

## How Product and Marketing Managers Can Increase Sales in a Frustrating Market (Shh! It's Lean-Six Sigma. Pass It On!)

Michael J. Webb and Robert Ferguson

An executive from one of the top three scientific instrument companies called me about a year ago. His product management team was struggling with a variety of challenges. See how many of these have a familiar ring to you:

- Product launches were becoming more painful, expensive, and risky to do.
- The sales force was becoming “new product averse,” gun shy, and not in the hunt.
- Marketing managers (as well as product managers) struggled to decide which product features to fund and develop and how to allocate their meager budgets among buying more brochures, more leads, DVDs, or trade shows.

This executive confided that his team often relied on the sales V.P. to make decisions around media, brochures, and such. Yet later the sales V.P. acknowledged (privately) that he had no idea how best to spend the money!

Sometimes, companies achieve their objectives through luck. Often, of course, they don't. Customers and salespeople become disillusioned, there's disappointment, and not enough money is available (again) to develop the right new products.

As a closet sales geek throughout my earlier career, I've admired the results of process-oriented approaches in manufacturing environments. People transformed messy plants with tons of inventory into gleaming, screaming production lines with virtually zero defects and one tenth the inventory. All of this from small teams of people following simple and consistent ideologies of scientific improvement – Lean-Six Sigma.

### Why Can't Sales and Marketing Get out of Its Own Way?

In my book, *Sales and Marketing the Six Sigma Way* (Kaplan Publishing, 2006), I wrote about the foundations of these process improvement approaches:

1. Create value for customers
2. Seek out relevant facts and data
3. Analyze cause-and-effect
4. Eliminate waste, errors, and defects
5. Collaborate – Involve the right people

These might seem obvious at first. Of course, you should create things customers want. Of course, you should seek out relevant facts and data. Yet (reluctant as they are to acknowledge it), many companies struggle to consistently create what customers want, and they don't know which data is or is not relevant.

Manufacturing's “True North” is customer specifications for quality, cost, and delivery, and “uber-boundaries” of good manufacturing practices, safety, and other standards to live by. They trace value-add from raw material through finished goods, eliminating waste wherever they find it. No

department can unilaterally override the system on a whim. Without a scientific ideology, measures, and standards, manufacturing would be much harder.

Now consider the twists and turns of a customer's experience dealing with a company's marketing, sales, and customer service over time. These functions often have wildly different personalities. The marketing image is wonderful; the salespeople won't answer your email (unless they think you're buying something); and the service department seems driven by accountants and attorneys.

If you have ever bought a car, had an appliance warranty claim, or an error on your phone bill, you can tell when a company has lost "True North" and when they get it right.

Don't let anyone tell you sales and marketing can't be measured. If you don't measure it, your customers will!

### Designing Your Product's Sales Process: Alignment on True North

Does it seem odd that conventional sales and marketing approaches have so little to say about conflicts with the customer? This is a clue that they need a deeper ideology. Lean and Six Sigma at first seem to apply only to widgets and inventories. Yet they are founded on eliminating waste, increasing the speed of business, and putting the customer first – all things marketers and product managers admire as well.

The specification-oriented culture of manufacturing aligns toward the "True North" of what the customer will pay for. Yet, in sales and marketing, you don't know what the customer will pay for – by definition!

The fundamental question for managing any production system is, "What adds value and what is waste?" For example, how is a marketing manager or a sales V.P. to know whether more brochures, more leads, or more DVDs will increase sales?

Years ago, I found a foundational answer in an old Ayn Rand book. Whatever you think of her as an author and a philosopher, the following statement is worth pondering:

"Value is that which you act to gain and/or keep."

This is a great test of whether people really value something. Are they willing to take an action to get or defend it? In my experience most companies do not understand or exploit this window on customer-perceived value.

So, be brave and ask yourself, "What value does your sales and marketing create?"

It is supposed to create paying customers, of course. Yet it can only do so if it *also creates value* for those customers.

How does it do that? And, since most prospects aren't ready to buy now, if and when you manage to create value for them, how can you *measure* whether or not you've done it?

Now perhaps you can see the missing link: Value is exchanged when you get the customer to take an *action*.

Salespeople instinctively know you first have to get the prospect's attention (in a positive way). Then you try to get their time (to engage your ad, your web page, or in a discussion). A wide range of customer actions and reactions is possible by exchanging information via seminars, whitepapers, assessments, demonstrations, or whatever.

The point is, your sales process (Find, Win, and Keep) works (and is measurable) if it *gets them to take the actions you want them to take*. Yet, it only works if you know *what they want to gain and/or keep*. By answering these questions, a well-crafted sales process defines standards and measures that promote "robust" alignment of marketing, sales, and customer service. "Robust" means resistant to transient ideas by any one function to kill customer value just because it suits them.

A well-crafted sales process is crucial in the early stages of your product development cycle. Why would you develop a product if you're not sure how to go about selling it?

**The Customer's Journey: Learning the Right Moves**

Human nature is for prospects to be concerned with their own problems, wants, and needs. They're not concerned about you, your company, and certainly not your product.

Yet prospects go through predictable stages (called the Customer's Journey). At first they may not realize that they have problems you can solve. They may not understand their own needs.

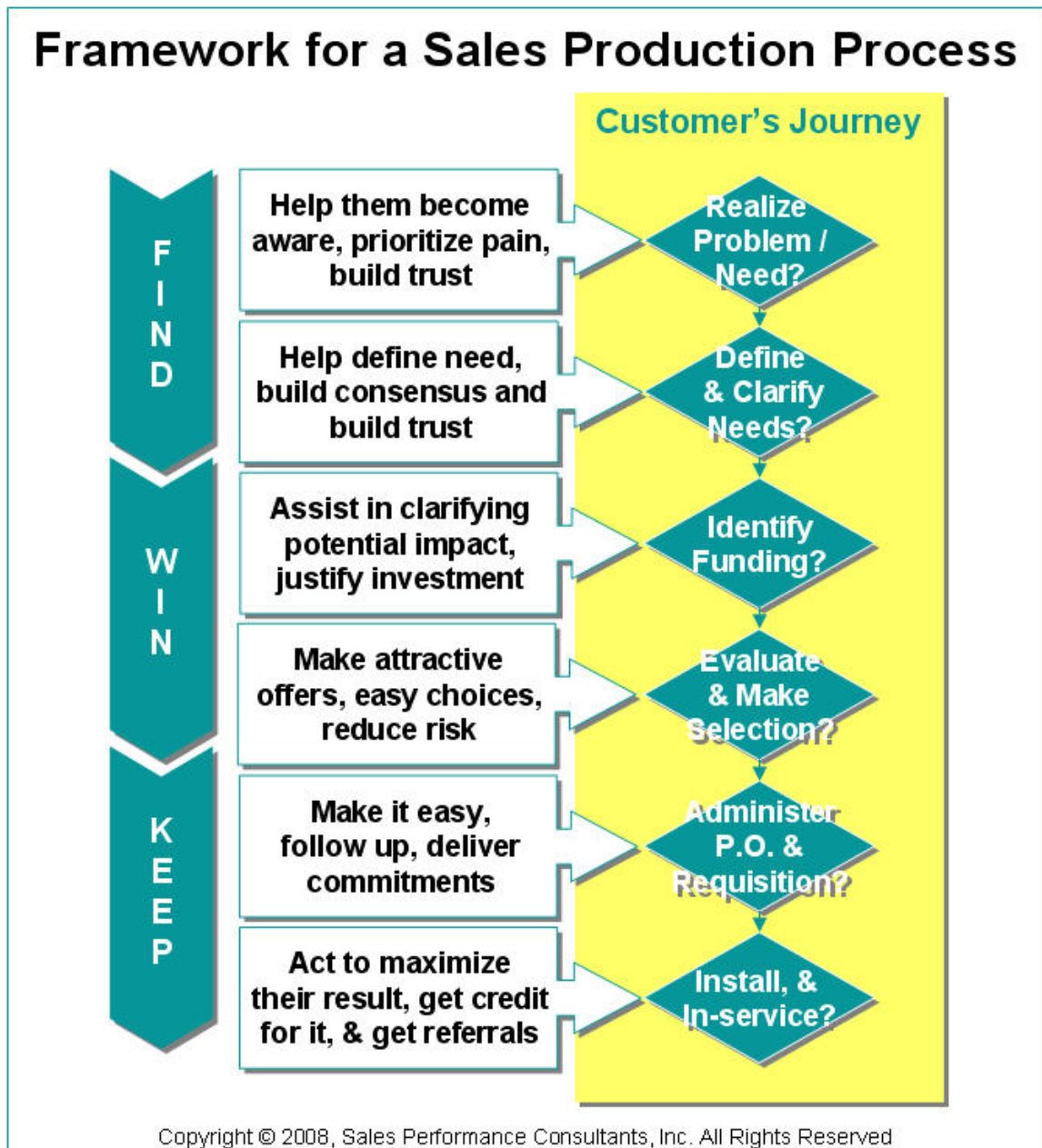


Figure 1. How to Design the Sales Process

Thus, how do you engage with people who do not yet see in your company the wonderful people you are? Good salespeople thrive in this environment by asking questions to learn the moves that will help a customer buy. Yet, the sales process is not just about what salespeople do! Good marketing and product managers should ask similar questions to uncover ideas, materials, and services that help customers take steps along their journey as well.

In fact, if anything you do, such as collateral, websites, mailings, trade shows, proposals, demonstrations, or any other interaction *doesn't* help the customer move along their journey, it creates waste rather than value. (Product-focused or even brand-focused material should especially be put through this filter.)

This is the Lean principle applied to sales and marketing (also known as the direct-response principle). If something doesn't measurably help the customer take an action: *Why are you doing it?*

### **Conclusion**

Therefore, next time you think about how to launch a product or get the attention of your salespeople, take a step back. Forget bad old habits like the distinctions between marketing and selling, the four "Ps," or whether the sales V.P. want a DVD or a new brochure.

Instead ask, what does your Customer's Journey look like and feel like? What kind of information and assistance would help them demonstrate to their peers that your assistance would make life better for them? What could you or your salespeople do to be so valuable they'd consider paying for it (with their time or even their money)?

The fact is if your process isn't built on insights like these, trying to push more people through it is a colossal waste of time and money.

And that is something everybody measures in the end.

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### **Authors**

Michael J. Webb is President of Sales Performance Consultants, Inc. and can be contacted at 5354 Fox Hill Drive, Norcross, GA 30092. VM and FAX (877) 784-6507.

[mwebb@salesperformance.com](mailto:mwebb@salesperformance.com)

Robert Ferguson is a senior consultant with Sales Performance Consultants, Inc.. Trained in Lean and Kaizen in the U.S. and Japan, Robert is a former vice president of Bristol-Myers Squibb and has held operations, sales/marketing, and general management positions with various companies.