

"I don't exactly know what I mean by that, but I mean it."

J.D. Salinger, from "The Catcher in the Rye"

THE ROLE OF SALES

If you ask around a company regarding the Sales team's responsibilities its not unlikely that you will get different answers.

This kind of confusion creates opportunities for team members, like Salinger's Holden Caulfield, to be passionate and wrong. Chances are your customers see this confusion as well.

The first task in building an effective organization, and the topic of this chapter is to ensure that everyone with customer facing responsibilities understands their deliverables and knows where to go to get things done.

BUT FIRST... A REALITY CHECK

Before diving into aligning the organization, I need to reinforce that it is a Sales Executive's responsibility first and foremost to know the numbers and to always be driving a plan to hit that quarter's revenue.

I recall meeting with the CEO on my first day as a new Sales VP. After a few pleasantries, he shared his views of the strengths and weaknesses of my staff and his thoughts on what my priorities should be.

He closed by saying, "we've got a few weeks left in the quarter, and I'm concerned there are serious risks to the number we've committed to the Board. By the day after tomorrow you need to come back to me with a high confidence number and an action plan to close the gap to our target".

Welcome aboard...

The next 48 hours were a mad scramble to get our best grip on the numbers and a recovery plan.

The twin requirements to know the numbers and keep constant pressure on the team to hit target shows up day one and forever defines a Sales Executive's responsibilities.

In the next chapter, I will present structures and processes that will save you from the majority of these mad scrambles resulting from a lack of data and preparation. You'll always be in a position to know the numbers, gaps and actions required to close to target.

While staying on top of the numbers, however, you must build an organization that can drive the market opportunity in front of the company and the first step is to make sure all team members are aligned.

Key Point: A well-aligned organization will minimize the opportunity for people to speak passionately in favor of things they don't understand.

When team members are aligned, efficiency increases, office politics decrease and above all: when people "say it like they mean it", odds are higher they know what they mean.

Key Summary Point: A sign of a mature Sales Executive is that they balance the daily pressure to hit quarterly numbers while building a winning organization.

ALIGNING THE ORGANIZATION

Just as the clutch in your car is the interface between the engine and drive train, your sales team is the interface between your company and your customers. While the clutch delivers the power, it is also a central place for tension and heat.

To deliver power, the clutch plate needs to stay engaged and aligned with the power train to operate properly. Any misalignment will be absorbed by the clutch plate, (your sales team) causing chatter, heat and wasted power.

It is the Sales Executive's responsibility to ensure that the organization is aligned so that the customer views all interactions as clear and consistent. This is done by working with the Executive team and following these steps:

- 1) Get agreement on the need to define roles and deliverables.
- 2) Publish a schedule and include the template for distribution to their teams as shown in Figure 1.
 - a. Include a due date for the completed deliverables matrix and a date for a team review.
 - b. Note that there can be only one owner for a particular deliverable but more than one function can be listed in the supporting role.

Function (Ex. Applications)		
Deliverable	Owner	Support
ex. Product Roadmap	Product Marketing	Applications

Figure 1 Template for Listing Deliverables by Function

- 3) After the templates are completed, hold a review with the relevant Executives, Managers and team members. At this meeting each group presents their completed

deliverables matrix by job function clarifying the working level assignments, for example which marketing person will support which sales person.

Problem escalation should be discussed and agreed. The default escalation path is to simply bump these up the chain of command until the issue is prioritized and resolved.

For certain issues however, like field product problems or issues with certain customers, it is better to short-circuit the chain of command and branch all problems to a specific manager. What is most important is that these procedures are discussed and agreed between team members.

In the past, I've found this type of review meeting a great forum for group members to ask clarifying questions, articulate what they expect from supporting groups and come away with a better sense of team cohesiveness. It is time well spent and can be combined with product training or other corporate planning to leverage the cost.

The output from this meeting should be posted on the company's intranet for reference and should be updated as needed.

DEFINING SPECIFIC ROLES - AN EXAMPLE

Let's use a concrete example to illustrate the process. Assume a portfolio of high technology hardware components that customers incorporate into finished systems. We will map the responsibilities of those functional groups with substantial customer facing responsibilities: Marketing, Customer Service, Applications and Sales.

For the following discussion, we'll assume that the Executive team has met, agreed on the need for team alignment, and that the deliverables matrixes have been completed.

For each functional group we will review the responsibility matrix with relevant commentary.

SALES

Sales		
Deliverable	Owner	Support
Deliver target for Bookings, Design Wins	Sales	Product Management
Deliver Revenue to target	Product Management	Sales
Lead negotiations (preparation & closure)	Sales	Product Management
Demand, Booking and Design Win Forecasts	Sales	Product Management
Leads Customer Strategy Development	Sales	Marketing
Owns resolving/elevating critical issues	Sales	

Figure 2 The Sales Teams deliverables

In addition to these specific deliverables, the Salesperson is the customer's "one neck to grab" for any problem.

With respect to internal forecasts, Sales "owns" the demand forecast and Customer Marketing "owns" the revenue forecast; the difference is that the demand forecast represents unconstrained demand (shipments assuming no constraints) and the revenue forecast represents the revenue the Marketing team has judged to be committable to the company.

Beyond these hard deliverables, Sales is responsible to sustain two aspects of the company's culture: ensuring a Win/Win relationship with the customer and ensuring the company presents a clear and consistent face to the customer.

These two topics are important enough that we will take a little space to discuss them.

DRIVING TO WIN/WIN

Boiled down, Sales is accountable for growing the business to target and ensuring that a win/win relationship is maintained with the customer. This is crucial given that Win/Win relationships are the only way to generate long-term, profitable business.

Win/Win does not mean both sides are always happy with the outcome of a negotiation. That idea belongs with the culture of giving trophies for potty training. It does mean that both sides can live with the outcome of any single negotiation when put in the overall context of the relationship.

While this is a bit more of a pragmatic objective, it is often a very difficult thing to pull off when the sides view the outcomes differently. This is usually the case in customer/supplier relationships.

Key Point: The Sales person is always in the mode of changing the expectations of at least one side to drive the conclusion to Win/Win and must be able to do this reliably (i.e. better than their competitors).

Getting to Win/Win requires three attributes:

1) A Command of the Facts

In a negotiation, "he with the most data wins". Buying a car these days has almost become a fair fight, primary due to the large amount of practical data concerning the actual values of new and used cars.

Beyond being prepared with the relevant data, Sales Professionals also need to tailor their proposals effectively for different audiences. For example, a proposal to a General Manager will likely need to address profitability, while a proposal to an Engineering Manager may need to emphasize application support.

2) Credibility

A few years ago, we released a defective product to a major customer that resulted in a field recall. It was a disaster. The Customer's Divisional General Manager lost his job as a result and not surprisingly, we were approached for substantial damages.

Negotiations stalled as weeks quickly turned to months. Finally both sides agreed to mediation given neither wanted the cost and distraction of litigation.

Enter the Judge.

The process was simple. Initially he met with each team, making it clear he wasn't ruling in the case but that he had ruled in many like it. After listening to both sides, he returned to each team and painted a bleak picture of the downsides, dramatically lowering everyone's expectations.

Both sides had a simple decision, either trust the judgment of the Judge, (both knowing he was working us to the middle), or take our chances in court.

Predictably, we settled. What had been stalled for more than 6 months was completed in less than 4 hours.

Unlike the Judge, sales professionals aren't neutral mediators in customer negotiations. They are clearly on the supplier's side, but they do play a key role calibrating expectations.

Key Point: Personal credibility and integrity are key tools in any negotiation. Lose them and you've lost the ability to do your job.

3) Closure as an Imperative

Both sides in a negotiation need to want the deal to end with a Win/Win result.

During that process there will be times when someone loses interest or is completely frustrated. At these times, sales professionals have to keep everyone at the table and working towards a resolution.

SALES AS CONDUCTOR

A sales professional can be viewed as a conductor of an orchestra. A conductor isn't there because he can play an instrument or compose the music. Rather, at show time everyone looks to the conductor to queue them, set the tempo, and in short make many musicians sound like one.

In much the same way, sales is responsible to ensure that the myriad interactions customers have with the company are consistent and unified in policy and approach.

The customer facing part of the organization must understand that Sales owns this responsibility. To that end, Sales is copied on all communications and should schedule, guide preparation and attend customer meetings. Sensitive business development meetings are an exception, but even in these cases, Sales should be aware of the meeting and updated on any items relevant to current business issues.

MARKETING

For companies with a diverse product portfolio, Marketing represents a broad array of both tactical and strategic activities. In our example, we'll refer to "tactical marketing" as Product Management and "strategic marketing", including the profit and loss responsibility, as Product Marketing. Split this way, the Product Marketing team can focus on planning and execution with a limited number of distractions. Without this separation, the "crisis of the day" will continually swamp the calendars of those with the charter for strategy, and the company's future will suffer for it.

It is also easier and less costly to staff appropriately. Given the mix of technical and general management skills required, the Product Marketing function is the most difficult position to fill. It is frankly a waste to use these precious skills on tactical activities that could be done by a less expensive and more broadly available set of skills.

Example deliverables for both Product Management and Product Marketing are presented below:

Product Management		
Deliverable	Owner	Support
Price Management-Deliver GM to target		
Product Training to the Field	Product Management	Product Marketing
New Product launch execution	Product Management	Product Marketing
Deliver Revenue to target	Product Management	Sales
Deliver target for Bookings, Design Wins	Sales	Product Management
Lead negotiations (preparation & closure)	Sales	Product Management
Demand, Booking and Design Win Forecasts	Sales	Product Management
Owns resolving/elevating critical issues	Sales	Product Management

Figure 3 Product Management Deliverables

Product Marketing		
Deliverable	Owner	Support
Marketing P&L-Revenue to Gross Margin	Product Marketing	Product Management
Product Roadmap	Product Marketing	Product Management
New Product Development process	Product Marketing	Engineering
New Product launch execution	Product Management	Product Marketing
Owns resolving/elevating critical issues	Sales	Product Marketing

Figure 4 Product Marketing Deliverables

Product Marketing in our example is the owner of the Marketing P&L (revenue through gross margin) and ownership of all aspects of the product portfolio. Product Management becomes the execution arm (through Sales) for Product Marketing. Given their P&L and Portfolio responsibilities, it is no wonder that Product Marketing Managers are often obvious candidates for General Management positions.

To summarize accountability between Sales and Marketing, Sales represents the “one neck to grab” for the Customer, Product Management to Product Marketing (for execution) and Product Marketing to General Management for hitting Revenue/Gross Margin targets and driving the product roadmap.

Note that Product Marketing owns the Marketing P&L and therefore is the ultimate owner of revenue, not the sales team. This in no way lets Sales (or Product Management) off the hook for delivering revenue, as they are responsible to Product Marketing to hit the number.

Slicing accountability from a different direction, Sales must be the worldwide expert on their assigned customers in terms of strategy, what products they buy and how products are purchased. Marketing must become the worldwide expert for their assigned product category by understanding technology trends, competitive product positions and pricing models.

Key Point: *Given both Sales and Marketing are active with customers and feel ownership for those relationships, particular care must be taken to make sure that these teams are aligned in heart and mind.*

Poor alignment causes problems. For example, marketing staff that meet with Customers without informing Sales is a too common occurrence and often leads to confusion with the customer and mistrust with the Sales team. Also, I’ve too frequently had to remind Sales people that they could only provide Marketing approved pricing and that the only company document they could sign was their paycheck.

The process we’ve detailed will align the hearts and minds of most, but Sales Management needs to immediately point out and aggressively correct any alignment problems should they arise.

CUSTOMER SERVICE

Customer Service		
Deliverable	Owner	Support
Order Mgt (Booking, returns, reschedules, etc.)	Customer Service	Operations
Resolve/Escalate logistics, order mgt issues	Customer Service	Sales
Deliver Target for Bookings	Sales	Customer Service
Service Metrics-Creation & Presentation	Customer Service	Operations

Figure 5 Customer Service Deliverables

Once an order is booked, Customer Service owns that order and its management through shipment including any required product returns. Customer Service is responsible for ensuring that problems are resolved or escalated until resolved.

In addition, Customer Service will need tool support from IT to provide services such as pre-expediting backlog (i.e. working & communicating delivery issues before shipment due dates) and identifying gaps in customer backlog relative to product lead-times.

Customer Service should also take responsibility for the quality of the customer’s experience by organizing service metrics and making them available, or better yet presenting them at Business Reviews with the customer.

Defined this way, Customer Service takes ownership of an important part of the Customer’s experience with the company, which is why Sales and Customer Service develop a “hand in glove” relationship.

As a Sr. Sales Director with a large Semiconductor manufacturer, I had the pleasure of working with someone who for me has become the gold standard for a Customer Service Rep (CSR). Her name was Pat and she managed the CSR team for Hewlett Packard. Pat took personal responsibility to make sure delivery issues were elevated quickly and stayed on boil till solved. She was quick on the trigger to call me or any other manager to get it fixed.

She also drove the customer to maintain the right backlog position and was tough but fair negotiating product returns issues. Pat really shined at Quarterly Business Reviews as she presented the service metrics (pre-scrubbed with the customer of course) and as she drove both sides for improvement.

Pat would do anything legal and ethical to solve a customer’s problem. I remember getting a call from Pat on Christmas Eve indicating that a Hewlett Packard location in Asia needed a shipping number to track a critical delivery to arrive on Christmas Day. Fortunately I had the home phone number of our Operations Director and soon after we had the tracking number and a happy customer.

Pat was way more than a logistical administrator; she was viewed by the customer and by sales as a senior member of the account team.

APPLICATIONS

Applications		
Deliverable	Owner	Support
Deliver to target for Design Wins	Sales	Applications
First order failure analysis-Resolve or escalate	Applications	Engineering
Product Roadmap	Product Marketing	Applications
New Product Development Process	Product Marketing	Applications

Figure 6 Applications Deliverables

Applications Engineers (Apps Engineers) are a rare breed requiring both good technical skills and good interpersonal skills to position them to ask the right questions, develop empathy and thereby build effective relationships.

They support the design win process under the direction of sales, act as the first line of defense resolving customer development or manufacturing issues and also act as technical eyes and ears inside the customer organization for the marketing team.

Given their technical background and the lack of a sales title, Apps Engineers are able to build a more trusting relationship with customer engineers, which can be extremely useful when gathering competitive information.

Some years ago, my team was closing a networking IC design win with the largest Network Adapter card manufacturer at the time. Whether we had to move slightly on the price of our IC to win (a few pennies on a few million units was a big deal) was a function of whether our competitor really had a qualified device available.

This information was, of course, not forthcoming from normal customer channels, so I pulled our Apps Engineer Mike aside. He had great relationships in engineering, and I told him that he needed to run this down for us.

Mike descended into the bowels of the customer’s engineering organization, held discussions only he could have had and returned with information that allowed us to hold our price, thereby paying for himself that year many times over.

Deciding how to organize Applications whether by product or geography and where they should report is a topic unto itself, which we will leave for a later chapter.

I’ll close with the summary thought that most companies start with product oriented applications engineers (not generalists) reporting into the Product Lines and move to a Field Applications model that reports to Sales as the business scales, thereby driving a better Cost of Sales and getting resources closer to the customer.

PULLING IT ALL TOGETHER

Following the steps outlined in this chapter will ensure that everyone understands their responsibilities and where to garner support. The process will also foster a sense of teamwork as everyone becomes aligned.

There are many ways to organize around deliverables and the preceding is just one example. Scale, size of customer base and management discretion may lead to a different approach. The key is that everyone understands how it is done in their organization and what their deliverables are in that context.

I began this chapter recognizing that understanding the current state of revenues is job one for a Sales Executive. This is a simply a fact, but it is also true that they must at the same time build an organization that naturally delivers revenue to target, and is a competitive advantage for the company. Getting alignment is the first step in building that organization.

After getting the team aligned with clear roles and responsibilities, a new Sales Executive then needs to implement an ongoing process that gathers information from customers, aggregates it, and crisply provides bookings and revenue forecasts to the corporation. This process, coupled with clear responsibility, will keep them out of “crisis mode” when it comes to managing revenue. It is to that task that my next chapter is devoted.