

Integrated Sales Process Management: A methodology for improving sales effectiveness in the 21st Century

Michael W. Lodato
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Reviewed by Paul Harmon

Business process work began in the early part of the 20th Century with the work of Frederick W. Taylor, who focused on time and motion studies of production line workers, and, later, studied office workers who did routine paper processing tasks. Similarly, the Quality Control movement began by focusing on the outputs of manufacturing, and Six Sigma arose and was nourished in manufacturing companies. Taiichi Ohno's book on the *Toyota Production System* situated the Lean movement in the manufacturing area, as well. As late as 1990, business process work was almost entirely focused on production, manufacturing and back office paper processing activities. In the past decade and a half, however, there has been a steady shift toward processes that lie outside of the manufacturing domain. This shift has been driven, in large part by the overall transformation of US companies into service domains. Similarly, computers were first used to automate routine back office functions like payroll and accounting, and were then shifted to the automation of manufacturing processes. In the past 15 years, however, computers have gradually established themselves on managers' desks and have become the primary tools for all kinds of knowledge workers, who use them to create movie graphics, blueprints for skyscrapers, or to edit legal documents or sales contracts. As a broad generalization, business process work has extended from manufacturing and bookkeeping to paper processing, and then to supply chains and new product development. The areas where one has heard least about process improvement are in marketing and sales, although the development of websites has led to a rash of activities under the banner of Customer Resource Management (CRM).

Put a little differently, there are lots of process books that talk about the use of business process methods in production environments, lots of books on back office automation, and, recently, on supply chain improvement. There have been few books on analyzing and improving sales or marketing processes. Thus, Dr. Michael Lodato's new book, *Integrated Sales Process Management*, is especially welcome.

The essence of process is systems. If we think of a business as a system, we expect inputs, transformations and outputs. If the system is complex, we expect that transformations will occur in a series of steps or activities, and we assume that we can manage the process more effectively if we understand the process and have measures to let us know how well each activity is being accomplished.

Those who concern themselves with enterprise issues like to look at entire value chains and determine how each of the major core processes -- new product design, supply chain, manufacturing, and sales and marketing fit together to deliver the company's product or service. And they also seek to understand the relationships between the core processes and the management and support processes that integrate the entire value chain. Lodato does not consider enterprise issues in this book. Instead, he focuses more narrowly on the sales process domain.

Given the variety of ways organizations sell, this could be a book focused on automated selling via a website, it could focus primarily on the use of software to automate sales processes, or it could focus on either the management of sales and marketing processes or on the actual activities that salespeople undertake. Lodato focuses primarily on the processes by which managers manage sales and marketing activities. Thus, he focuses on planning and setting goals and on monitoring activities and controlling the results. As Lodato suggests “There is pressure to adopt sales automation, but there isn’t much evidence of its improving sales effectiveness... If you want to improve our competitiveness you may need to change the behavior of your salespeople by focusing on the processes that run the business. You can’t change the behavior without changing the processes and expecting that they are being followed.”

In other words, Lodato has written a book designed to help sales managers build an integrated system of sales and marketing management processes. He has a chapter on selling, but it’s a small part of the book and it’s the least process oriented. He doesn’t, for example, break a sales call into a set of steps and talk about the tasks to be accomplished in each step. Instead he simply offers generic advice, as one would find in any of the many books written for salespeople. Lodato’s real focus is on the managerial processes that structure and control the sales activities. Figure 1 provides an overview of the overall Product Marketing Management Processes that Lodato considers in one chapter. The various processes shown in Figure 1 are each considered in more detail in diagrams that suggest the activities that need to be accomplished to achieve each process.

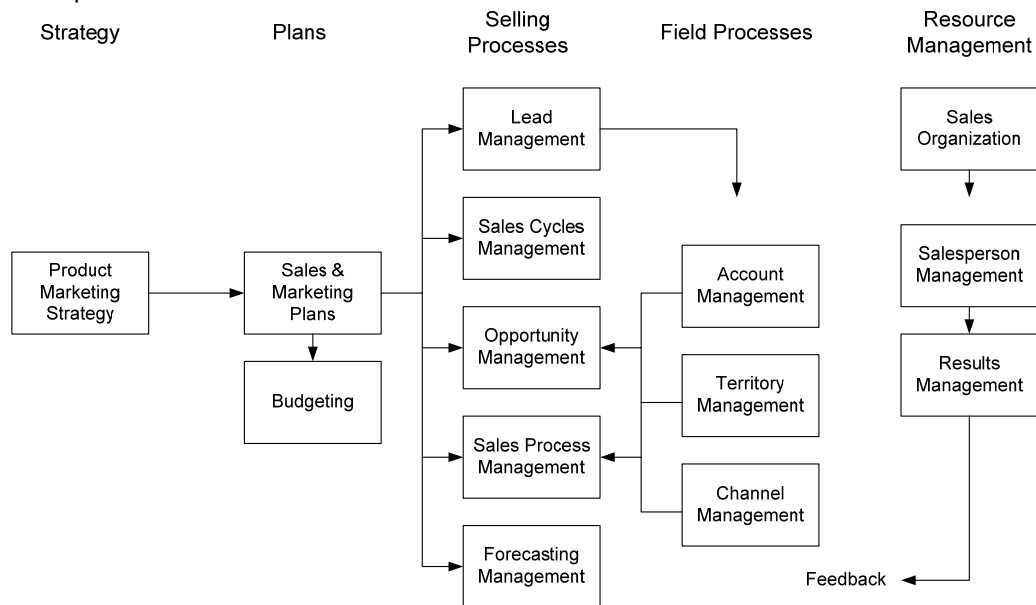


Figure 1 The Product Marketing Management Process

A quick glance at the table of contents of *Integrated Sales Process Management* will confirm its focus.

1. Sales Management Overview
2. The Product Marketing Management Process
3. The MASTER Method of Personal Selling
4. Sales and Marketing Planning
5. Introduction to Integrated Sales Process Management
6. Sales Cycle Management

7. Managing Sales Opportunities
8. Sales Process Management
9. Sales Forecasting
10. Territory Management
11. Account Management
12. Integrated Channel Management
13. Management of Salespeople
14. Increasing Salesperson Performance

I've done a lot of work in the area of sales – mostly working with bank sales processes – so I read this book with quite a bit of interest. Wearing my process analyst hat, I was a little disappointed. Lodato isn't as systematic as I'd have preferred and doesn't integrate things in the way I would have liked. As a simple example, I wish he'd have used verbs to describe his processes, to force himself and his readers to think more about the activity they were trying to accomplish and less about the functional area that the process could so easily be confused with. If you are looking for a book that can lay out the sales processes the way the Supply Chain Council's SCOR Manual lays out the supply chain process, this is not that book.

In a similar vein, this book is not about a sales methodology, if you use that term to suggest a systematic approach that provides a repeatable path to a goal. This book does not suggest a systematic series of steps that would lead to an improved sales process. Instead, it suggests specific changes that could help improve specific process management activities.

On the other hand, compared with a typical sales book that relies heavily on exhortation, Lodato is definitely a systems thinker. He recommends process, and talks about how you could apply process techniques in different specific areas of sales. His methodology, if he can be said to offer one, is to analyze sales and marketing management activities using process techniques. More important, he brings together a huge amount of valuable information that any manager responsible for a sales organization is going to need to consider as he or she develops sales processes. Anyone who is interested in field sales or marketing processes and is considering how to define and measure them within a large organization would profit from Lodato's detailed discussion of the management processes required to run a quality field sales or marketing operation.

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