

Understanding Your Customer's Business Processes The Key to Focusing Your Sales Efforts

By Sam Johnson

Office product marketing today is more complex and competitive than at any other time in its history. Traditional and non-traditional companies alike are using every conceivable marketing program and distribution channel to compete for their fair share. And there's no end in sight.

Smart dealers have responded with new and innovative marketing programs. They have committed valuable resources to develop and deliver valuable performance benefits to their customer's overall business operations.

Why then, do many dealers find themselves asking: *Why are these marketing programs not increasing my sales and profits?* A close examination often reveals that the problem is not so much with the program's design, but rather with how and to whom the programs are presented.

Most of the time, sales people offer these complex business solutions to people with little or no interest in them. In order to get an audience with the person who will appreciate the true benefits your marketing programs, sales people should consider calling at higher levels in a company. Unfortunately, this is something they're not comfortable doing. Consequently, they call on the person they've always called on — purchasing management.

To be comfortable at higher levels, they must understand how upper management thinks and then communi-

cate the value of their offering appropriately. This requires at least a basic understanding of the account's business process as well as how their office product usage cycle might affect the performance of that business process. And finally, reps should know how the dealer's marketing program and tools should be applied to provide the appropriate benefits.

Let's examine the basic principles of this concept.

The Business "Pipeline"

The first step to understanding how your marketing programs can add value to your customer's business is to be aware of how upper management views its business activities.

Choose a prospect or customer and imagine their company as a multi-sectioned "pipeline." Each link in the pipeline represents a key business function such as distribution, marketing, admin, manufacturing, etc., that is necessary for the company to execute successfully its business mission and make money.

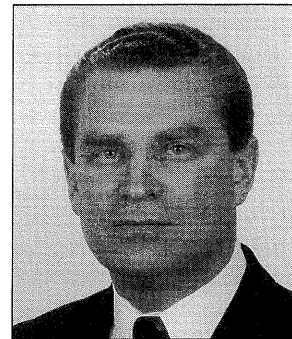
Next, analyze how each function is accomplished and the various tasks that are required to execute it. For example, a law office has a set of common functions and supporting tasks that represent how business is conducted in the legal industry. A hospital will have another process; manufacturing companies still another.

Functions and tasks are represented by the departmental structures responsible for performing the support tasks. And of course office products enable the departments to conduct their tasks efficiently.

Sometimes one department might represent two functions. Other times

one function may require two departments.

Although you may slice and dice your own business a hundred ways, Figure



Sam Johnson

1 offers a simplified version of how an outsider might view a typical office product dealer.

Build your understanding of this pipeline concept by establishing a model for your own dealership. Then, apply the same logic to your customer's / prospect's business. This is the first step to understanding the impact of your marketing programs.

Who Cares About The Pipeline?

Top management in any company is concerned with improving the flow of business activity through the entire pipeline. They know this results in better company performance in the form of profits, customer service, image, competitiveness, etc.

And since every business process can be improved through the removal of constrictions to work flow and/or the elimination of waste, upper management is continually looking for ways to address these issues.

This is an important concept for identifying where to start your sales efforts. If your marketing programs are presented to purchasing and/or lower level management, strategic benefits will probably fall on deaf ears.

Why? Because mid management is not concerned with the effectiveness and efficiency of the entire company pipeline! They are concerned only with their functional area of responsibility. If it is not price and service related, they typically don't want to hear about it.

Upper management, on the other

Continued on page 15 ▶

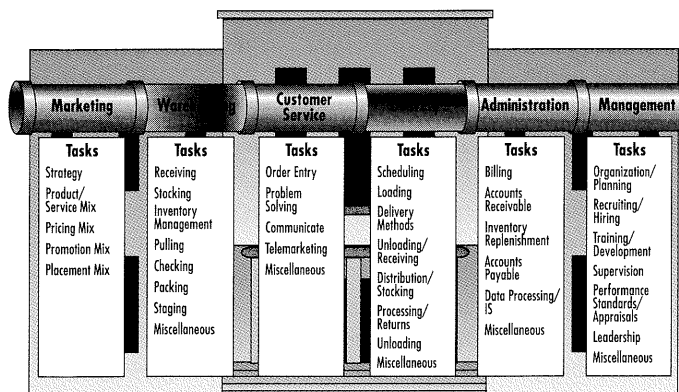


Figure 1: The Business Pipeline Concept (Dealer Version)

SALES TRAINING, continued from page 13

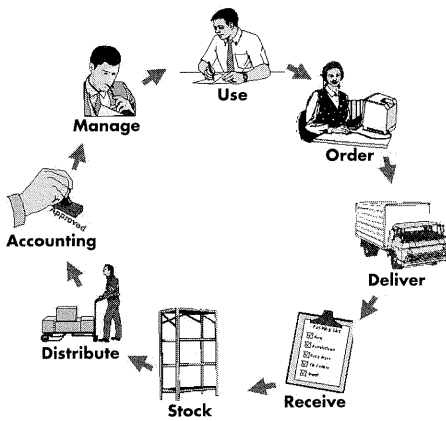


Figure 2: The Typical Office Product Usage/Procurement Process

hand, has a more comprehensive or "horizontal" concern for total company performance. They are concerned with how to make the pipeline more effective, which ultimately translates into more profit. They will evaluate your programs on their ability to deliver strategic level benefits that lower management is not aware of. Your benefits will be understood at this higher level every time.

Applying the Concept

The central purpose of any customer focused marketing program is to provide ways to strip out inefficiencies and/or improve the effectiveness of the account's business process. Most of the time this will involve improving the proficiency of the account's office product usage cycle.

Figure 2 shows the basic steps associated with the buying and using of office products. Once the account's business processes are understood and you have identified management's impression of areas needing improvement, focus your attention on improving the office product procurement cycle.

By improving this cycle, you impact the individual tasks supporting the functions within the company's business process. It's simply a matter of identifying issues associated with the business processes, then improving the usage cycle to enhance the overall efficiency of the entire process. This can lead to tremendous benefits that upper management will acknowledge and willingly support.

This approach allows the sales person

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to formulate a solution based on strategic benefits that are important to upper management. It focuses on the sale or strategic benefits instead of the pricing and service issues upon which middle and lower purchasing management fixate.

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PERFORMANCE GAP, continued from page 14

discussed above is whether the person in question is basically and fundamentally suited to his or her position. The key is to understand whether the individual's marginal performance is the result of the job itself or due, instead, to his or her personality attributes. This knowledge can go a long way towards helping a manager redeem a dead-end situation, and bring a marginal performer back into the mainstream.

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