

“Manage (sales opportunities) by exception, not routine.”
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When it comes to Sales “Opportunity Management”, most companies are employing some level of software and information technology for tracking and success measures. From sophisticated CRM (Customer Relationship Management) systems to simple spreadsheets, this technology can help you manage and measure the sales cycle. However, many organizations fall short of their goal not as a result of the automation (or lack thereof), but as a byproduct of not managing the outcome. They fall into the routine of review and comment, failing to see each opportunity as an exception and not the rule.

The number of opportunities presented by their sales staff serves as an encouragement to the company’s sales management. As such, management quickly assigns a quota to the number and size of sales opportunities. This turns into a periodic review, often the traditional Monday or Friday conference call, and little attention is paid to the makeup of the territory’s potential from each opportunity. Everyone is looking at the “big number(s)”, the “roll-up”, and not paying attention to the sales process of closing business, one account at a time.

Within each opportunity, we will find the traditional “x of y” component, i.e., “This account will purchase 25 widgets at \$120.00 each, so the sales opportunity is worth \$3000.00”. More commitment is required, so the salesperson will add a timeline, e.g., “Will purchase these units by the end of the month (date).” Herein lies the first trap; how did this opportunity come to be? Are they a regular customer, or a new prospective account? For the current customer, are 25 units the best purchasing level? If you don’t extend the best pricing level, will you be susceptible to competition? Can you win favor by obtaining a larger order and extending a lower price? In the example of a prospective customer, is this model widget the best unit for their needs, or merely a comparable model to what’s in use today? Opportunities fail to close, and contribute to lost sales, when management fails to understand the depth and breadth of the account’s needs (not to be confused with “wants”) in each opportunity.

Tactical selling is about “needs”, whereas “wants” tend to get lumped into the more global category of a “strategic sale”. When you look closer at each sales opportunity, you can lessen the chance of loss, or a lesser sale, by focusing on the customer’s needs; most customers can clearly state what they want, but only you can determine their needs. Remember, you are the expert on your products and services, and working closely with the customer, you are in the best position to assess the true fit for this opportunity. That effort takes time, and is a ‘discovery process’ with the customer and you. Here again, Sales Management should see each opportunity as an exception, making each one unique (for you and the buyer) in the opportunity appraisal process.

Once you determine what the customer needs in the way of a solution versus selling a product or service, you can manage the outcome. Instead of trying to manage ‘routine’ opportunities, you are striving for a desired outcome for you and your customer. Managing an outcome will require a series of steps and actions; like project management, the sales process becomes a series of gates and milestones.

This endeavor will require some form of documented, disciplined sales process, i.e., a tactical account map. The mapping will require in-depth information gathering on the part of the organization; take note that we are making reference to more than one individual, typically the salesperson, as the sole information source. We see selling as a “Team Sport” and should include other participants like the product manager, business analysts or product engineers, and possibly the company’s financial officer (e.g., CFO, Controller, etc.). Sales management is a ‘given’ in this instance, and should serve as the facilitator of the resources and staff.

In the tactical account map, the Team needs to clearly articulate the desired outcome for the opportunity. It can begin with something as simple as a 30-word description for the sale, e.g., “This account will purchase 25 model seven widgets by December 31st. This model will save the

customer more than \$10.00 in unit cost and improve productivity by 7%.” Note that the entire outcome is measurable in sale, timeline, and performance.

From the tactical account map, you can now manage the outcome against objective criteria; how close are you to getting the order by the 31st, will they purchase 25 units, can you save them \$10.00 per unit, and improve their productivity by 7%? If you fall short against any one of these criteria that represent the sales opportunity criteria (desired outcome), you can allocate the time and resources to rectify the problem.

Most CRM systems and sales force automation software provision some form of Opportunity Management. However, many of these endeavors fail not at the software level, but at the ‘management’ level. The ease by which opportunities can be gathered into a single, consolidated view detracts from the underlying trouble spots to closing business. We liken it to wildcat oil exploration; you drill and drill hoping that a large field of attempts will have some oil.

To “manage by exception, not routine”, you will need to spend more time with each opportunity. That in itself requires a time management discipline not afforded most sales managers (management) today. But, it doesn’t have to be that way if you adopt a Team approach that will leverage responsibility across more ‘sales’ resources, have a documented (self-policing) tactical account map, and train your sales organization to focus on the customer’s needs and not their wants. This creates a streamlined process for managing each opportunity as a unique situation.

You can apply automation to ease the reporting and evaluation; but this still boils down to a people-driven, not software and technology-driven, planned process for success.