to look at to get that 35million. For various reasons many opportunities don't make it through the process. (If you don't know what your conversion rate is, I suggest you make that a key metric that you track on a regular basis.) Let us assume that recent history has shown you that it takes $3 of opportunity for every $1 of order, a 3-to-i conversion rate, or hit rate. So; a pipeline that over the course of the year has $75 million put into it will output $25 million of sales, mu short. You would be in deep and serious trouble.

That leads us to priority number two— the second key measurement with a pipeline is its conversion

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or output rate. Your peoples' proper application of your sales process. sales tactics and sales tools, in tandem with your sales methodology, are what enable you to convert a higher percentage of opportunities into business. Conversion rate is a measure of the efficiency of your process. tactics, and tools.

And that brings us to priority number three…speed. Your management of the process, tactics, and tools is what keeps opportunities moving expeditiously through the pipe. The third key measurement with a pipeline is your average sales cycle times, the time from initial entry to exit. A lot of volume and a high conversion rate aren't much good if the business doesn't come on time. Effective process, tactics, and tools act like a pump, keeping the pressure up. If there's little pressure in the pipe little flows out the end. Pressure is not maintained by browbeating *sales* staff, customers and prospects with hot air and stick gimmicks. Following the sales process and utilizing your sales tactics and sales tools is what keeps opportunities quickly moving along. And speed is also a desirable advantage to your buyers in many cases.

6. Sales Process Training:
This is the easiest part of designing and implementing a sales process system.
Your team has heard customers react to your buying process straw model, they participated in the creation of your sales process, they had a voice in identifying tactics, and they contributed to how the 'toolbox' could be strengthened
every step of the way. Therefore, they should understand it. But a training session is still needed to reinforce your commitment to the process, review all elements of the process beginning-to-end, and give everyone an opportunity to air questions and concerns. You will find that most of those concerns have to do with your expectations and the expectations of the rest of the management team,

and will be largely centered on their responsibilities associated with pipeline management.

Include folks in this meeting from other business functions who had a role in creating the process, and who will continue to have a role in execution. Customer service, tech support. and product management, for example.

7. Pipeline Reviews:
Pipeline reviews are regularly scheduled meetings. How 'regular' is up to you, but certainly no less frequent than once per month, At the first sales manager level they are comprehensive one-on-one's with each of the salespeople. For region or division sales managers. the meetings with sales managers who report to them are characterized by more summary observations and action plans, focusing on gaps and shortfalls, At the national or top sales exec level the meetings with region and division managers are more analytic, strategic and longer—term in outlook — with the ability to drill-down as necessary. It is that first level meeting which is the most important.

The primary objective of the meeting is to aid your people in moving things along through the pipe; listening, coaching, asking questions that cause them to think, making suggestions, and ensuring use of your tactics and tools ensuring new opportunities are going into the pipe. Determining what's missing in the way of products or services not represented and markets and applications not being pursued, and complimenting your people on actions taken and hurdles overcome. At best, it is a spirited working exchange.

The secondary objective is helping you to understand what's going on, gaining some insight into the health of the business and the marketplace. The best place to do this, if possible. is on-the-road at the start or end of the day. When executed back in the office the periodic inclusion of a guest from marketing, technical or customer service, or executive management makes the session more useful for all concerned.

8. Briefing the Management Team:
Now that you have your sales process and your sales process management guidelines in place it is

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time to update the rest of the management team. Get yourself on the agenda for the next staff meeting. Ask for their questions and suggestions. You are certain to get a couple of solid ideas to strengthen your effort. Jump on them and use them.

Summary:

A good customized sales process, sales tactics, sales tools, and pipeline management process will definitely get you to exceptional results.

Let's get back to our story at the beginning of this white paper. Just imagine how Matt could have answered the CFO's question had he already had this sales process system in place. And imagine the impression he would make and the relationship he would have with the company's new president. It's something to think about.

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