

# Building Sales Performance for the Product Launch

*TechCoire – February 24, 2005*



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**Building Sales Performance for the Product Launch**

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## Overview

- Background
- Keys to Accelerating Performance Ramp-up
- Results and Applications
- Questions & Response

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### Background

- Harvard Research
- Performance Engineering
- Sales, Marketing, and Customer Service since 1985
- Multiple industries – complex *consultative sales*
  - High Tech – computers, chips, software, networks, etc.
  - Medical Devices, Pharmaceuticals, Biotechnology
  - Telecommunications
  - Financial Services and Insurance
  - Transportation and Logistics

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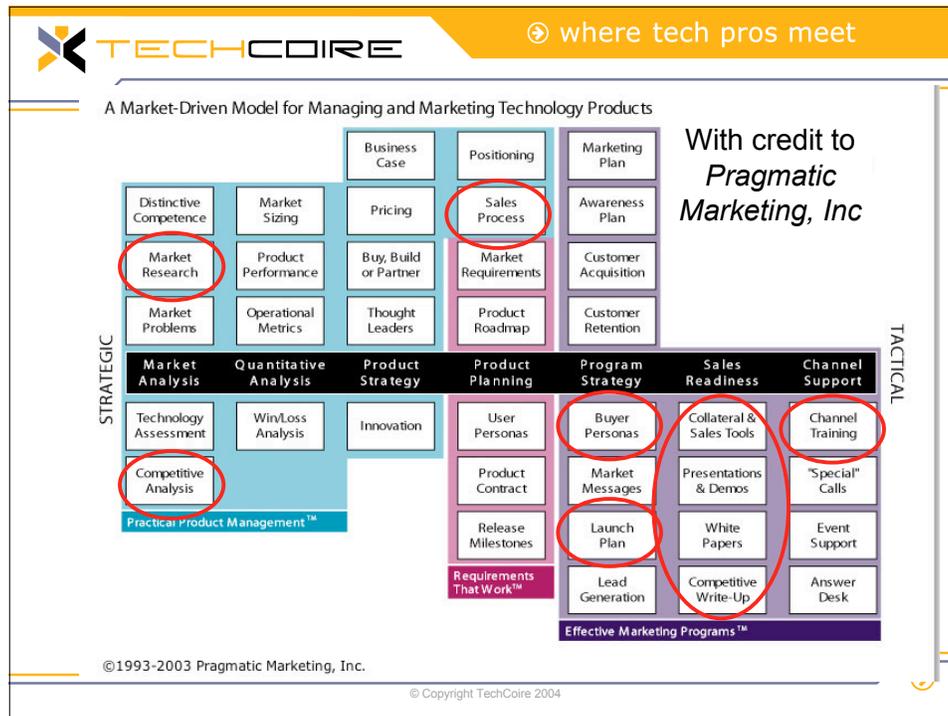
### To Accelerate Performance Ramp-up

1. Define and Support the *Sales Process*
  - Not just sales behavior
2. Deploy a *Performance System*
  - Not just launch training
3. Focus on *Customer Needs & Solutions*
  - Not just features & benefits
4. Compete on *Solutions to Needs*
  - Not just competitive feature checklists
5. Design Knowledge & Tools to support *Performance*
  - Not just death by PowerPoint, intranet info-dumping

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### 1. Define and Support the Sales Process

- Contrast with focus on sales behavior / activity
- Many large companies and most small companies lack a documented sales process specific to their company.
- Effects of failure to define the sales process:
  - Inconsistent performance
  - Misleading communication about what works
  - Slow ramp-up and poor execution
  - Low agility in response to market changes
  - Weak performance problem-solving
  - Lack of continuous improvement

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### How Behavior Produces Business Results

Analysis starts with the end (results) in mind.

Behavior Influences	Behavior	Job Outputs (Accomplishments)	Business Results
<ul style="list-style-type: none"> <li>• Expectations</li> <li>• Feedback</li> <li>• Incentives</li> <li>• Process &amp; Job design</li> <li>• Reference base</li> <li>• Tools/Job Aids</li> <li>• Collateral</li> <li>• Training</li> <li>• Coaching</li> <li>• Ergonomics</li> <li>• etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Asking</li> <li>• Talking</li> <li>• Deciding</li> <li>• Writing</li> <li>• Demonstrating</li> <li>• Analyzing</li> <li>• Answering</li> <li>• etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals</li> <li>• Demos</li> <li>• Call Plans</li> <li>• Letters</li> <li>• Decisions</li> <li>• Configurations</li> <li>• Closed deals</li> <li>• Satisfied customers</li> <li>• Reference accts.</li> <li>• etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Revenues</li> <li>• Market share</li> <li>• Product volume</li> <li>• Profits</li> <li>• ROI</li> <li>• etc.</li> </ul>

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### How to Define and Manage Sales Process

1. Determine Major Job Outputs (2-5).
2. Break down into milestones (for each output).
3. Identify and communicate best practices behavior.
4. Expect, monitor, train, coach, and support sales team's achieving milestones (versus merely engaging in activity).

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### Example of Job Output: *Qualified Opportunity*

Milestones for achieving this output:

1. Business drivers identified
2. Buying process and capability confirmed
3. *Buying Process and Selling Plan* (document)
4. Process agreed upon by customer

**For each we identify Tasks and Tactics (behavior).**

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### Examples of Job Outputs & Behavior \*

- Outputs
  1. Territory Business Plan (updated quarterly)
  2. Successful Medical Practices (customers)
  3. Productive Patient Referral Network (supplies customers with patients)
- Milestones & Behavior (tasks and tactics) 

\* Detailed example selected from a non-competitive company in another industry – a medical devices manufacturer.

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## Results of Defining the Sales Process

- Aligns Marketing with Sales.
- Focuses sales activity on specific outcomes.
- Links tactics and programs to milestones.
- Enables consistent company-wide execution.
- Sets a framework for continuous improvement.

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## 2. Deploy a Sales Performance System

- Contrast with “motivate ‘em and train ‘em” (and “death by PowerPoint”).
- Effects of failing to take a systems approach:
  - Training is expensive, relatively ineffective.
  - Synergy among functions is hit-or-miss.
  - Hiring and turnover are expensive.
  - Management influence is relatively weak.

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### The Six Boxes™ Model: Building a System

<b>E N V I R O N M E N T</b>	<b>Expectations &amp; Feedback (1)</b>	<b>Tools &amp; Resources (2)</b>	<b>Consequences &amp; Incentives (3)</b>
	<b>Skills &amp; Knowledge (4)</b>	<b>Selection &amp; Assignment (5) (Capacity)</b>	<b>Motives &amp; Preferences (6) ("Attitude")</b>
<b>E M P L O Y E E</b>			



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### Effects of Building a Performance System

- Clarifies expectations at every level.
- Aligns all sales support functions.
- Provides a common language/framework.
- Optimizes ROI for product launch.
- Lays a foundation for continuous improvement.

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### 3. Focus on Customer Needs & Solutions

- Contrast with:
  - Sales Training teaches “selling solutions to needs”, *while*
  - Product Training teaches “features & benefits.”
- Customer Needs-Solutions Analysis:

Potential Problem, Need, or Opportunity (in categories)	Feature that Addresses It	How It Works	Value Delivered (Benefit)

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### Building a Customer Needs Model

1. Brainstorm all possible needs, problems, opportunities with “customer-facing” people.
2. Sift, refine and sort needs into 5-7 categories.
3. Create tables linking needs to solutions – including features of products, services, and value-added.
4. Filter by segment, customer type, decision-maker.
5. Build sales knowledge, tools, and marketing programs on this framework.  

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### Example: *Customer Needs by Stakeholder*

- Product:
  - Sales Knowledge Management Software
- Needs Categories:
  - Productivity and Effectiveness
  - Information Communication
  - Financial Impact
  - Technology needs
- Filtered by Stakeholder/Decision-Maker (can also do it by market segment) 

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### 4. Compete on Solutions to Needs

- Contrast with *competitive feature checklists*.
  - A **solution** is something that addresses problems, needs, or opportunities.
  - It's solutions that differentiate, *not* products.
- Effects of product-focused approach
  - Limits sales to non-technical buyers.
  - Does not leverage value-added sales/service
  - If we don't have a competitive feature, then how do we compete?

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### Needs-based Competitive Analysis

Problem, Need, or Opportunity	How We Address It	How They Address It	How We Compete

**Note:** In final documentation, this often gets reduced to strengths/vulnerabilities -- although this can become too product-centric. 

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### Results of Needs-based Competitive Analysis

- Adds **customer-focus** to competitive analysis and strategy.
- Provides a framework for competitive strategy beyond product comparison or pricing.
- Suggests the need for shifting buying criteria before it's too late.

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### 5. Design Knowledge & Tools for Performance

- Contrast with information and collateral dumping:
  - Not based on performance requirements
  - Often too much detail in some material
  - Missing topics (e.g., market backgrounders)
  - Formats and layouts hard to use, not built for specific situations, behavior, milestones
- How to do it:
  1. Identify what's needed for specific best practices tasks and tactics (behavior)
  2. Organize and format for learning, reference, & application
  3. Provide easy access

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### Sales Knowledge Starter Outline

1. Performance Expectations
2. Market Background & Our Strategic Response
3. Potential Customer Problems/Needs/Opportunities
4. Products as Solutions
5. Competitive Information and Strategy
6. Sales Process, Strategies, Tactics, Tools
7. Customer Materials
8. Fulfillment, Implementation, and Follow-up

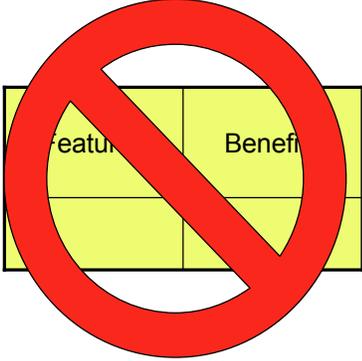
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## Which better supports Sales Performance?



feature	Benefit

Needs	Solutions (features)	Value Delivered (benefits)

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## Template: *Market Trend or Issue*

- Name of Trend or Issue
- *Brief* Description
- Relevant data (bite sized, summary)
- Implications for customers
- Where to find more information

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## Template: *Competitive Summary*

- Brief description of company and key products
- Competitor's positioning and strategies related to ours
- How they do business, from customer's perspective
- Sales force and channels: characteristics, deployment, strengths and vulnerabilities
- How they compete with us specifically
- Summary tables: Needs-Solutions-How We Compete

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## Needs - Solutions - How We Compete

Problem, Need, or Opportunity	How We Address It	How They Address It	How We Compete

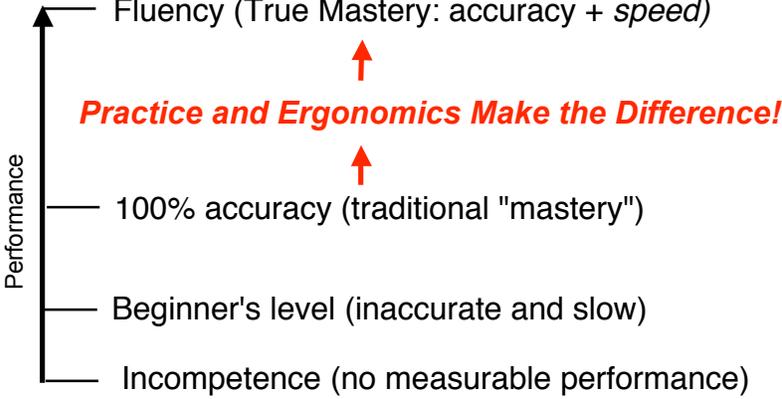
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## And We Need to Build Fluency!



Performance

Fluency (True Mastery: accuracy + *speed*)

***Practice and Ergonomics Make the Difference!***

100% accuracy (traditional "mastery")

Beginner's level (inaccurate and slow)

Incompetence (no measurable performance)

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## Some Results

- Reversed competitive slide of a Company's flagship product
- Increased cross-selling across product lines
- Accelerated performance ramp-up, increased productivity by 60% among reps calling on high-value customers
- Penetrated market 12 months sooner than expected
- Methodology originally adopted at product launch, extended across all business units and product lines

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### Any Company Can Use These Strategies

- Each of the 5 recommendations adds value.
- Can be implemented simply, refined over time.
- Product launch is a great time to introduce these strategies because of high investment and risk.
- Requires focus, pre-planning, commitment, and follow-through.
- Large companies usually need to un-do things; small companies can do it right from the start, but often don't.

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# *Questions?*

# *Discussion?*

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