Overview

- Background
- Keys to Accelerating Performance Ramp-up
- Results and Applications
- Questions & Response
Building Sales Performance for the Product Launch

TechCoire – February 24, 2005

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

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
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
How Behavior Produces Business Results

Analysis starts with the end (results) in mind.

**Behavior Influences**
- Expectations
- Feedback
- Incentives
- Process & Job design
- Reference base
- Tools/Job Aids
- Collateral
- Training
- Coaching
- Ergonomics
- etc.

**Behavior**
- Asking
- Talking
- Deciding
- Writing
- Demonstrating
- Analyzing
- Answering
- etc.

**Job Outputs (Accomplishments)**
- Proposals
- Demos
- Call Plans
- Letters
- Decisions
- Configurations
- Closed deals
- Satisfied customers
- Reference accts.
- etc.

**Business Results**
- Revenues
- Market share
- Product volume
- Profits
- ROI
- etc.

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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).
Example of Job Output: Qualified Opportunity

Milestones for achieving this output:
1. Business drivers identified
2. Buying process and capability confirmed
4. Process agreed upon by customer

For each we identify Tasks and Tactics (behavior).

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.
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.

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

<table>
<thead>
<tr>
<th>Environment (1)</th>
<th>Tools &amp; Resources (2)</th>
<th>Consequences &amp; Incentives (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expectations &amp; Feedback</td>
<td>Tools &amp; Resources (2)</td>
<td>Consequences &amp; Incentives (3)</td>
</tr>
<tr>
<td>Skills &amp; Knowledge (4)</td>
<td>Selection &amp; Assignment (5) (Capacity)</td>
<td>Motives &amp; Preferences (6) (“Attitude”)</td>
</tr>
</tbody>
</table>

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.
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:

<table>
<thead>
<tr>
<th>Potential Problem, Need, or Opportunity (in categories)</th>
<th>Feature that Addresses It</th>
<th>How It Works</th>
<th>Value Delivered (Benefit)</th>
</tr>
</thead>
</table>

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.
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)

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?
### Needs-based Competitive Analysis

<table>
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<th>Problem, Need, or Opportunity</th>
<th>How We Address It</th>
<th>How They Address It</th>
<th>How We Compete</th>
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**Note:** In final documentation, this often gets reduced to strengths/vulnerabilities -- although this can become too product-centric.

### 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.
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 backgrounder)
  – 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

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
Which better supports Sales Performance?

<table>
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<tr>
<th>Feature</th>
<th>Benefit</th>
<th>Needs</th>
<th>Solutions (features)</th>
<th>Value Delivered (benefits)</th>
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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
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

Needs - Solutions - How We Compete

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And We Need to Build **Fluency!**

- Fluency (True Mastery: accuracy + speed)
- 100% accuracy (traditional "mastery")
- Beginner’s level (inaccurate and slow)
- Incompetence (no measurable performance)

**Practice and Ergonomics Make the Difference!**

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
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.

Questions?
Discussion?