

Operational Excellence in Sales

By Richard Randall

When we hear the words “Operational Excellence,” most people immediately think, “Factory.” We envision material moving smoothly from station to station on a lean factory floor and finished products being boxed and shipped on-time to satisfied customers.

However, operational excellence is not something that only happens in a factory, or in your offices. Operational excellence is about doing the right things the right way to satisfy customers and maximize return on investment, in all parts of the business. You won’t achieve the full benefits of operational excellence in your business focusing narrowly on manufacturing. An area often ignored in operational excellence initiatives is the sales team.

There is an art to selling. Personal contact and chemistry are important. Despite all of today’s technology, the adage that people buy from people they like is still often true. It is also true that not all sales people have equal skills of organization and planning, and companies often fail to do the necessary planning and communication to link territory-level sales activities to the big picture of the business plan.



Your sales team is part of your cost structure; often a big part of it.

Ask these questions:

- Has territory planning been done to estimate the new business and repeat business needed to meet your company sales goals?
- Do you and your sales people have a common understanding of how many quality calls they should be making to new and existing customers to hit the plan?
- Do specific accounts or projects require exceptional support and, if so, how will other accounts be covered?
- Are sales calls well planned and the sales people well prepared?
- Are there clear measurable objectives for each call?
- Is formal follow-up planned based on the outcome of the call?
- Are there metrics in place to measure these things?

If the answers are “no”, then it is likely that the business is not maximizing return on investment in the sales team.

Your sales people set the tone of your business relationship with your customers.

- Are they responsive to phone calls and email?
- Do they have the necessary product knowledge to support the customer, or do they need constant support themselves?
- Do they have solid relationships with internal support personnel?

Sales people who aren't responsive and knowledgeable send a negative message to the customer about your business that can cost you sales and margin dollars. If they lack appropriate product knowledge, it costs you more money and time to respond to customer questions and concerns. Your inside people are not going to be very supportive of the sales person who isn't responsive or can't handle the basic product questions.

Companies seeking operational excellence cannot afford to overlook or exempt the sales team.

A well designed sales process and a clear territory plans, supported with appropriate tools and monitored with appropriate metrics is a must. And adequate training, on products, services and the sales process will pay for itself in the long run.

Paying attention to operational excellence in sales will have another critical benefit. It will help break down the sales and operations silos that form in many businesses. When everyone understands and is held accountable for his or her role in the big picture it has a dramatic effect on performance. Setting expectations for everyone based on the goals of the organization will knock down the walls and get the entire team working together.

The path to operational excellence begins with defining objectives

On the process side, begin by determining what your sales people actually need to do in order to meet your growth targets.

- How many new orders or accounts are needed?
- What is your estimate of the number of quality sales calls your people need to make each week?
- How many calls are needed to service existing customers, versus calls to develop new business?
- What effort will be needed to support major projects and how will they affect the rest of the business?

Include the sales people and sales management in this process. The estimates won't be exactly right. After all, they are just estimates. But taking everyone through the thought process in a formal way will, by itself, give you better results than having everyone flying by the seat of their pants.

Next, determine the elements of a quality sales call.

- Does dropping off a brochure and a business card meet your expectations?
- Does it mean getting meetings with engineering, procurement and quality, or other key groups?
- Are the elements different for an existing account versus a new prospect?

Depending on your business, you can and should articulate the requirements for each basic situation. Ask the sales people to describe the differences between a good call and a poor one. Listen to your best people. They know what a good call is about.

Finally, determine how you are going to measure and monitor the process. You can do it with CRM software or with logs and reports collected in other ways, but one way or another you need to establish metrics.

- Are the calls being made in the right quantity, to the right contacts and are the objectives being met?
- What is the productivity per sales call in terms of sales and gross margin dollars?
- How does the productivity of each sales person measure up against their costs?
- Is base business being properly supported or sacrificed for big project “elephant hunting”?

On the people side start by surveying customers, your sales people and their inside support contacts.

You need to define the current state before you can formulate a plan.

- Are your sales people responsive enough?
- Do they have the product knowledge customers demand?
- What can the inside support people tell you?
- What do the sales people think they need to be more effective?
- What are the gaps that are going to require counseling and training?

Use the information to put together comprehensive job descriptions and training portfolios. Then communicate, communicate, communicate. Make certain every sales person understands what you expect. Train on the process, the deliverables and the metrics. Train on the products and services. Train on the soft skills of responsiveness and customer service.

Don't think that spending a few hours at the annual sales meeting is adequate for communication and training. Formalizing the process, delivering the training and changing behaviors will take a solid ongoing commitment from management. Operational excellence does not happen in any organization without that commitment and typically, when management moves on to the next 'hot' initiative, operational excellence falters.

With the right management commitment, planning, training and measurement operational excellence in sales can be achieved. And when leadership, sales and the factory are on board, your business will have a significant competitive weapon. The sales process, like all processes, can be improved dramatically by planning the work, working the plan and measuring the results to keep everything on track.