

Plant Talk: Applying Lean to Sales

IN LEAN IMPLEMENTATIONS there comes a time when the focus shifts to sales and marketing functions, particularly in today's economic environment. As lean efforts in operations and support areas result in a freeing up of capacity, an organization can leverage this available capacity in ways that create more value by identifying opportunities within existing and new markets by utilizing existing sales and marketing resources in "smarter" ways—in other words, by application of Lean Thinking.

There tends, however, to be strong resistance to the application of these common-sense principles to sales and marketing.

"NO CUSTOMER IS THE SAME"

Sales professionals often view selling activities as "creative" and therefore unlikely to be suited to lean thinking. Sales personnel frequently on the road can result in the loss of a sense of belonging with co-workers, as well as a very real disconnect from important business processes in which they are involved. Many sales personnel take pleasure and pride in the independent nature of their positions.

It's important to remember that you do not apply lean to functions, but rather to the activities that those functions perform. So the first step is to identify the activities that are regularly performed in these functions.

In general, there are four basic steps: Stabilize, Standardize, Visualize, and Improve. The ultimate goal is to improve all processes on a continuous basis.

STABILIZE

Instability can be caused by a lack of process definition. Sales personnel, for example, are often left to determine a process that works best for them in their regions of responsibility. This can result in consequences such as inconsistent order-related information, extended learning curves for people assuming responsibility, and more. The reality is that all sales models involve some variation of the following:

1. Identify new opportunities (typically through marketing efforts)
2. Follow-up on new opportunities and establish relationship (initial contact)
3. Identify customer needs (problems they are trying to solve) and buying parameters (budget, timing)
4. Identify customer decision making process (who, how, when)
5. Obtain order
6. Post-sale follow-up

Each step represents a process that can be further defined, standardized, managed (even visually), and improved upon. Each organization should have a process that they can readily describe, and to which all sales personnel can reference and commit.

STANDARDIZE

It might help to think of the sales process previously described as "what to do"—the steps that each salesperson will follow. Standardizing refers to the "how"—the manner in which the steps will be performed. Standard work is a foundation concept of lean. Key points typically involve quality, efficiency, and time and timing. For example, sales personnel must fully complete order forms so that an order can be processed accurately.

Defining the "how" and the "why" helps ensure that sales personnel perform their activities in a way that meets the needs of internal customers (e.g. in-house order processors, scheduling personnel, shipping). Sales personnel can overlook these in the rush to bring in orders, which causes non-value-added processing waste.

If done correctly, establishing standard work results in streamlining a process by identifying the most efficient and effective way to perform it. On average, 10 to 15 percent of a sales person's time can be freed up for sales generation activities by streamlining non-value-added activities, such as travel planning, expense reporting, and generating sales reports.

VISUALIZE

Visual management is another key concept of lean. Consider the benefits to the organization of making the following aspects of the sales process visible over time, perhaps in near real-time:

- The activities that a sales person should be engaged in (prospecting, follow up).
- Non-standard conditions (not completing required activities when they were required, information quality issues that arise, spending more or less time than they should on a particular activity).
- Performance (not meeting personal or team goals, not processing new opportunities within a desired timeframe).
- Queues of work (opportunities not being attended to, quotes and orders not being processed in a timely manner).

Better decisions can be made and better actions taken if the entire sales organization can see such conditions in the work environment.

IMPROVEMENT

Most sales managers today are involved in many non-value-added activities that take time away from improvement of the sales process and performance. But based on the visual cues, the sales manager can identify opportunities for improvement, of overall processes or of individual performance.

Ultimately, eliminating waste from the various sales-related activities frees up valuable capacity that can then be used toward proactive sales generation activities, thus increasing the value that an organization delivers to its markets—the true goal of every lean enterprise. 🌱



Drew Locher is managing director of Change Management Associates based in Mount Laurel N.J., and author of two books

focusing on lean development. Contact him at 856-235-8051 or drewlocher@comcast.net.

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