

Lean Selling

**A Pragmatic Way to Build a Sales
Organization that Delivers what
Customers Value**

**Sinaia
March 14, 2008**

Introducing marketing solutions europe

- **Focus: consulting, implementation and services increasing the marketing power of our clients.**
- **Supporting successful, sustainable and profitable organic growth of our clients.**

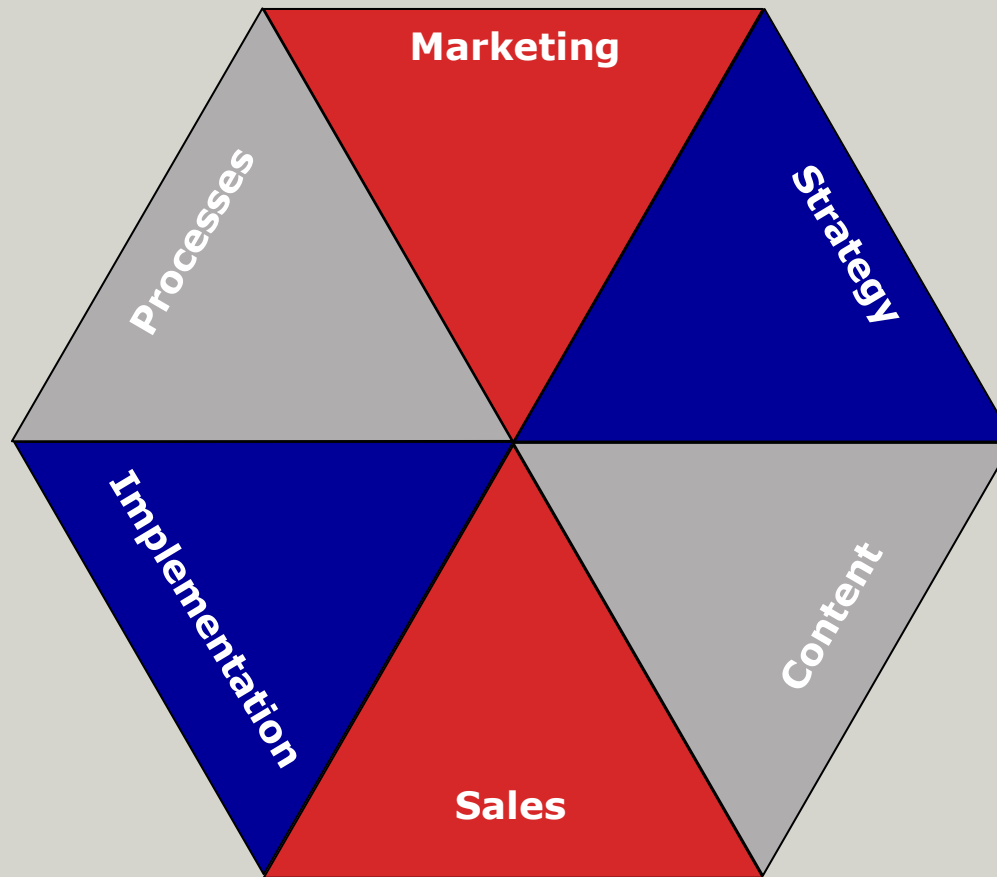
**Development of new
markets
Finding & acquiring
new customers**

**Increasing the
customer value**

**Improving
marketing and sales
activities**

What makes us different?

The success story of marketing solutions europe is based on a cross-functional approach to marketing and sales.



“Lean” – Buzzword or Real Opportunity?

- **Lean Management** ~ **633,000** results in Google
- **Lean Enterprise** ~ **611,000** results in Google
- **Lean Production** ~ **657,000** results in Google
- **Lean Organization** ~ **272,000** results in Google
- **Lean Office** ~ **419,000** results in Google
- **Lean Maintenance** ~ **251,000** results in Google

- **Lean Everything?**

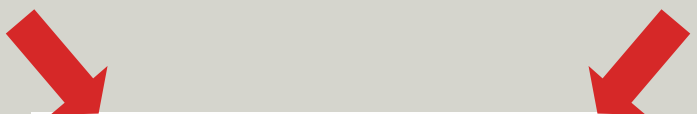
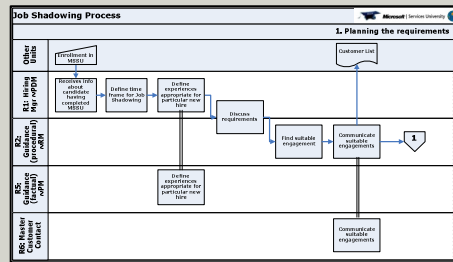
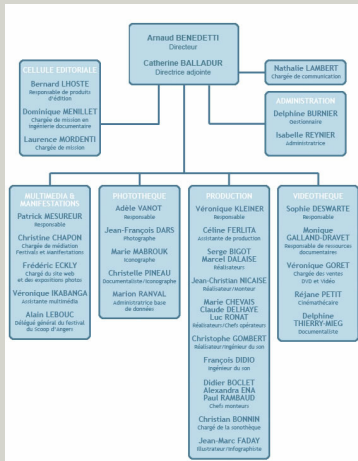
→ **Lean Sales** ~ **729,000** results

A Simple Idea

Lean = eliminate "Waste"
+ concentrate on
value-adding
activities

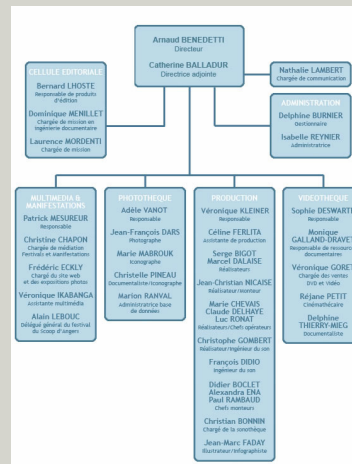
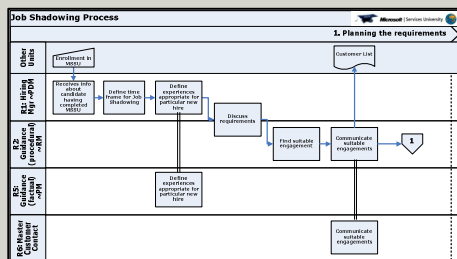
→ **Achieve more output while
using less resources**

Overcome the Traditional Approach!



Design your structures and processes - create customer satisfaction!

Understand What Your Customers Value!



Have a clear view of customer values - design processes and structures that ensure that your organization creates these values!

Where is the Difference?

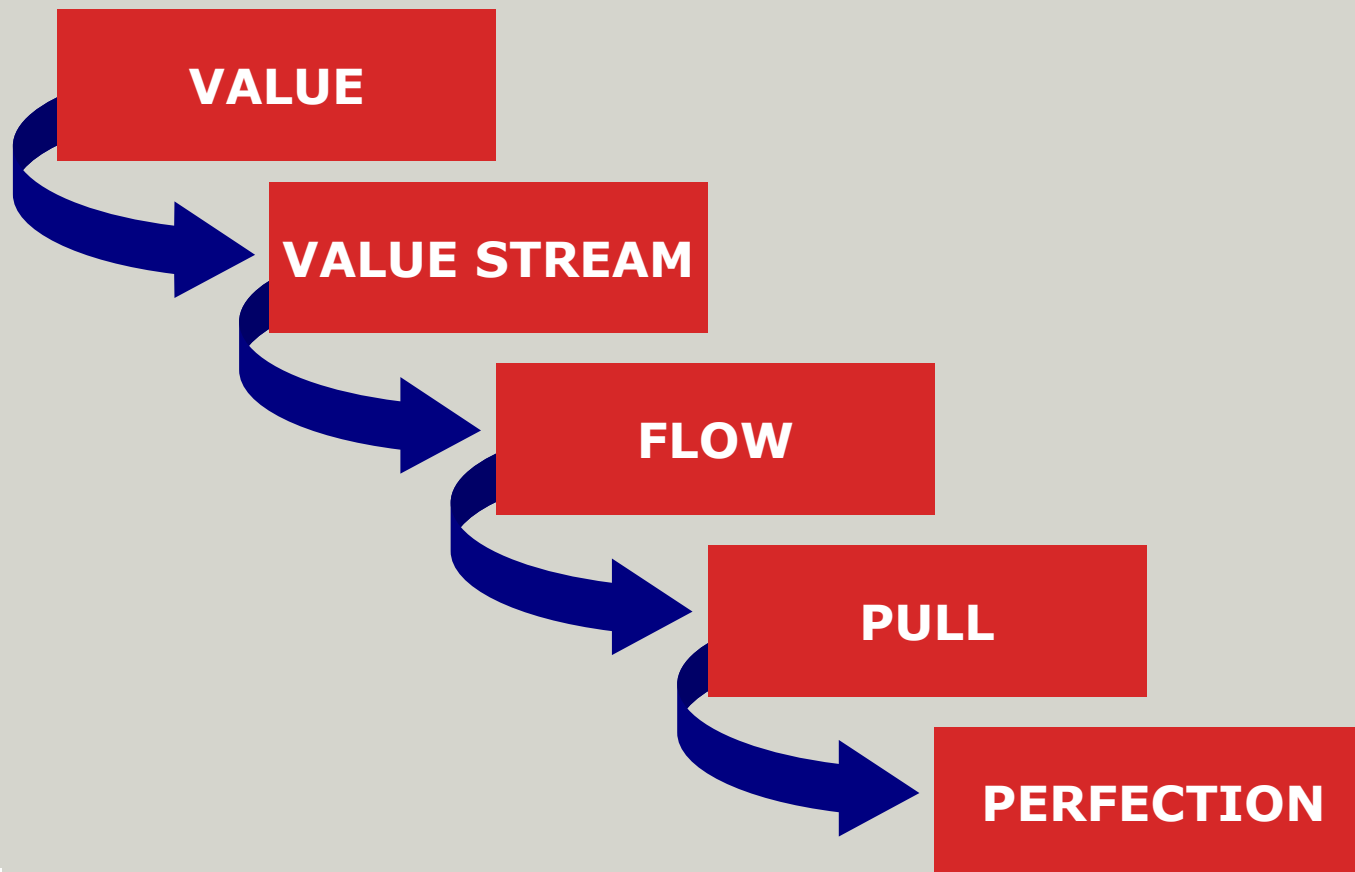
- **Lean Selling goes beyond optimizing the existing processes.**
- **It implies**
 - looking at the organization from the Customer's point of view;
 - applying Customer Values to measure the performance of the organization;
 - changing the way of building the whole organization and the processes from "inside-focused" to designing them "for the outside".

How the Lean Selling Approach Works

- Design processes necessary to deliver selected Customer Values in a way that minimizes “waste”.
 - “Waste” means anything that does not directly contribute to Customer Value.
- This does not necessarily mean a “least cost” approach.

Practizing Lean Selling

- Following the 5 Basic Principles of „Lean“ in sequence



Value

- is the starting point for lean thinking.
 - has to be defined from the customers point of view.
 - has to be expressed in terms of a specific product or service (or combination of both)
- **Lean Management is not a simple cost cutting initiative because of it's primary focus on value for the customer!**
- **Refer to all customer research data available**
- **Conduct specific research necessary to find out about the true driving forces behind customer decisions**

Value Stream

- **the sequence of all actions required along the three dimensions**
 - **New product/service development** (from concept, through detailed design to launch)
 - **Information management** (from order taking to delivery)
 - **Physical transformation/service rendering** (from raw materials to finished product)
 - **After a value stream analysis the activities usually can be categorized in the following way:**
 - a) **Value creating activities**
 - b) **Not value creating but unavoidable**
 - c) **Not value creating and immediately avoidable**
- **The elimination of category c) activities is the first step of creating a Lean Selling organization.**

Flow

- **adjust category a) and b) activities in a way that they flow smoothly through your organization.**
 - **exact opposite of the traditional batch & queue thinking**
 - **less specialization**
 - **fewer departmental boundaries**
 - **neglecting the concept of economies of scale**
- Effective concept that is empirically working, although often counterintuitive!**

Pull

- **the main processes are triggered by the customer**
 - **reduction of push oriented sales promotions**
 - **smaller production lots – less stocks**
 - **only possible when the organization is lean to a high extent already**
- Mainly important for manufacturing issues, still beneficial when applied to other activities**

Perfection

- **the ultimate goal of a lean organization**
 - **expression of the virtuous cycle of continuous improvement**
 - **replacing benchmarking**
 - **transparency as vital element**

→ Antidote to Stagnation

What Types of Projects are Best for Applying the Lean Sales Approach?

- **Lead generation**
- **Sales proposal process**
- **Sales forecasting**
- **New product launch**
- **Sales force efficiency and effectiveness**
- **Voice of the customer**

Source: Hesselschwerdt, Paul. "Guidelines for Making Lean Six Sigma Work in Sales." *iSixSigma.com*. (Nov 28 2005).

How to Get Started?

- Embrace the idea that driving revenue is more important than just driving down expenses.
- Do not confine the scope of the project to the „sales“ department only.
- Make sure that you *really* understand what your customers value.
- Involve the sales force directly.
- **Keep it simple!**

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