



Sales Systems

GOALS
INPUTS
OUTPUTS
PRINCIPLES
PROCESSES
PRACTICES
TOOLS
MEASUREMENTS



SELL BETTER!

**How to grow your
sales **more rapidly
and predictably** by
creating and refining
a powerful sales
system.**

By Dave Kahle



Second Edition

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Second Edition

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About the Author

Dave Kahle by the numbers...

He's been the number...

1 salesperson in the country for

2 different companies, in two distinct industries & selling situations.

He's a high energy, intense, world-class speaker who has presented in

10 counties

5 Canadian provinces, and

47 US states.

He has been in practice for **25** years, and in that time, has authored

12 books, including [*Question Your Way to Sales Success*](#), [*11 Secrets of Time Management for Salespeople*](#), and [*How to Sell Anything to Anyone Anytime*](#).

His books have been translated into

8 languages and are available in

20 countries.

He has spoken to meetings and conventions of

98 associations, and has trained or consulted for

459+ individual companies.

He writes and publishes an [*Ezine*](#) for salespeople and managers called "*Sell Better*" which is distributed

48 times a year to over

23,000 opt-in subscribers.

His [*articles*](#) have been published over

2,000 times.

He has trained and certified more than

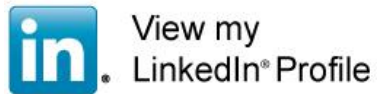
1,359 sales managers in [*the Kahle Way® Sales Management System*](#), and has trained

TENS OF THOUSANDS of *B2B salespeople* to be more productive in the Information Age.

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Forward

This is a book I've been intending to write for quite a few years. I originally proposed it as a manuscript around the time of the dot-com bubble. My agent told me that only books on internet marketing were selling at the time. So, I put it on the back burner.

At the same time, I have come to see that God has given me a very specific set of experiences, concepts and skills related to this subject, and that, as a Christian, I have a responsibility to share those.

I've learned sales from a wide variety of selling experiences, from route sales, to retail, to capital equipment, to wholesale distribution. I've learned sales management and sales systems as the general manager of a division of the company with whom I was employed, but more importantly as a consultant to over 300 different businesses. I've learned, through my education, (B.Ed, and M.A. in Teaching) how to communicate in such a way as to impact behavior, and I've been gifted with the ability to write and speak in a manner that is comfortable, easy to understand, and makes even complex subjects seem simple and easy to implement.

I take no pride in these things, seeing them as the providential hand of a loving God working through me to bless those who come into contact with the ideas expressed in this manuscript.

Further, I don't claim to have invented the concepts and processes discussed in this manuscript. I merely recognized what was already there, dusted them off, sharpened them up around the edges and communicated them. It's sort of like growing sweet corn. Left on its own, corn will just naturally grow. After all, it existed long before man started to cultivate it. But, by studying it, fertilizing it and nurturing it, we can make it grow bigger and better.

That is, I think, my contribution to sales systems – taking what currently exists and cultivating it so that it returns bigger and better than ever before. Here's my hope that you will use the concepts, processes and practices described here to grow your business bigger and better.

We are focused on helping our clients grow their businesses to such

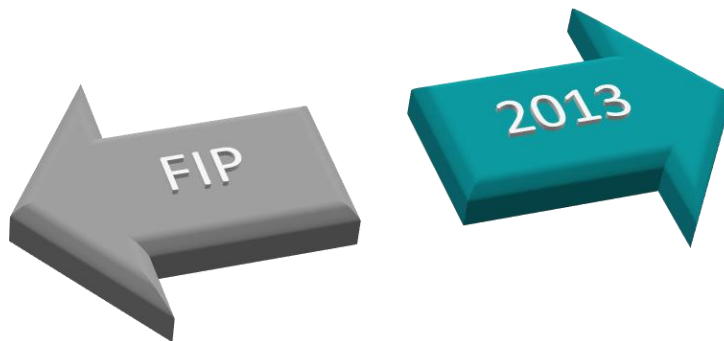
GOALS
INPUTS
OUTPUTS
PRINCIPLES
PROCESSES
PRACTICES
MEASUREMENTS

GROWING YOUR BUSINESS IN THE INFORMATION AGE

Growing Your Business in the Information Age

I call it FIP. Fine in the Past.

It refers to all the sales and marketing efforts, ideas, policies, principles, techniques, and strategies that worked well in the past, but are no longer effective. The past is everything that's pre-2013.



I still recall a poignant moment with an attendee at one of my seminars. During the break he came up to me and said this:

“ *I’ve been in business for seventeen years. And we’ve done well.
But now, it seems like everything is changing,
and I don’t know what to do.* ”

He went on to explain that he had built his formerly thriving tool and die business on certain core principles: Quality workmanship, competitive prices, and good service. Those principles, adhered to with discipline and conviction, had brought him word-of-mouth business consistently over the years. But they were no longer working, and his business was floundering. The pain and confusion were written all over his face as he contemplated the prospect of seeing his business wither away.

Those principles are some of the most common examples of FIP: Business principles and policies that were sufficient on which to build a business, but today are not. At one time, you could distinguish your business from others on the basis of these and other FIP principles. Now, however, the bar has risen. Because there is so much churn in our marketplace and the competition is so fierce, the kinds of service and quality that were sufficient to distinguish yourself from your competition are no longer sufficient. Your customers expect previously outstanding levels of service and quality from every supplier. What was sufficient a few years ago is still necessary today, but no longer sufficient.

That reliance on quality service and word-of-mouth marketing is a FIP principle. When viewed from the perspective of effective sales and marketing approaches, these principles are passive. They rely on your customer's coming to you, recognizing the superiority of your product or service, and then talking about you to others.

When everyone else operated in similar fashion; that was FIP. But when more and more competitors appear, and they make the same claims as you do, your reliance on passive marketing methods relegates you to second choice.

Probably one of the greatest marketing myths of all time is encapsulated in the expression,

“ *Build a better mousetrap and the world will beat a path to your door.* ”

Nothing could be further from the truth.

Once you build a better mousetrap, you then have to publicize it, price it correctly, and develop a sales system to take it to market in an effective and efficient way. And if you don't do that, your mousetrap will linger in the limbo of obscurity.



Image Source: Microsoft

I've seen literally hundreds of businesses of all sizes who never reached their potential because of an inability to do sales well. They were perfectly capable of rendering outstanding service at competitive prices but struggled to survive. These FIP principles were so deeply ingrained in their mindsets that they never learned to do sales as well as they could, and their businesses never reached the level of prosperity and success that they could have reached. The economic landscape is littered with the remains of businesses who were excellent in providing their product or service, but mediocre in selling it.

A man in a grey suit and tie is walking towards the right, holding a briefcase. The background is a light grey gradient with faint, overlapping text of business-related terms: GOALS, INPUTS, PRINCIPLES, TOOLS, MEASUREMENTS, and PRACTICES. The main title 'COMMON MISTAKES' is centered in large, bold, black capital letters.

COMMON MISTAKES

Common mistakes

It's not that CEOs, entrepreneurs and CSOs (Chief Sales Officers) don't want to grow their businesses. Almost everyone I've met is ambitious for the growth of their businesses.

It's just that there is so much bad information, bad ideas and bad advice that it is difficult to sort it all out and come up with a constructive plan. In my tenure, I've seen almost every approach. Here are some of the most common, and errant, approaches to growing your business.

1. Hire good sales people and let them do it. I call this “death by wishful thinking.”

There is probably someone, somewhere, who made a great hire with his first sales person, and then grew the business on the strength of that person's capabilities, commitment and motivation. I just have never met him.

I understand from where this idea comes. As a principal, you look at the needs of the organization, and more and more realize that sales is a problem. The knee-jerk reaction is to hire a good sales person. That, you think, will solve the problem.

Maybe in theory, but rarely in practice. One of the seminars that I present is one I call “How to Find, Interview, Select and Hire a Good Salesperson.” When I begin the seminar, I ask the group, “**How many of you had a good experience with the first sales person you hired?**” Less than one percent of the hands go up. And, when called on to explain, those one percent usually have some qualifiers: “Well, sort of, for a few months.....” I don't think I've ever gotten an unqualified “Absolutely!”

What typically happens is that the sales person's performance is far less than you expected, and you are faced with another, more emotionally taxing problem: What to do about this person who is sucking up your resources and not producing anything like you thought? The relationship often becomes

acrimonious, with your sales person blaming your lack of direction/tools/information/understanding, and you blaming him/her. After a difficult period of time, you part company, and now you are back where you started.

Hiring a sales person is a difficult, challenging task and success is never guaranteed. Almost everyone underestimates the difficulty, makes optimistic assumptions and projections, and is sorely disappointed by their first hire.

2. Popcorn. “Death by frenzy.”

Imagine kernels of popcorn simmering in hot oil in the bottom of a popcorn popper. As the heat grows, one of the kernels explodes and rockets off against the side of the popper. A few moments later, another kernel explodes and shoots off in another direction. Before long, the canister is full of careening kernels bouncing in every direction.

That's my analogy to the way in which many businesses attempt to increase their sales when the temperature created by growing competition gets hot. As the heat of the situation grows, they know they have to do something. Then along comes a good idea and, pop, like a kernel of exploding popcorn, they lunge at the good idea.

The good idea can be anything. Maybe it's a media representative who suggests a new advertisement. That sounds like a good idea. So, "pop", off they go after that good idea. Or it could be a sales person suggesting that a computer program will solve their problems. That sounds like a good idea, so "pop," off they go after that good idea. Next is an advertising agency suggesting a new brochure. That also sounds good, and "pop," like kernels of corn exploding in every direction, they expend money and energy in short term "good ideas." The list of “good ideas”

is endless: How about an Ecommerce website? An SEO consultant? A new CRM system? A new sales manager? Email marketing?

Like kernels of popcorn, they frantically chase lots of good ideas hoping that one will be the answer to the marketing problems. The problem is that these good ideas rarely have any relationship to one another. And, they generally present superficial solutions to problems which are often deeper. The company's time and energy is diverted toward these superficial "good ideas," and away from the deeper solutions.



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For example, an advertisement in a trade journal may be a superficial solution for a company that does not have a system for identifying qualified prospects. And a new brochure may be a superficial response for an organization that doesn't have a feedback mechanism in place to adequately understand its customers.

The unfortunate consequences are often more pressure, more confusion, and more energy expended in the wrong places.

3. If we just provide a good product/service, they will come to us. “Death by ignorance.”

This may be true if you’ve been in business 20 or 30 years, and have, over that period of time, created a loyal customer base which can be expected to return to you over and over again.

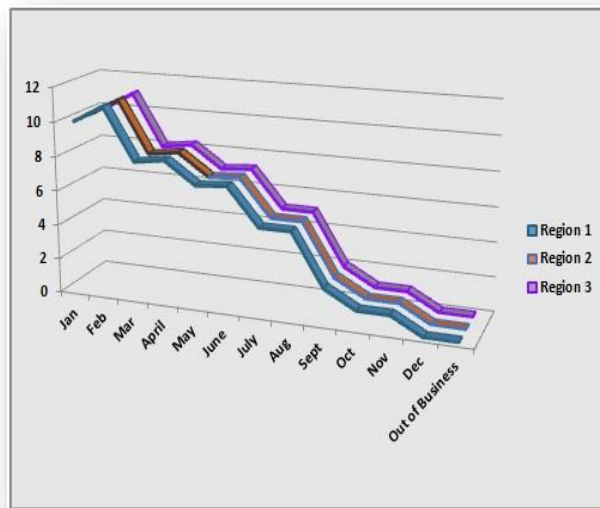
Unfortunately, in today’s rapidly changing, hyper-competitive market, it’s increasingly difficult to distinguish yourself on the basis of a quality product or service. Some competitor will pretty regularly surface with claims of a superior

product, a lower price, or a newer more technologically advanced solution to the problem you solve.

A certain percentage of your customers will be continually enticed into trying the new or other guy, and you’ll watch a slowly decreasing customer base waste away.

And, for a new business, or a business that is proactively trying to grow, it’s a prescription

for continuous disappointment. You’ll live continually subject to the whim of the market and the ebb and flow of demand. You’ll find your business and the livelihoods of all your employees susceptible to the smarter and more aggressive competitor.

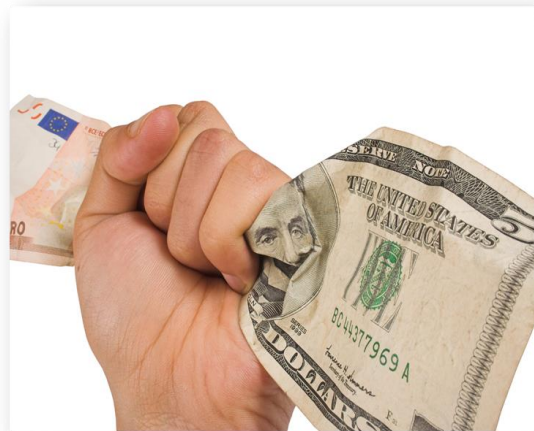


4. Scrooge approach. “Death by starvation.”

You know the picture. Old Mister Scrooge who would not part with a penny for any purpose. Left to himself, he would end up shivering in a cold room, and starving to death in order to save on food.

This is the picture of the business man who has so little regard for what it takes to create a sustainable sales system that he opts for the cheapest sales person he can find, has his teenage son create the web page, and expects the shipping clerks to make outbound sales calls in their spare time.

The concept of investing in sales and expecting a return on that investment never resonates with him. He sees every expenditure as a cost, not an investment, and has no appreciation for the degree of difficulty or the amount of money, energy and emotional investment it takes to get a sales system off the ground.



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The truth is, you must invest something roughly equivalent in time and money to create a sales system as you spent in developing your product and services and getting it ready to sell.

So, if you spent \$100,000 and two years getting your product ready to sell, you must spend about \$100,000 and two years more getting the system in place to sell it.

Then, beyond the initial investment, you must allocate a certain percentage of your gross profit each and every month forever to sustain, nurture and improve your sales system.

If you are unwilling to make this investment, you are going to become cold and hungry, Mr. Scrooge.

5. Technology is the answer. “Death by hallucination.”

This is a variation of number two, “popcorn,” but it is so prevalent today that it deserves its own listing. Business people who are caught up in this mistake believe that technology holds the answer to their sales slumber. **“Let’s get on Facebook...create a blog... buy that new CRM system... put a site up on LinkedIn...do this email marketing campaign...”** Like popcorn, there is a time and place for every one of the technological “good ideas.” And, they can each be

effective, when placed in a system and charged with a clear objective.



Image Source: Microsoft

The problem occurs when they are viewed as the totality of the solution, rather than a tool that facilitates a bigger and deeper process. I’m waiting for someone to do a study on the amount of time and money that has been wasted on Facebook,

LinkedIn, and the like by misguided folks who have been brainwashed by their inexperienced and younger cohorts to believe that technology is the solution.

The reality is that systems are the solution. Technology is a tool – an element of a larger conception – not the solution.

INTRODUCTION TO SALES SYSTEMS



Introduction to Sales Systems

It often amazes me that nearly every department in a company has protocols, programs and systems except one. Accounting operates in accordance with GAAP standards. Operations has their ops manual and procedures. The warehouse, customer service, and plant management all have their policies and procedures. Yet, in arguably one of the most critical departments of any company, the sales department, employees and managers are often left to their own devices with only rudimentary processes defined.

For example, I often hear, or overhear, a sales person remark:

“ I have my own style of selling ”

Sales managers and executives often nod in affirmation. How valid is this position? Is sales so mysterious and personal that it defies the systematic approach that characterizes good management in every other department? Does every sales person have a unique style of selling? More importantly, should your company allow every sales person to have their own style, and expect every sales manager to develop an individual set of management practices, or should you have a system for selling to which everyone adheres?

I will let you answer that question yourself in a moment. For now, let's consider the concept of a “sales system.”



CAN SALES BE SYSTEMATIC?

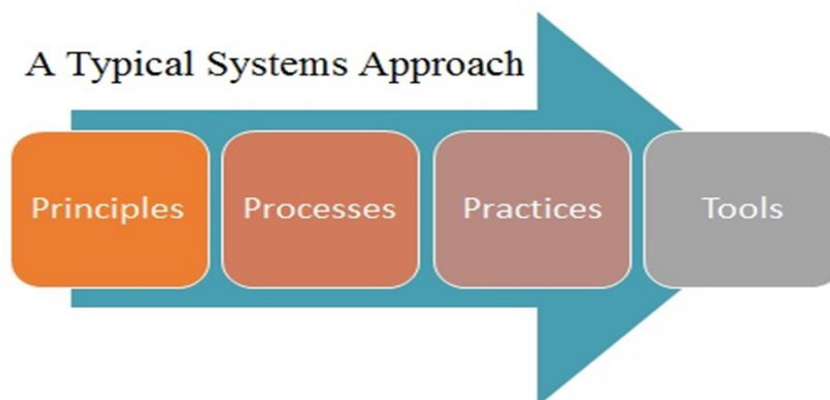
Can Sales be Systematic?

Almost any work can be systematic. “Systems” is how good work gets done. McDonald’s, for example, did not grow its business by hiring people and challenging them to figure out how to do the job. Instead, McDonald’s works on the basis that there is a best way to take an order, greet a customer, fry potatoes, and assemble a cheeseburger. Figure out the best way, get the necessary tools, document the most effective processes, and train everyone to do it that way. As a result, people work the system – and the system works.

Because of the system, McDonald’s can make almost anyone, regardless of their capabilities, into productive, effective employees.

This truth – *that good systems make people effective* – operates in every area of work. Even highly skilled, highly educated professionals apply this concept. There are, for example, better ways for a lawyer to try a case, for a surgeon to perform a surgery, for a pilot to fly an airliner, and to counsel a mentally disturbed patient. Talk to effective professionals in any of these areas, and they will verify that they use effective principles, processes, practices and tools to complete these complex tasks.

They use a system



In fact, the more important and complex the task, the more likely it is that the effective principles, processes, practices and tools for successfully completing that task have been defined and codified. How would you feel if you buckled the seat belt on an airliner and listened as the captain announced that he has his own way of flying this plane? I am much more confident knowing that airline pilots have a very detailed 'pre-flight checklist' they run through prior to each take off, regardless of their level of experience.

This is not to say there is not room for individual differences, for continuous process improvement, and for variations based on specific intricacies of the situation. But those are more embellishments than structure – like the icing on a cake. Without the cake underneath, the icing is meaningless. The system provides the structure on which the individual can spread personal embellishments.

You probably apply this principle in every other aspect of your business. Don't you have a system for almost every important process in your business? Don't your accountants follow a well-defined set of principles and procedures? Aren't your customer service reps expected to input an order in a certain way, and respond to a customer in a certain fashion? Don't your purchasing people follow certain procedures and aren't they guided by certain principles and criteria to ensure that they make the best decisions? Don't your warehouse employees ship, receive, stock and pick orders in a certain well-organized, duplicable fashion?

Why should the sales department be different?

It shouldn't.

THINKING MORE DEEPLY ABOUT SYSTEMS



Thinking More Deeply about Systems

Viewing your sales efforts as a system will provide you an eye-opening, paradigm-shifting insight. You'll see through a lot of the confusion and self-interest that often obfuscates the issue, and be able to identify the places in your sales system where an investment of your time and resources will make the greatest impact. And that will allow you to refine and focus your sales efforts in the most efficient and effective way possible.

So, let's apply this concept of systems to the task every company faces – to create sales for its products or services. First, let's define a system. A dictionary defines it as “a regular, orderly way of doing something.” I like to think of a system as having goals, inputs, outputs, principles, processes, tools, measurements, and people.

Back to McDonald's producing hamburgers and French fries. The **GOAL** of their system, like yours, is to create profitable sales. The **INPUTS** in their operation system are the raw materials coming in the back door. The inputs in your sales system are the suspects at the very beginning of the sales cycle.

The **OUTPUTS** in their system are finished sandwiches and fries, in bags, handed over the counter. The outputs in your system are customers, clients, partners, and dollars of sales.

PRINCIPLES refer to the basic truths on which the system is built. For example, one principle for McDonald's might be, “Raw sliced potatoes must reach an inner temperature of X in order to be edible.” A portion of their system is built upon that basic truth. The slicer slices potatoes to a certain thickness, the oil is heated to a certain temperature, and timers are set to sound when these potatoes have been immersed in the oil for a certain period of time. All built on that principle.

Your system should develop and codify certain principles you discover along the way. For example, one principle may be “Prospects with less than four

machines can generally not afford our product.” On the basis of that truth, you acquire lists of prospects, create selling tools, and train your sales people.

If principles are the skeleton on which a system is built, **PROCESSES** are the muscles that activate the system and bring it into motion. Processes are step-by-step sequences of action that put principles into action. If you’re going to implement the potato principle, for example, you must scoop a certain amount of raw sliced potatoes into a basket, place the basket into a vat of oil, activate the timer, retrieve the basket at a certain time, spill the cooked potatoes into a certain area, salt them, and then scoop them into the appropriate package.

The inputs (potatoes), based on the principles, activated by the processes, result in the output (bags of French fries).

So there are certain processes in your sales system, or at least there should be. There should be defined and duplicable processes for identifying a prospect, collecting information, presenting a product, following up on a sale, etc. These processes are the muscles that move everything in your system. In a later chapter, I will articulate some of the fundamental processes.

PRACTICES are the essential elements of the processes. They are the specific behaviors which are assembled into sequences to produce the processes. For example, a practice may be to allow the raw potatoes to reach room temperature before they are dumped into the vat. That specific, observable behavior is a practice.

We are all familiar with the concept of best practices. Every reproducible human work lends itself to the discovery, over time, of a best way to do it. So, there are best practices for every job in every industry. That includes the job of the sales person, and the work of the sales system. People have gone before, faced the same challenges, and uncovered the best practices.

TOOLS refer to everything used to work the processes. The vat of hot oil, the basket, the timer, salt shaker, scoop, etc. are all tools.

Tools in a sales system include the sales literature, samples, account profile forms, laptop computers, etc.

Finally, every system has some **MEASUREMENTS**. I suspect that the management of every McDonald's restaurant knows how many pounds of potatoes went into the oil, how much oil was used, how many fries were sold, and how much its labor costs were to accomplish all of that. Notice that all of these measure processes that are integral to the system. Of course there is a net bottom line measurement – how much did we sell, and how much did we make? But the measurements I'm talking about measure pieces of the system – the processes.

Sales systems measurements are not just the monthly sales reports to which you have been accustomed. Of course you should know how much was sold, and at what profit margins. But there are far more sophisticated measurements that should also be a part of your sales system. These measure key activities and key processes along the way. How many prospects were identified this week? How many opportunities uncovered for your product or service? What is the total dollar value of those opportunities? How many presentations of your solutions were made this week? Those are the kinds of measurements you find in effective sales systems.

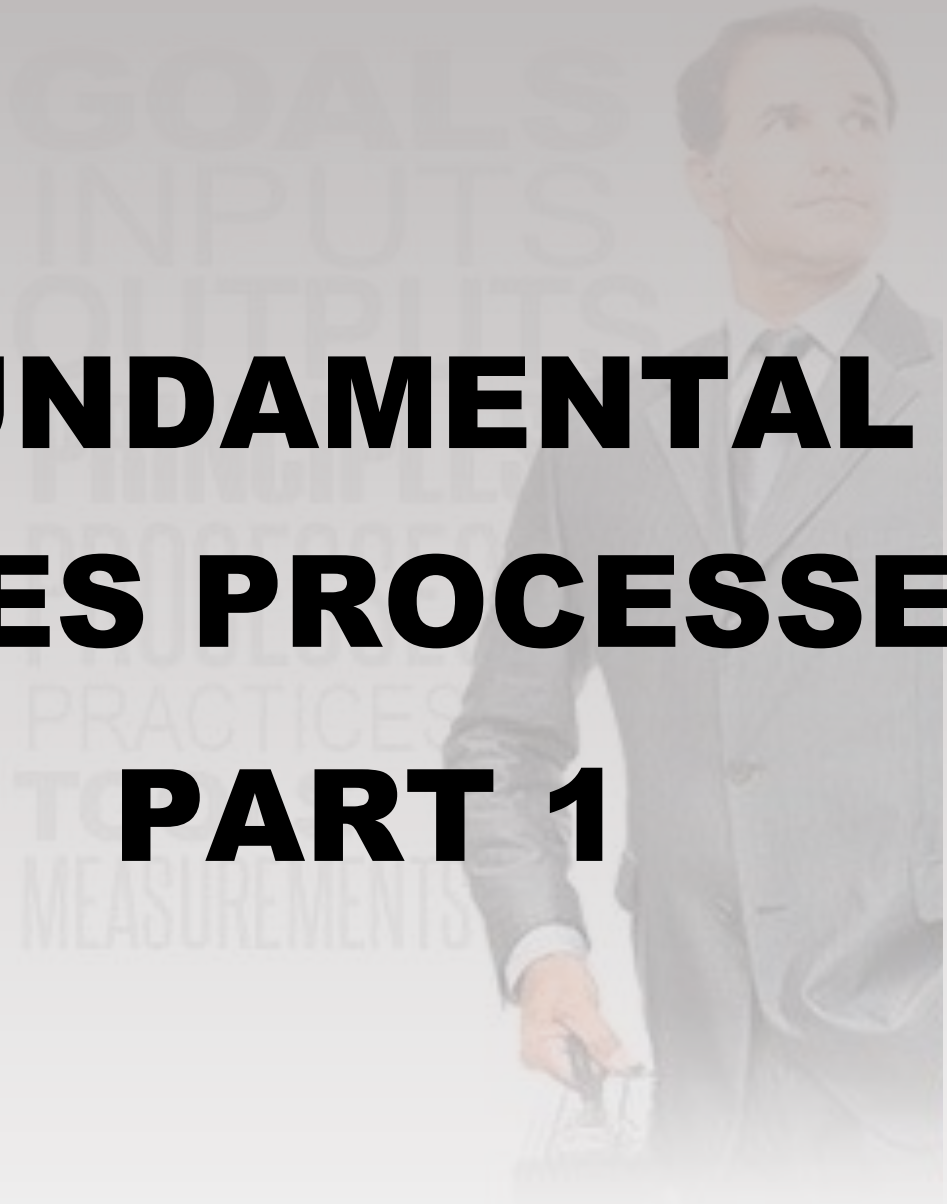
Recapping the analogy

System	McDonald's	Yours
Goal	Create profitable sales	Create profitable sales
Inputs	Raw materials	Suspects
Outputs	Hamburgers, fries, shakes	Clients, partners, sales
Principles	Temperature of cooking	Prospects of less than "x" dollars cannot afford our products
Process	The multi-step system used to prepare the food	The multi-step system used to generate leads and move them through the sales funnel
Tools	Slicer, deep fryer, oven, etc.	Literature, samples, laptop, account profiles
Measurements	Reports on key processes (how much time did it take to prepare, how much oil did we use, etc.) Sales reports	Sales reports, reports on key processes and activities

And, let's not forget the people who operate within the system. Far too often, executives take the "head in the sand" approach to sales systems, by relying too heavily on people. In other words, their approach is to attempt to "hire good people" and hope that takes care of it.

While there may have been a time where that worked, my experience has taught me that very few – less than one percent – of the companies are successful with that approach. What normally happens is that they settle for the "best available" person when they have an opening. Most companies are not staffed with sales superstars. And, since they proceeded from the belief that "good people will figure it out," they don't think in terms of sales systems. They abdicate the responsibility to create and manage effective sales systems to the sales people, who are far more intensely motivated by their own self-interest.

It is sort of like a new McDonald's opening up, and management deciding to "hire the best people we can, and let them figure it out." Can you imagine what chaos would result? To dramatically transform your sales efforts, start thinking in terms of "sales systems."



FUNDAMENTAL SALES PROCESSES PART 1

Fundamental Sales Processes: Part 1

It is the responsibility of the Chief Sales Officer to understand the fundamental sale processes, and to build them into the company's sales systems. It doesn't matter if that person is the Vice President of Sales for a multi-billion dollar enterprise, or the budding entrepreneur with a promising idea. The place to start any sales system is by first understanding the fundamental sales processes and then methodically implementing them into the organization.

The world is full of CEOs, sales executives and sales people of all types who view the end-all of their efforts to be increasing the dollar volume of sales. I understand. As a business owner and lifetime sales person, I watch every month's revenue, gross profit and net profit numbers as closely as anyone.

However, when we focus on dollars to the expense of the core processes that create those dollars, we are misguided. That approach leads to the horrors in the profession that so often give sales a bad name. We've all seen it: The "sell it at any cost" approach; the "close the sale no matter what" emphasis; the "get the money first and worry about the customer later" attitude. All of these ideas and the behavior they generate are, unfortunately, those which a lot of people associate with sales and sales people.

While dollars are the ultimate measurement of our work, they are only an indication of the quality of our work at deeper levels. It's like the wind indicators at an airport. They aren't the wind; they are the indication of the wind.

The Horrors of the Profession that Give Sales a Bad Name System

"Sell it at any cost"

"Close the sale no matter what"

"Get the money first and worry about the customer later"

Dollars are the indication of something else. The something else is the quantity and quality of our work in driving the fundamental sales processes in the worlds we inhabit.

I use two basic diagrams to render this concept. The first is below:



This describes the fundamental process for a selling organization. Notice the globe at the left hand side of the process. This indicates the land of “apathy and ignorance.” Who lives in the land of apathy and ignorance? People you would like to have buy your product or service. They don’t know you exist, so they are ignorant of you. They don’t care that you exist. Their lives and businesses have been OK without you. So, they are apathetic to you.

The first task of any sales system is to reach into the land of apathy and ignorance and identify those *people who you suspect may one day do business with you. We call those “suspects.”* Note that it is the first category in the process.

Having identified a set of suspects, the sales system must then learn something about them so that some can be discarded and others moved to the next step in the process – “prospects.”

Typically, *a prospect is a suspect who has a legitimate need for what you offer.* (He’s not a student, researching you for an academic project, for example.) A prospect typically is a person or unit of people who have the ability to

make the decision about buying your product or service, and, perhaps most importantly, a prospect can pay for your product or service. Not every suspect meets these criteria, so a number of them fall by the wayside, never become prospects, and never enter our system.

This is a good time to make this point: At every step of the process, there are qualitative differences in each class. For example, some prospects are of higher quality than others. Some customers (the next class) are better than others.

Not only that, but it is the job of the sales system (and, sometimes the sales person) to methodically and efficiently move people from one class to the other. Since this is a process that requires skills, processes, tools, etc., we can forever become better at that process.

So, while some sales systems can do an adequate job of moving suspects to prospects, others can do it better. The focus of every sales system ought to be to forever become better.

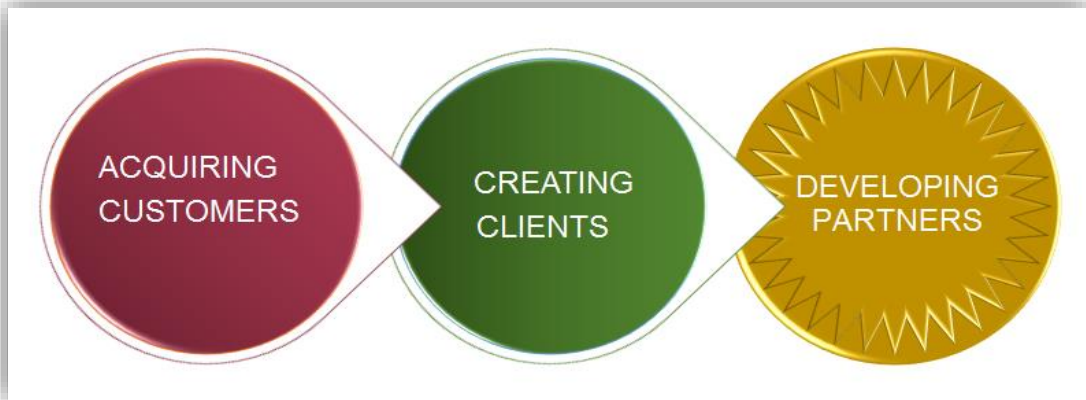
Back to our fundamental sales process.

Once you, or your system, have identified a prospect, you now must interact with that *individual or company to such an extent that they give you money for what you have. When that transaction takes place, you have created a “customer.”*

But you are not done yet. Now, you must work with that customer and convince him to purchase something additional, or more of the same. *When that customer buys routinely and regularly, you have moved him to become a “client.”*

And you are still not finished. You must now interact with some of those clients in such a way as to convince them to buy almost everything they can from you, and *become so close to you and your company that they don’t think of you as a vendor anymore, but rather a “partner.”* Only a handful of clients will ever get to this status, but when they do, they become extremely profitable to you and your company.

As you can see, there are three fundamental processes embedded in this overarching process: *Acquiring Customers, Creating Clients, and Developing Partners.*



Your success as a selling organization depends on your ability to systematize these processes. Let's look briefly at each.

1. Acquiring a customer.

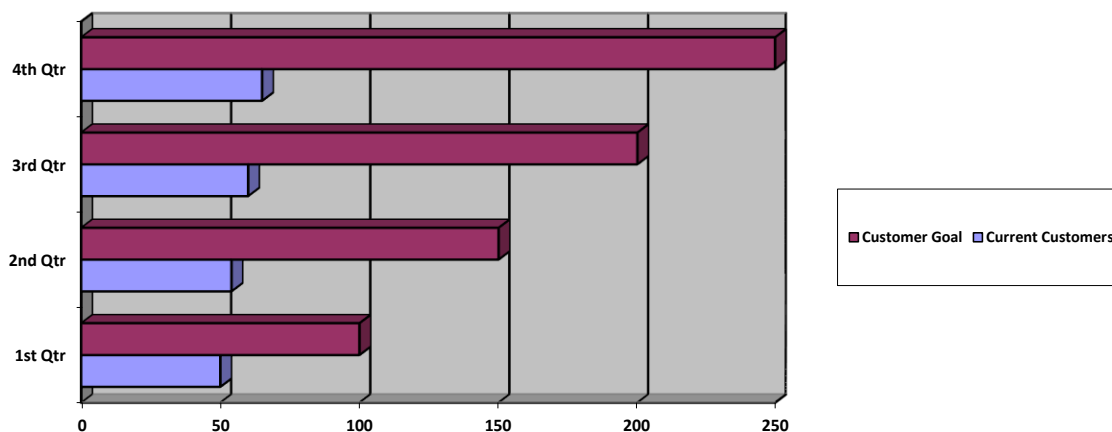
Let's start at the end. The output of this process is a customer. A customer is someone who gives you money for what you have. So, the first time someone who has not purchased from you before gives you money for what you have, that person or organization becomes a customer.

If you are going to be systematic in your sales efforts, you'll need to measure this process. As simple as that sounds, I have rarely encountered a sales organization that could tell me how many customers they created last month, or last year.

So, the starting point is to create a measurement for the number of customers you create, and then set a goal for the number you'd like to create.

Whose Responsibility is it?

"It is almost always more effective to think of this process as the responsibility of the sales system, not necessarily each individual sales person."



Once you do that, then you can begin to think about how best to move suspects to prospects, and prospects to customers.

It's typical in a B2B selling organization to think that the sales people are tasked with doing this. "Let the sales people do it," goes the common thinking. In some cases, this works well, but those are the exception. Most sales people, when confronted with the choice of calling on prospects or calling on customers, will choose to call on customers. The process of moving a customer to a client is always easier and more lucrative, in the short term, than moving a prospect to a customer.

So delegating this process entirely to the sales people almost always creates frustration on everyone's part. It is almost always more effective to think of this process as the responsibility of the sales system, not necessarily each individual sales person. Start with these questions:

1 "What is the best way to identify suspects?"

2 "What is the best way to convert some of them into prospects?"

3 "What is the best way to move prospects to become customers?"

One Option: Website

Search Engine Optimization

Pay Per Click

Call to Action

CRM

Another option: Telemarketing

Qualify

Direct Mail

Appointment Specialist

Sales Person

The answer may, in fact, be "Let the sales people do it," but by now you should be farther enough along in your systems thinking to realize there may be more effective ways.

You may, for example, decide that a website, empowered with a comprehensive SEO program and salted with a consistent Pay per Click advertising effort will generate an adequate supply of prospects. Entice them with

a loss leader opportunity to purchase, and your website has created customers. That information can be transmitted to the sales force, and they can be charged with the task of expanding the business, the next key process.

Or, you may decide to buy a list of suspects, use telemarketing to qualify them into prospects, and then deliver a series of direct mail packages to convince them to buy. Or maybe those packages just move them to create an appointment with a specialist sales person, who does nothing but create customers. Once he's acquired the first order, the customer is transferred to a sales person whose job it is to expand the business.

The possibilities are endless. You will never arrive at the perfect arrangement. However, once you describe this fundamental process and begin to take the systems approach to it, you'll eventually arrive at a powerful and productive approach.

“ *The first step is to ask the questions above, and approach the answers with a systems mindset.* ”

When you become really good at this, you'll be able to measure a number possible approaches, and make good business decisions about each. You'll also discover that you are probably losing money on this process. It typically costs you more to acquire a customer than the profit that the customer provides in that one transaction.

So, you'll find it advantageous to calculate the lifetime value of the customer, and then determine what you ought to spend to get one. Think of a customer as an income stream – an asset that produces a measurable regular amount of income into the company. You'll then begin to see your sales system as an investment in acquiring assets.

As you may be able to tell, there are layers of depth in understanding and implementing this systems approach to acquiring customers. It's outside the framework of this work to dig much deeper into it. If you'd like to dig deeper, consider our [1000/100 initiative](#).

2. Creating a client

Whereas acquiring a customer typically requires an investment, the “creating a client” process is generally where you re-coop the investment and start to make your sales system profitable.

Again, it is typical of most selling organizations to delegate this process to the sales force. This is where most sales people spend most of their time. Unlike acquiring a customer, which may not happen at all if it’s entirely delegated to the sales force, because this process is easier and more lucrative, it’s likely happening every day in your organization.

Whose
responsibility is
this?

*“This is where most sales
people spend most of their
time.”*

So, this issue isn’t making it happen, the issue here is doing it well. Alas, most sales people don’t do it well, and most sales organizations don’t manage it well.

Here’s a typical scenario. The sales person inherits a set of customers, and dutifully makes the rounds. Over time, he/she is naturally drawn to some customers with whom he feels some natural affinity. They get along. Those customers like him. So, he naturally spends more time with them. Sounds reasonable.

The problem is that the determinant of the sales person’s time is the sales persons’ feelings and comfort zones. These are not the most effective basis on which to determine the application of your assets – the sales person’s efforts.

For 25 years I have been proclaiming the wisdom of measuring the potential of each customer, classifying customers into priority groups based on that potential, and then directing the sales force to spend the most time on the highest potential.

What seems so simple and straight forward really takes a concerted organizational effort to make happen. Most organizations are miles away from making this process happen systematically. For example, I have personally and contractually worked with over 349 separate organizations. I have only once come into a business and discovered they already had a requirement that the sales people collect information on a customer's potential, and a system in place to record and use that information. One out of 349.

“ *If you understand that the definition of a client (that's the process we're talking about here) is a customer who buys routinely, and that the key to doing this well is to expand the business with those customers who are worth the time and effort, doesn't it make sense that we have some way to measure when that has happened?* ”

It's not just measured by the volume of sales dollars coming out of an account. They could just be buying more of the same thing, which only meets the minimum definition of expanding the business. A higher value definition would be to measure the increase in the number of items (skus) purchased in the key accounts. The measurement of the success of this process would be reflected in the breadth of products or services the key customers bought.

Measure of Success

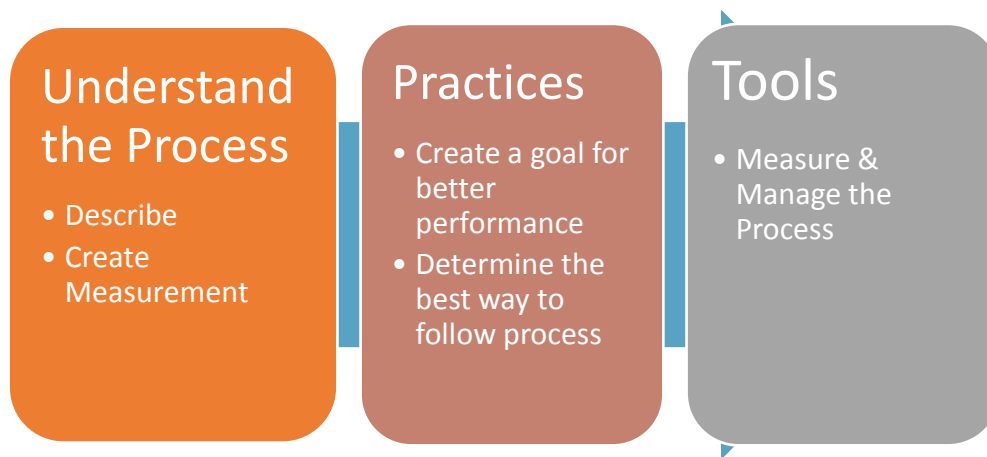
“The measurement of the success of this process would be reflected in the breadth of products or services the key customers bought.”

So, in other words, if you sell cutting tools and abrasives to manufacturers, and one customer buys more of a particular cutting tool from you because he has a new contract that requires more use of it, that's good. But it's better when he buys more than one cutting tool, and your abrasives as well. That means that you are expanding the business, becoming more important to that account, and wringing

more value out of that asset. ***Doesn't that seem like common sense, basic stuff?***

In my 25 years of working, personally and contractually with over 349 different companies, I have never yet come into an organization and found that they were measuring the increase in the number of items purchased in their key accounts. In other words, few companies think to measure it.

Once again, as in the first key process, to implement you follow the same steps.



1. Understand the process.
2. Describe it for your business. What specifically does it look like?
3. Create some measurements for success. If you have successfully expanded the business with a customer, creating a valuable client, how do you know that?
4. Create a goal for better performance in this process.
5. Ask, 'What is the best way(s) to do this?'
6. Then, measure and manage this process.

3. Developing a Partner

What's a partner? A partner is a client who has developed an exceptional degree of trust in you, reliance on you, and expresses that trust and relationship by buying almost everything they can from you.

Just like with the other processes, there is, with this process, an output which should be measurable. It may be a bit trickier though, because of the somewhat subjective nature of our definition.

In my seminars, I ask the question about partner:

“*How do you know one if you have one?*”

In some industries, you know you have a partner because they sign a contract. In my last employment, I was part of the negotiating team that negotiated a “systems contract” with the organization that was my biggest customer. I had a \$5 million dollar territory prior to this. When we finally signed the contract, the client had contractually agreed to buy \$7 million dollars a year, more than doubling my sales territory. They were, clearly, a partner.

In some cases, then, the way you determine that you have a partner is by the signing of a contract.

But those cases are rare. If you are going to create a partner, you must have a way of knowing when you have been successful. In my seminars, I have people list characteristics of a partner for their business. While the details vary, the principles remain the same. There are subjective factors, like trust and

How do you know
if you have a
Partner?

“...a partner buys almost everything they can from you. In order to measure that, you need to know the potential in that client, and then determine what percentage of that you have obtained.”

communication that are difficult to measure. There is always one objective factor which should be measurable – a partner buys almost everything they can from you. In order to measure that, you need to know the potential in that client, and then determine what percentage of that you have obtained.

This exercise can be an eye-opening, transformational initiative for a selling organization. The amount of potential, when it is quantified and verified, is almost always far larger than almost anyone anticipated. Even seasoned sales reps routinely overestimate the percentage of a client's business they actually enjoy.



When you have defined what a partner is for your business, and then determine how many you have and who they are, you'll find they are the most profitable of all your customers, generally providing 50 to 80 percent of the gross profit, and almost all the net profit.

That realization can inform the entire thrust of your sales system, helping to determine, for example, which prospects to invest in, and how to direct the sales team. In one sense, creating partners is the ultimate objective of every sales organization.

After having defined a partner, measured their impact on your business, and determined how many of them you would like to create over the next period of time, you can then give serious thought to creating a plan to do so.

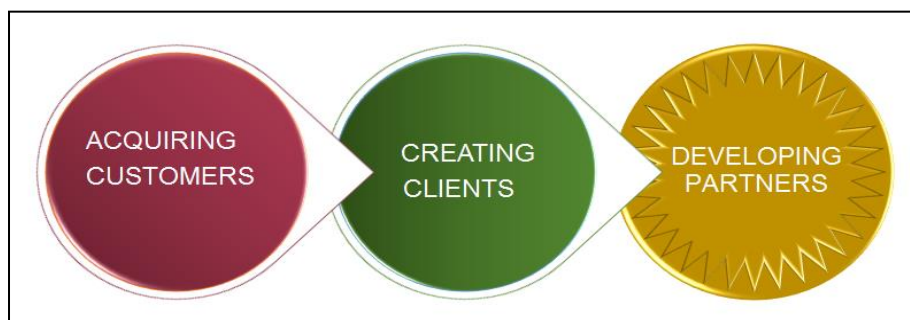
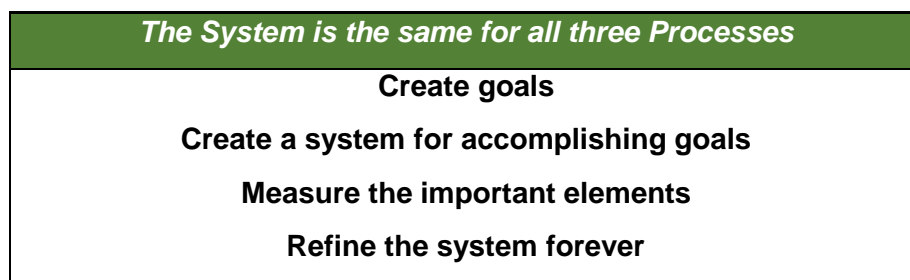
“ *Ask yourself these questions: “What would have to happen for a client to become a partner?” “What can we do to make that happen?”* ”

Here's an example of the kind of thinking those questions prompt. Working with one of my clients, a B2B seller to manufacturers, we determined that:

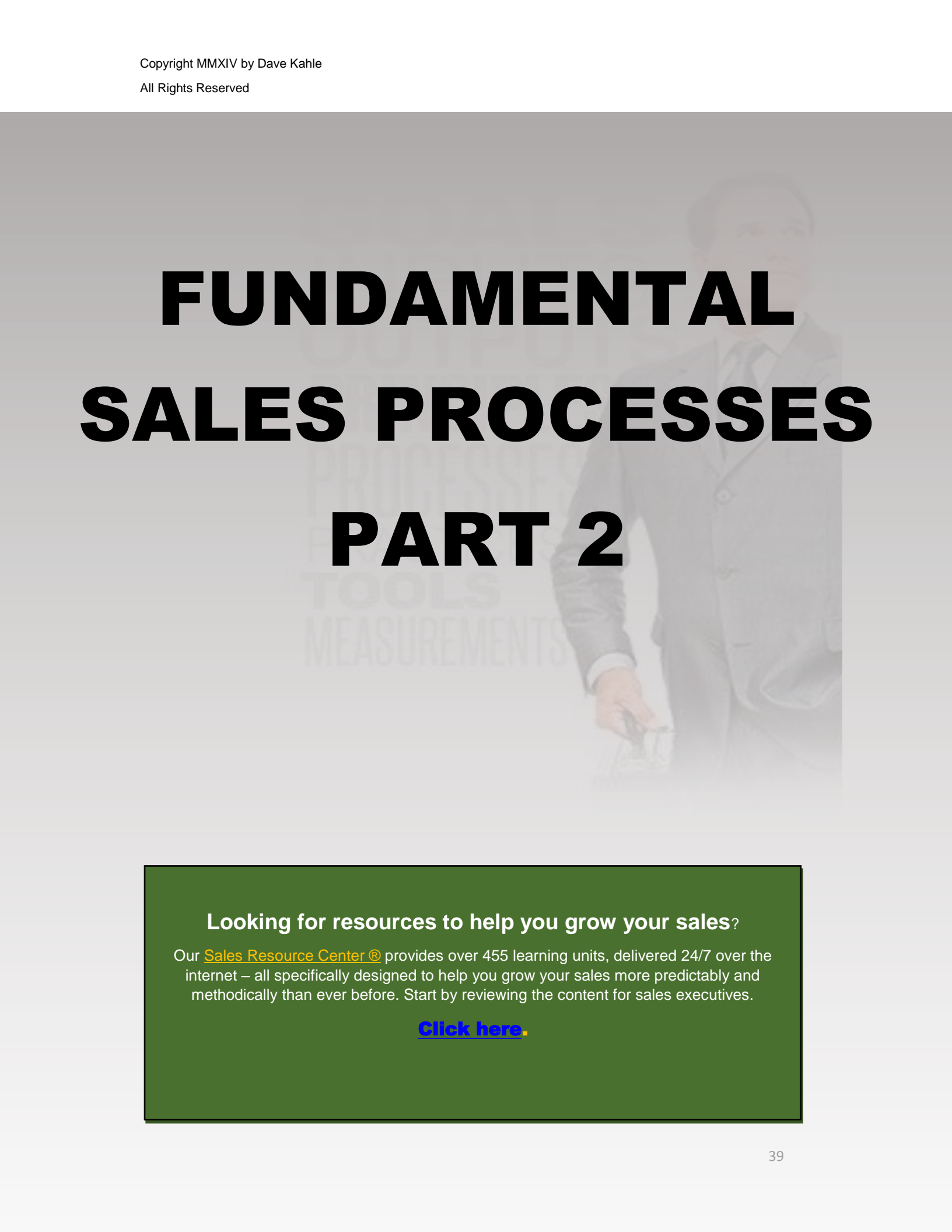
- the client would need to know a number of people in the selling organization, over and above the sales person
- the client would want to know the seller's senior executives
- the client would want to have purchased a number of things for a period of time
- the client would need to visit the seller's facility

Understanding that, we set about determining which clients were candidates for a concerted effort, and put in place a sales process to make all of the above experiences happen with that group.

At this point you should see a trend. In order to begin to build a sales system, you must understand the fundamental sales processes. ***When you have identified each of the three processes, you can then (1) create goals for each, (2) create an effective system for accomplishing those goals, (3) measure the important elements, and then (4) continually refine those processes forever.***



FUNDAMENTAL SALES PROCESSES PART 2



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Fundamental Sales Processes – Part 2

In this section, I'm borrowing concepts from one of my other books, *How to Sell Anything to Anyone Anytime* (Career Press.) In that book, I describe this process in detail, and provide examples of how to use it to grow a business or to grow a sales territory.

Visit <http://www.davekahle.com/wordpressblogs/sell-anything-anyone-anytime/> to learn more about the book.

Let's first look at the whole process, and then briefly describe each of the steps to the process. Here's a diagram of the process.

The Kahle Way® Sales Process

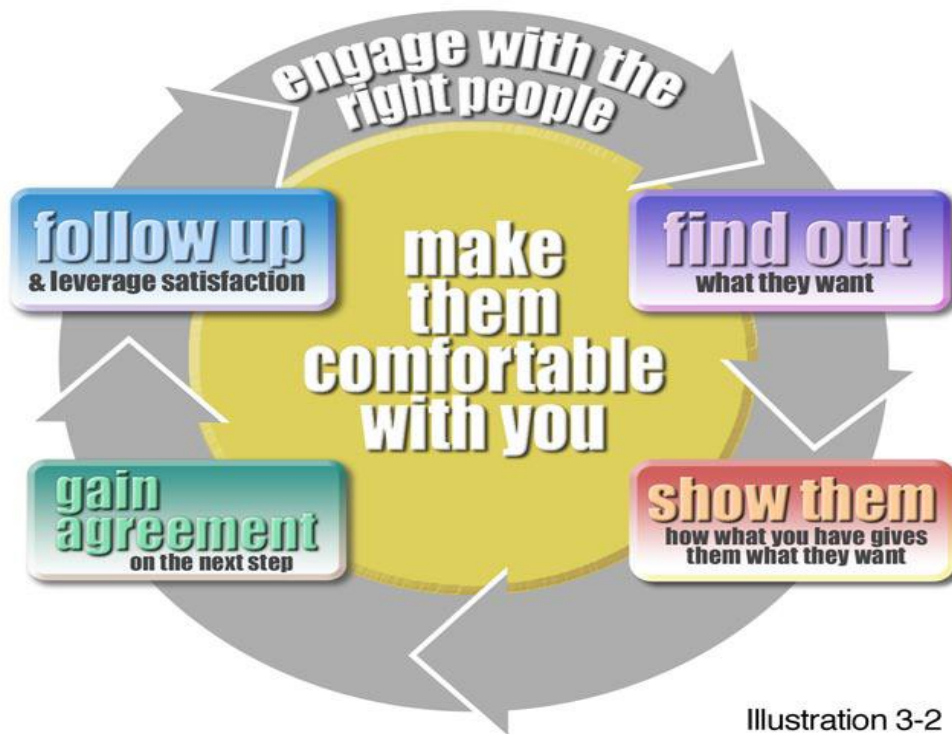


Illustration 3-2

1. Engage with the right people

“Engage” means to interact in some kind of communication. It can be face-to-face, over the phone, via email, or via a website. “Right people” means those people who have a need or interest in your product, and for whom the timing is right.

“ *If you don’t engage with the right people, you spend all of your time in the wrong place.* ”

As we work through the steps of the sales process, you’ll find me saying in each section, this step is critical. ***This one, however, is really critical.*** You may have the greatest product and the best price; you may be the most charismatic human being ever, with an extraordinary empathy for your customer, a persuasive

presentation, and incredible closing skills. However, if you spend all your time with prospects who have no need for your product, no interest in it, no time to devote to you, and no money to spend, all of your superlative resources will be wasted.

This one is really
critical...

“..if you spend all your time with prospects who have no need for your product, no interest in it, no time to devote to you, and no money to spend, all of your superlative resources will be wasted.”

On the other hand, if you have less than average sales skills and a mediocre product at a higher than market price, but you stumble across a prospect who desperately needs what you have, urgently wants to buy it, and has the money to spend, you are much more likely to make the sale and satisfy the customer.

Engaging the right people trumps every other piece of the sales process. If you can consistently do this well, you don't need to be exceptional at anything else. Your sales skills can be just adequate, but you'll be successful on the basis of your excellent execution of this key process step.

Of course, it's not that easily done. Many talented sales people and valuable businesses have suffered through mediocre results because of their inability to do this well. It is, unfortunately, almost impossible to consistently and exclusively engage with the right people. A great deal of sales time is invested in just getting there. "Getting to the decision-maker" is an elusive but universal charge to every sales person.

The right people are, of course, those prospects and customers who have the highest potential. Notice that for each of the steps of the three fundamental processes (acquiring a customer, creating a client, developing a partner) there is a different set of "right people." For example, the right people for "acquiring a customer" are the highest potential prospects. The right people for "creating a client" may be a sub-set of the customers. And, the right people for "developing a partner" are usually a handful of highly qualified clients.

Remember This...

"Engaging the right people trumps every other piece of the sales process. If you can consistently do this well, you don't need to be exceptional at anything else."

2. Make them comfortable with you

If they are going to believe what you say, you have to be somewhat credible, and they have to feel at least a bit comfortable with you. If they aren't comfortable with you, they won't spend much time with you, and the time they do spend will be guarded and tentative. It doesn't matter if it's on the phone, or in a face-to-face encounter. They may be convinced to do business with you because of the fundamental attractiveness of your offer, but if they are not comfortable with you, it will be action taken against the grain. They will be forever uncomfortable and eager to find a replacement.

On the other hand, if they are comfortable with you, they won't mind spending time with you. They'll be much more open to sharing the information that is necessary for you to do a good job of crafting a solution. They'll believe what you have to say. You'll get the benefit of the doubt and they'll be eager to share future opportunities with you.

Remember This...

"...if they are comfortable with you, they won't mind spending time with you. They'll be much more open to sharing the information that is necessary for you to do a good job of crafting a solution."

It is possible for you to sell without great relationships with your customers. It's just extremely difficult. If your customers know you, trust you, and are comfortable with you, it makes everything else much easier. It's like oiling the gears in a machine. It might work without it, but the oil makes everything move so much more easily.

This piece is pictured in the center of the process because it is central to all you do, with its positive impact spreading to every phase of the sales process, every interaction, and every task associated with it. Further, making them comfortable is not an event that you complete in a sequential fashion. It is a part of every step

in the process. It's something you do in every sales call, during every phone call, with every email. Trust, comfort and relationships are at the heart of selling.

3. Find out what they want

Selling is not manipulating people so that they take something they don't want. It is, instead, finding out what they already want, and appealing to that interest. The best sales people excel at this step in the process.

I believe this step is the heart of selling – the essence of what sales is all about. I know that flies in the face of the routine practices of multitudes of sales people, who believe that the end all of their focus is to push their product.

You can proclaim the merits of your product to willing and unwilling listeners far and wide, attempting to sway them with the powerful features and advantages your product offers over the competition. Or, you can focus on the customer, finding out what motivates him, what issues are important to him, what problems he has, what objectives he is trying to solve, what he looks for in a vendor, etc. That's a better way.

Everything that comes before is designed to get to this understanding. And everything you do after is based on this step. It is the fulcrum upon which the entire sales process pivots.

Suppose you've just come back from your company's annual sales meeting. For three days, you sat in meetings and ate hotel food. Now you're home, and you'd like nothing more than a cold drink and a home-cooked meal. You suggest a big salad for dinner, and your spouse agrees, suggesting that you peel the onion.

Remember This...

“Selling is not manipulating people so that they take something they don't want. It is, instead, finding out what they already want, and appealing to that interest. The best sales people excel at this step in the process.”

Remember This...

“Just like the superficial layers of an onion are thin and mild, the superficial levels of your customers have little strength. But as you peel the onion deeper and deeper, the strength increases. So, too, with your customers.”



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You get out a big, fat Bermuda onion, one of those that are about the size of a softball. You position it carefully on a cutting board, and root through the drawer until you find a sharp meat cleaver. Steadying the onion with one hand, you raise the meat cleaver above your head, and, with a karate-type movement, smash the meat cleaver neatly into the center of the onion, splitting it evenly in two.

You pick up one of the onion halves and examine it from the inside. You note that it has layers and layers, each deeper and more tightly compressed than the one surrounding it. You begin to peel the onion, stripping off the skin. As you pull off the skin of the onion, you notice that the skin is thin, dry, and crispy, with very little scent. However, as you peel each

layer, one at a time, you soon come

to the conclusion that each layer is more strongly scented than the one above it, and that the strength of the onion's pungency comes from the inside out.

That image of the onion is one of the best ways to understand this next step in the process. The foundation of the sales process is working to achieve an understanding of what your customer wants and needs. When you have that understanding, you can move to the next step of the process, which is matching your products or services to those needs.

Just like there are layers and layers to an onion, there are layers and layers to your customer. Just like the superficial layers of an onion are thin and mild, the

superficial levels of your customers have little strength. But as you peel the onion deeper and deeper, the strength increases. So, too, with your customers.

Let's apply this specifically to understanding your customer in a sales situation. Look at the illustration. Imagine it to be a slice of that onion. On the very surface are the technical specifications for the product or service the customer wants. For example, let's say you call on one of your customers and he says, "I need to purchase three green metal widgets that are 1/2 by 6. Many sales people would say, "Okay, they are \$2.50 each." In this example, the sales person understood the customer at the most superficial level—technical specifications—and responded in kind.

But you can go deeper in understanding the customer by discovering the reason behind those specifications.

Our rep, when confronted with the same request, may say, "What are you going to use them for?" or, "Is there a reason you asked for metal instead of plastic?" This kind of response will uncover the next level, the *reason* for the specifications.

There's more. *Situation* refers to the history behind the need, and the circumstances surrounding the need. For example, let's say that our sales person now replies, "John, what's your situation? Why is this an issue now?" When the customer replies to that question, he has uncovered a deeper layer of need. ***Yet you're still pretty close to the surface.***

“

*When you uncover the specific problems and objectives
under the original request, you deepen your understanding
of the customer.*

”

Suppose your customer says, "We're having a problem with our second shift production. The line keeps breaking down. Our maintenance supervisor wants to stockpile some of the parts he has been regularly replacing."

Now you have an understanding of the specific problems and objectives. There is more. Suppose you ask how that problem affects the rest of the company. And suppose your customer explains the effect of the breakdown on production, net profits, and overtime pay for the second shift. Now you understand the customer on an even deeper level.

But you can go deeper still. When you ask how those systematic problems affect his business goals, and you learn that it's particularly troublesome because your customer's goals are to increase net profits by five percent this year, you understand the customer at an even deeper level.

You take a significant plunge deeper when you are able to understand how the situation affects the individual with whom you're talking. For example, when you know him well enough to ask, "John, how can I make you look good in this transaction?" and get an honest response, you've penetrated to a new layer of understanding.

Finally, when you understand the individual motivations—the reasons for the personal factors—you understand customers at levels that few sales people ever approach. That's where the masters work. Those motivations are often emotionally driven. So, when you understand the customers' emotions—how the situation makes them feel, you've arrived at the heart of the onion. The best sales people understand that understanding what the customer wants is the fulcrum upon which the entire sales process rests.

Remember This...

If what you have doesn't help them get what they want, you either have the wrong thing, or you are talking to the wrong person. "

4. Show them how what you have gives them what they want

Proclaiming your product's features is the preferred routine of the mediocre sales person. Personally and individually crafting your presentation to show the

customer how what you have gives him what he wants is the mindset that, in part, defines the master sales people.

If what you have doesn't help them get what they want, you either have the wrong thing, or you are talking to the wrong person.

See how simple this is?

Once you have achieved a deep and detailed understanding of the customer's needs and interests,

“ *...the next step is to select and present to the customer your solution—matching your best combination of products and services to his/her needs.* ”

Not only do you select and create the best match, in addition, when you present it, you show how your solution matches the customer's needs.

Let's say, for example, that you sell a variety of computer, peripherals, and network hardware. Your customer has indicated a need to upgrade several pieces of the system in his customer service call center. When you peeled the onion, you discovered that the call center was being repositioned, strategically, to take over more and more of the detail work which the outside sales force did formerly.

Every other competitor will bring in a bid on equipment. But because you peeled the onion, your proposal shows the customer how they can use your system to continually grow the number and sophistication of the tasks they perform, so that the customer service center will have the computing power to meet their strategic objectives.

Instead of just quoting a price on equipment, you matched your solution to the customer's deeper needs. Good job. That will distance you from your competitors and make your time spent with this customer more effective.

5. Gain an agreement on the next step

Assume that you have done a thorough job of matching your solution to the customer's needs. If so, then it is reasonable to expect that the customer should do something about it. Perhaps he asks for a demonstration or evaluation of your piece of equipment, or some more information, or agrees to take it to the committee, or present it to the boss, or buy it now. Regardless, in every selling process, sooner or later it comes down to the customer agreeing to do something, to take some action as a result of your work. When you gain an agreement with the customer on what exactly is that next step, and a commitment is made to implement that action, you have achieved this step in the process.

Closing the sale is by far the most over-hyped phase of selling. If you have the right person, and you have uncovered something they want, and you have shown them how what you have gives them what they want, why wouldn't they take the next positive step? It's natural. You just need to help them define what that is, and commit to it.

In a simple, direct to the consumer sale, the next step is typically to buy the product. However, in more complex sales, there can be a series of appropriate next steps. They may need to test it, to evaluate it, to submit it to a committee, etc.

Every sales interaction has an assumed next step. If you call someone for an appointment, the next step is the appointment. If you present your solution to a decision-maker, the next step is the order. In between, there are thousands of potentially different sales calls, and thousands of potential action steps that follow the sales call.

Remember This

***“If you have the right person,
and you have uncovered
something they want, and
you have shown them how
what you have gives them
what they want, why
wouldn't they take the next
positive step?”***

The agreement is the ultimate rationale for the sales call and the aspect that makes it a “sales” call. A sales call is set apart from the rest of the interactions in this world by the fact that it anticipates an agreement.

Without an agreement, the process has been a waste of time. It is the ultimate goal of every sales person, and of every sales process, and of every sales call.

6. Follow up and leverage the transaction to other opportunities

After they buy, you then make sure that they were satisfied, and you assume that, because they are satisfied, they will want to do other business with you and will want to let their friends know about you as well. Sounds simple, and it is.

This is the step of the sales process that is most commonly neglected. Most sales people are so focused on making the sale they neglect to consider that their real purpose is to satisfy the customer. And that extends beyond just the sale itself.

The sales call on the customer, made after the sale is complete, delivered and implemented by the customer, is one of the most powerful sales calls available. In it, the sales person seeks assurance that the customer is satisfied, and then leverages that affirmation to uncover additional opportunities within the customer and/or referrals to people in other organizations.



Sooner or later, someone is going to buy something from you. After they have made that decision, and after the product or service has been delivered and used by the customer, then comes the last step in the process. Many sales people

never follow through on what is one of the most powerful sales calls they can make—the follow up call.

Great Decision



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By assuring satisfaction, getting the customer to say, “Yes, it is working well,” or “Yes, it was a good decision,” you open the door for additional opportunities. You leverage that satisfaction to other opportunities either inside or outside of the company. If there is no immediate opportunity within the company to expand your sales and sell more, then you ask for referrals to others who might buy your stuff.

If there is an opportunity to sell more to this customer, then this is the best time to begin that process by discussing that opportunity. And when you have that discussion, guess what? You are back at the “peeling the onion” step of the process with the customer, moving through the sales process again.

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GOALS

A man in a grey suit and tie, holding a briefcase, stands against a background of faded business terms: GOALS, INPUTS, OUTPUTS, PRINCIPLES, PROCESSES, PRACTICES, TOOLS, and MEASUREMENTS. The word 'GOALS' is prominently displayed in large, bold, black letters in the center of the image.

Goals

Once you understand the key sales processes in your system, it's easy enough to create goals. While you should, of course, have goals for dollars of sales and profits, now you can put in place some energizing goals for the number of customers to be acquired, maybe the size of those customers, the number of clients created, and, of course, the number of partners developed.

Reach those goals, and dollar goals become secondary; a predictable function of the more basic processes.

You can dig as deeply into this mine as your sophistication and inclination allow. For example, once you have described the process for acquiring a customer, defined the exact transaction that determines when you have created a customer, and created a goal for the number of those you want to make happen, then you can break that processes down into smaller units that make up the larger process.

For example, that goal, for say 100 new customers, could contain component goals for identifying 500 qualified prospects, delivering 300 new proposals to prospects, etc.

The only limit is the sophistication of your information system which determines your ability to measure some of the practices, and the amount of time and energy you want to devote to the task.

MEASUREMENTS

A man in a grey suit and tie is walking and looking upwards. He is holding a briefcase in his right hand. The background is a light grey gradient with a list of business-related terms in a sans-serif font, including 'GOALS', 'INPUTS', 'PRINCIPLES', 'PROCESSES', 'PRACTICES', 'TOOLS', and 'MEASUREMENTS'. The word 'MEASUREMENTS' is the largest and most prominent, appearing in a bold, black font in the foreground.

Measurements

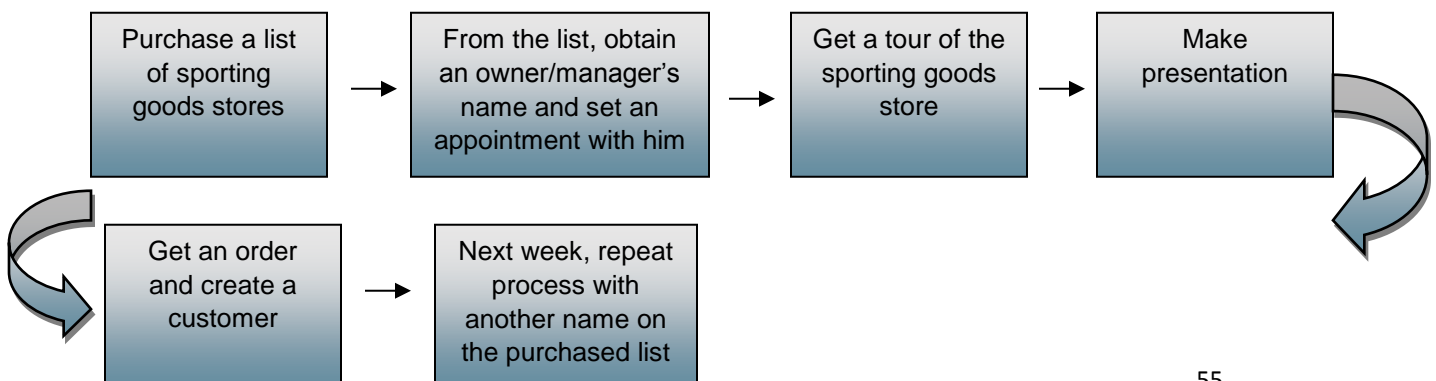
What should you measure? Dollars of sales, of course, and maybe the number of units sold, and certainly the gross profit your system produces. That's where most organizations stop. While these measurements are universally understood and applied, they are too simplistic to be meaningful. Note that they measure the output of the system as a whole, but don't shed any light on the internal processes that produce those results. We can do better.

There are two classes of measurements that will serve you better than these: (1) Activity measurements and (2) Productivity measurements

Let's begin with the concept of "key activities." These are specific, measurable steps in the key processes that must happen if that processes is to happen. Look at the "acquiring a customer" process, for example. Let's say you are selling a new line of greeting cards designed for athletes, and you're focusing first on sporting goods stores. You have a small, sampler display which represents a low risk way for someone to try your cards. Then, you want them to move up to a larger display, and ultimately remove all the competition and commit to your full size end-cap display.

You have a goal of opening up one new customer a week. When you designed your process, you started with a list, which you purchased, of sporting goods stores. Then, you determined that you needed to get the name of the owner or manager, set an appointment with him, get a tour of the store, and present your display and concept. Hopefully, you'll get an order, and thereby create a customer.

Here's how that process might look in a flow chart



As you think about this process, you determine that getting an appointment with the manager or owner is absolutely essential to acquiring a customer, so that's a key activity. In this very simple, one-call-close type of selling situation, you determine to measure "appointments with key decision makers" and "first orders." Both of those events are "key activities." Repeat this process for each of the fundamental sales processes. Describe your "creating a client" process, step by step in the same way we did in the example above. Then, pick out a couple of key activities. Do the same with your "developing a partner" process.



Let's say you have identified six key activities combined in your three processes. Here's the list in our example of the card business.

1. Meetings with key decision makers
2. First orders
3. Presentations of the larger display
4. Re-orders to fill the larger display
5. Acquisition of the end cap
6. Elimination of all other competitive products

The next step is to determine how you measure those events simply and fairly. Sometimes you have to be a bit creative. Here's an example. I was working with a company who sold commercial kitchens to restaurants and institutions. As these were often custom designed and specified at the time of the building, there was a long sales cycle -- sometimes over a year. The company's management

wanted the sales people to acquire new customers, when the sales force was pretty content to just call on their friends and old customers.

We determined that if we waited for the sale to happen, it would be too late in the sales cycle to intervene or do anything. We wanted to stimulate sales activity much earlier in the sales cycle. When I dug into the system a bit, I discovered that every quote was produced by a sales assistant, who checked the pricing and compiled the actual physical quote. Further, we discovered that every customer was on the computer system, and only customers were on the system.

So, we decided to measure “quotes to prospects not on the system.” We could easily and fairly measure that, and, since the data does not come from the sales person, we can incent that behavior, and pay an activity incentive.

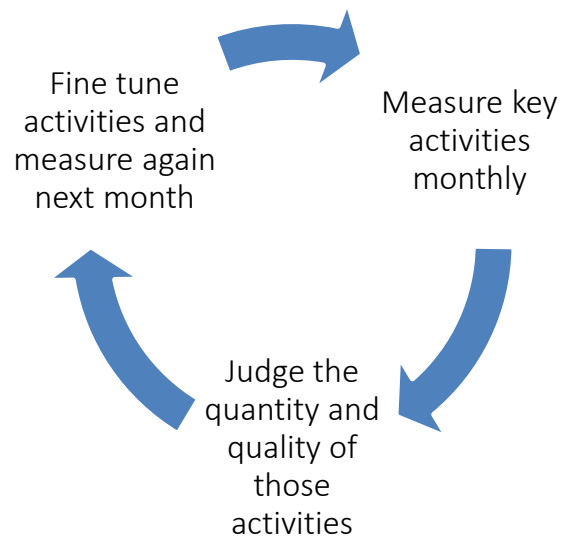
Let’s look at each of the key activities in the example, and determine a way to measure each.

Key Activity	How to Measure
Meetings with key decision makers	Sales people will report via CRM
First orders	Computer report: Sales to newly added customers
Presentations of the larger display	Sales people will report via CRM
Re-orders to fill the larger display	Computer report
Acquisition of the end cap	Computer report. Verified by sales visit and report via CRM
Elimination of all other competitive products	Sales visit and report via CRM

As you begin to collect those measurements monthly, you can use them to make continuous adjustments. Think in terms of quantity and quality. **QUANTITY** refers to judgment you make as to the pure numbers of key activities. For example, if you determine that you need to have 20 appointments with key decision makers each month in order to produce your goal of four new customers, and the first

month you have recorded 10, then clearly you are not going to meet your goal, because you haven't done enough of the right things.

QUALITY refers to the relationship between two measurements. For example, if you anticipated that 20 appointments would yield four customers, which is 20:4 ratio, (5:1) or a 20 percent quality rating. If, then, you actually recorded 15 appointments (that's a problem in quantity) and only one customer, your actual performance would have been 15:1, or 6.6 percentage. That tells you that the quality of the activities that are between those two activities is not as good as it could be. In this example, the activity that occurs between those two is the presentation of your product. If this 6.6 percentage keeps up, you'll need to look at that part of your system. Maybe the offer isn't as good as you thought, or the risk to the customer larger than you anticipated; maybe the sales person needs training in making the presentation, or perhaps you could make a video presentation and put it on the sales person's laptop.



Cyclical Process

Make some fine tuning adjustments, and measure again. **This monthly process never ends.** Every month, you should measure the key activities, make judgments about the quantity and quality of those activities, and then fine-tune those pieces of the system that call for it.

Looking for resources to help you grow your sales?

Our [Sales Resource Center®](#) provides over 455 learning units, delivered 24/7 over the internet – all specifically designed to help you grow your sales more predictably and methodically than ever before. Start by reviewing the content for sales executives.

[Click here.](#)

PRODUCTIVITY MEASUREMENTS

GOALS
INPUTS
OUTPUTS
PRINCIPLES
PROCESSES
PRACTICES
TOOLS
MEASUREMENTS



Productivity Measurements

Sales productivity.

There is such a thing as sales productivity, and you can measure it in a number of ways. You'll find these measurements to be eye-opening. You can use the information and insights you gain to make judgments about every aspect of your system, including the people who populate it.

This has been an interest of mine for years. In the 1990s, I developed a set of formulas for measuring sales productivity at every level in a sales organization we call Kahle's Kalculation of Sales Productivity. I offer it as a free download on my website, and over 20,000 people have taken advantage of it. [Click here](#) to download the formulas and the line by line explanation.

For a full explanation of Kahle's Kalculation, consider Lesson 168
in [The Sales Resource Center](#).

Let's begin with a review of the concept of productivity. Fundamentally it's a measurement of the ratio of cost to output. So, for example, you can measure the productivity of a sales person, by measuring his total cost and comparing it to the total gross profit produced. Take a specific period of time, say last year, and compile the total cost of that person. That would include his W-2 earnings, all taxes paid on his behalf, the expenses reimbursed for this person, the cost of cell phones, car allowance, etc. as well as the cost of fringe benefits, like health insurance and pension contributions. Add all those together and you'll have the total cost of that person for that period of time. Now, compare it to the total gross profit produced in that period of time and you'll have a ratio of cost to contribution. Divide the smaller number (cost) by the larger (gross profit) and you'll end up with

a percentage. That percentage number is the measurement of that person's productivity.

You'll find this measurement to be helpful in comparing one person to another, and one time period to another. You can track trends, and you can even measure the productivity of your entire sales and marketing system.

With just a little thought, you'll realize that you can measure the productivity of each of your processes, and some of the smaller processes within them.

For example, you can measure the productivity of your "acquiring a customer" process, by breaking down each of the steps, calculating the cost of the people and tools used to create that step, and then comparing it to the average gross profit from the first sale to a new customer.

As an example, let's measure the cost of acquiring one of those sporting goods stores as a customer for our fictitious greeting card line.

Inputs: We started with a list of sporting goods stores which we purchased from a list broker at \$.75 a name. Since not all the names were accurate, the actual cost of a good name was a bit higher and we rounded it off to \$1.00

Tools: We created a sample display and a series of sample cards, which the sales person is to use in his initial call. Amortizing the development costs and adding in the printing and assembly, these cost us \$26.00 each. While we use the sample display over and over, the sales person typically leaves the cards, so we calculated a per call cost of these to be \$5.00

The cost of the CRM system, the tablet computer, the sales person's cell phone, mileage and car allowance are all included in the cost of the sales person.

People: Obviously, in this selling situation, the sales person is critical to the sale. So, we calculate the cost of the sales person like this:

Using Kahle's Calculation formula, we estimate an annual cost of \$65,000 for this sales person. We divide that by 2,250 hours worked in the course of the year (45 hours a week times 50 weeks), we come to a cost per hour of approximately \$29 per hour.

We further calculate that each call takes about 90 minutes (getting ready, traveling to the site, the call itself, the post-call reporting) and that he closes one out of every three visits he makes.

So, the cost of the person, is \$130.50. (4.5 hours of sales person's time to get one customer X \$29 an hour)

Now, let's total our costs:

List (Three names to get one customer) =	\$ 3.00
Display (Three uses to get one customer)=	\$ 15.00
Sales person	<u>\$130.50</u>
Total cost to acquire one customer	\$148.50

Let's compare that to our gross profit. Our initial, low-risk offer is a \$45 sale that results in \$20 of gross profit. So, we are losing money on every new customer, and investing \$128.50 in them, in the hopes that we will get that back somewhere down the road.

That's typical.

When you do your productivity measurements, the result will be an eye opener. You'll discover that acquiring a customer is an investment in the future, and almost always a negative productivity number. In other words, the costs almost always outweigh the gross profit.

At this point, if that card company were your company, you should be sitting down, somewhat stunned, thinking, "There has to be a better way." Congratulations. That's exactly the kind of thinking this system measurement is designed to generate. Come up with the better way, then measure it. And do that forever. Welcome to being a chief sales officer in the 21st Century. It's never finished. There is only today's version. Fine tune and improve forever.

What have I Learned?

"There has to be a better way." Congratulations. That's exactly the kind of thinking this system measurement is designed to generate. Come up with the better way, then measure it. And do that forever."

But, we're not done yet. You can also measure certain portions of the process. For example, you can calculate what it costs you to create the first meeting with a key decision maker.

The applications for sales productivity measurements are endless. When you begin to measure the productivity of people and processes, you'll elevate the conversations in your organization. It is no longer "I think" vs. "you think." The conversations, and the judgments that follow, are now based on defensible financial data. It will be one of the best things you do to take your system to a higher level.

TOOLS

A man in a grey suit and tie, holding a briefcase, stands against a background of faded business terms: GOALS, INPUTS, OUTPUTS, PRINCIPLES, PROBLEMS, PRACTICES, TOOLS, and MEASUREMENTS. The word 'TOOLS' is prominently displayed in large, bold, black letters in the center of the image.

Tools

Tools are anything you use to help you accomplish any step in your process. So, the list of suspects you purchase may be viewed as a tool, as are the letter and emails you routinely send, the scripts your telemarketers use, the presentations you create, the brochures, samples, quote templates, the CRM software, the smart phone and tablets your sales people use, etc.

A Better Approach...

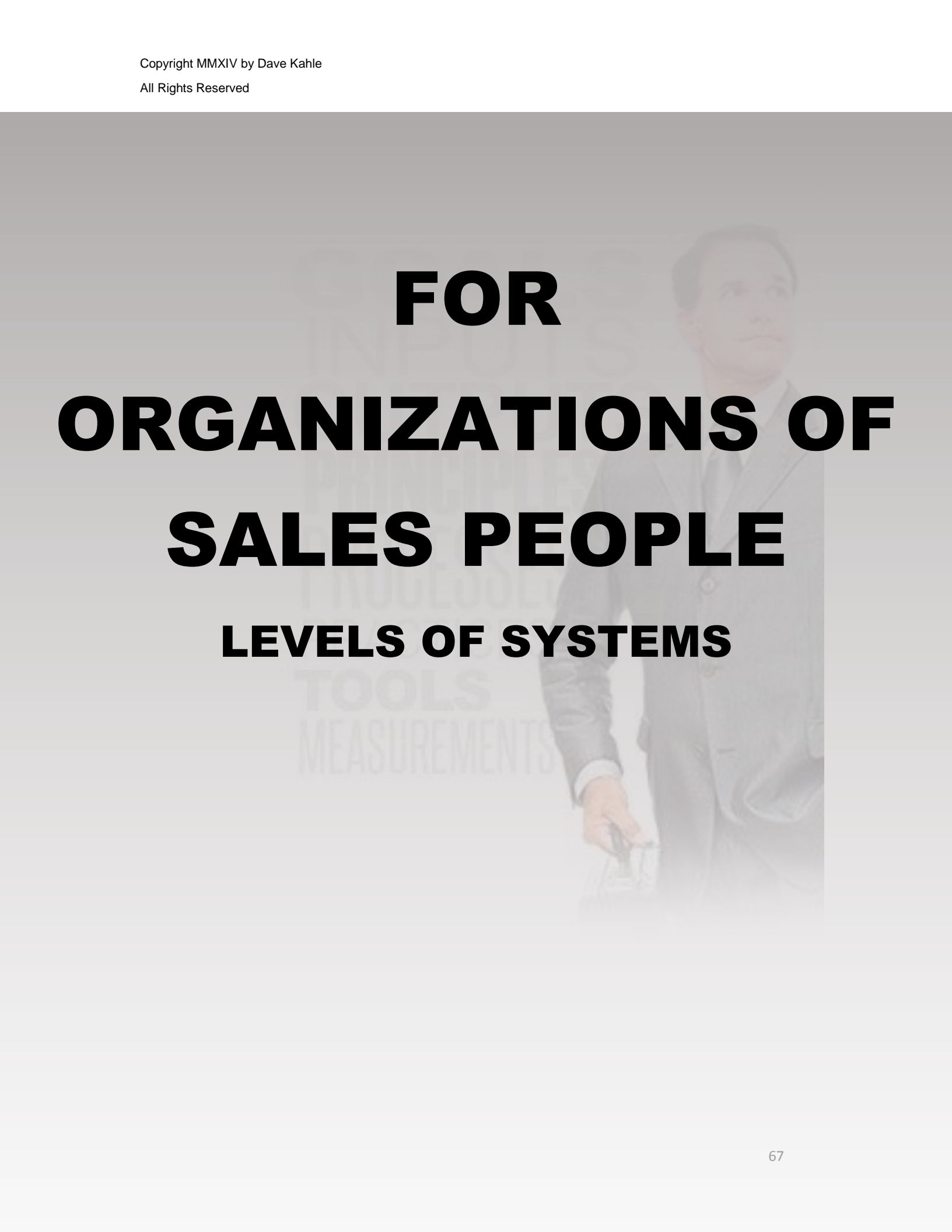
“What tools do we need to make this step in the process more effective?”

Most tools in your business have likely not been designed specifically for the purpose for which they are now used. Typically, you use the tools you have because you have them. In other words, they have been around for a while, and you are “making do” with them.

A better approach is to, once again, start from the perspective of the fundamental sales processes, identifying each step of every process, and then asking this question: “What tools do we need to make this step in the process more effective?”

When you create tools for specific tasks, you’ll find them to be far more effective than trying to make generic tools fit your system. When you do your monthly review of measurements, you can look at the efficacy of your tools for any step where the quality measurement is below expectations.

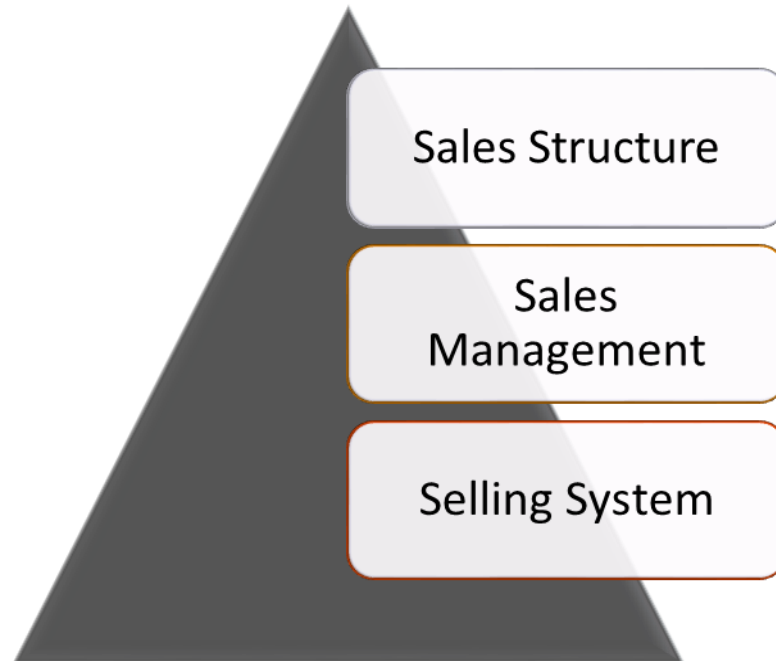
Your tools, then, become subject to the same regular scrutiny as the rest of the system.



FOR ORGANIZATIONS OF SALES PEOPLE LEVELS OF SYSTEMS

For organizations of sales people -- **Levels of Systems**

Let's step back and take a big picture look at how this idea of sales systems might work in a typical sales organization. Think in terms of **levels of systems**. A sales system is composed of three specific levels of systems.



Level one describes the process the customer goes through to come to a decision to buy, and the resulting set of practices the sales people use to influence them to do so. Let's characterize this as the *selling level*, and refer to all these components as the *selling system*.

Level two is the *sales management system* – the processes, principles and tools used by the sales or branch managers to regulate and encourage the sales people.

Level three is the *sales structure level*. It describes the processes used at the corporate office to design, measure and refine all the others. Sales executives

create and monitor the structure, as well as keep their eye on the efficiency and effectiveness of the entire system.

A well-designed sales system

While a detailed description of each level is beyond the scope of this chapter, here are some descriptions of typical components of a well-designed and executed sales system at each level, and the most common challenges that arise at each level.

Level One. Selling System.

This level is built upon an up-to-date, operational job description for your sales people. It should answer the question, “What do you really want them to do?”



They will need a systematic approach to their jobs for which you train and equip them. For example, they ought to have a system for identifying prospects, for qualifying them, for collecting information, for organizing their customers/prospects into ABC categories, for planning their work, for reporting to you. That is a good start, but not an exhaustive list.

Every sales person should meet a minimum standard in regards to the knowledge he has, as well as the behaviors he has mastered, before he is sent out to represent you in the field.

Our **Kahle Way® Sales System** is a body of content and experiences which is designed to instill systems into the way a sales person does his job, transforming his results.

Visit [The Sales Resource Center](#) to review our Kahle Way® B2B Selling System course. Delivered 24/7 on line.

At this level – interaction with the customer – you also should have alternate selling methods. By that I mean ways other than the outside sales person to help move prospects through the buying process. A typical well-designed level one selling system will incorporate:

- Several mechanisms to identify prospects.
- A website enabled by SEO or PPC to attract prospects.
- Telemarketing to identify and qualify prospects.
- Inside sales people to work low-volume accounts.
- Customer-service to support the sales people as well as the customers.
- A CRM system to maintain customer information.
- A customer e-mail program and active social media connections to quickly communicate new products/programs.
- An interactive, Ecommerce-enabled website.

The biggest challenge at this level is to create effective and efficient sales behavior. It is at this level that the belief, *“I have my own style of selling,”* should be confronted.

There is a set of best practices which characterize the best sales people, and every sales person should be taught them in a well-designed selling system, and expected to implement them into their daily routines.



© Andycash / Dreamstime Stock Photos

As strange as it may sound, most sales people have no idea what excellence in sales looks like. They are pretty much left on their own to figure it

out. Compare a typical B2B sales person with a golfer, or any other athlete for that matter.

If you want to become a better golfer, you can watch excellent golfers on TV every weekend. You can avail yourself of coaches, almost at will. In all this, you'll gain a clear idea of what excellence in golf looks like.

Not so for the typical sales person. He/she doesn't watch "The sales game of the day," every Sunday on TV. He has probably never studied at the hand of a gifted coach. The picture of what excellence in sales looks like is sadly missing.

As a result, they default to what seems good and becomes comfortable to them. They often become defensive when challenged, and revert to the hiding place of "I have my own style of selling." That, of course, really means "I have no system for selling and I don't want any accountability."

The primary challenge at this level is to instill an understanding of what excellence looks like, to describe the best practices of sales in this situation, and to insist on the continual improvement in the fundamental competencies of a master sales person.

Every sales person can become more effective, and predictably will become more effective when they are systematically educated in the best practices of their professions.

Level two: *Sales management system.*

The primary responsibility of this level is to implement the decisions made by the highest level management to put in place an effective team of sales people, and to focus and develop each of those sales people. A well-designed sales management system consists of processes for:

- Creating goals and expectations with sales people.



- Holding them accountable.
- Coaching and counseling sales people.
- Training and equipping them.
- Continuous development of the sales force.
- Recruiting new sales people.
- Collecting and transmitting information.

Unfortunately, the biggest issue at this level is the same as the previous level – lack of standards, lack of education and a default reliance on individual insights.

Most sales managers have never been trained to do their job systematically, and have never been educated in the best practices of effective sales management. So they often default to mimicking the styles of their mentors, who, in turn, were also never educated in the best practices of sales management.

As a result, sales managers often find themselves reacting to crises, bouncing from one urgent issue to another, and often allowing the interests of the sales people to dictate the policies of the managers.

Our **Kahle Way® Sales Management System** addresses each of these key processes and instills behaviors which can transform a sales manager's effectiveness. Review the open-enrollment seminar here:

<http://www.davekahle.com/wordpressblogs/the-kahle-way-sales-management-system-seminar/>

Or review the on-line version in The Sales Resource Center here:

<http://thesalesresourcecenter.com/kahle-way-sms.html>.

Level three: The sales structure.

The basic work at the top level, *level three*, is first to design, and then to constantly measure, monitor and refine the system. The sales structure defines the system, focuses and leads it, and puts the borders around it. The corporate structure should include, among others, systematic ways of:

- Designing the fundamental sales processes
- Creating strategic goals
- Translating them into sales force goals
- Measuring key activities and processes
- Developing alternative methods
- Funding the whole system
- Administering the system
- Refining compensation plans for the sales force
- Sales administration/support
- Sales tools
- Selection of markets/customers
- Development of products/services
- Sales training program
- Information systems
- Sales job descriptions
- Sales force automation
- Sales and company culture

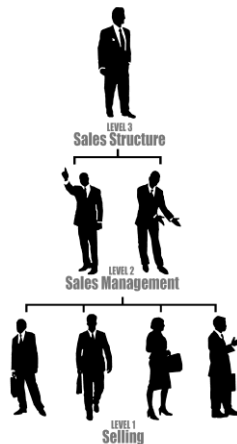


The primary issue here is that very few companies even think in these terms. They have evolved positions for each of the components listed above, often in reaction to urgent issues in years gone by. For example, the reason they have the sales compensation plan they have is that...they have it. In other words, it is a legacy of days gone by. At some point in time, there was a reason for the plan. That reason has long since disappeared, and now they are left with a plan that no one can reasonably defend.

That is true of almost every systems component listed above. There is very little strategic focus on the best way to design and implement them. These incredibly important structural components often exist because of historical precedent, not strategic imperative.

Often, enormous improvements in sales productivity can be achieved by sharpening the *structure* of your sales organization.

The structure is the sum total of all the policies, guidelines, procedures and tools your company uses in its sales effort. It's everything about how your company sells, other than the people themselves. For example, your compensation plan is part of the structure. It doesn't matter (hopefully) who the sales person is, the compensation formula is the same for everyone. Your sales automation system is part of the structure. Whether you use smart phones, tablets, laptops or paper to manage customer information – the way you do it in your company is part of the structure. How you manage your sales people is part of the structure. Do they report to branch managers or sales managers? How many sales people are there per manager? How often do you have sales meetings? What forms are sales people required to submit to their managers?



All of these decisions you have made about how things are done in your sales organization have gradually been codified into a structure. That structure forms the rules for the sales people, and tells them what to do and how to do it. That structure stimulated certain behavior, and the sales people create practices and habits that reflect your structure.

Why does all this matter? Because of a powerful truth of human behavior:

“ *Change the structure and you change the behavior of the people who operate within that structure.* ”

This is true for any organized group of people, whether it be a family, a school, a volunteer organization, a business, or a sales team.

Here's an example. For years my wife and I were foster parents. We cared for 19 foster children over a fifteen-year period of time. Most of these children came from miserable home situations, and were out of control when they came into our home. Over the years, I watched my wife impose a structure on them that always resulted in the kids responding positively.

On the first day they came into our home, my wife would show them the bed where they would sleep, and let them know that they were expected to sleep in that bed. They were expected to wash their faces, brush their teeth, eat three

meals at the table with the family using silverware and plates, go to bed at a certain time, get up at a certain time, etc. She imposed a clear and comprehensive structure on them.

The responses were predictable. At first they would test the limits. But once they discovered that the rules really were the rules, that there was a clear and understandable structure, they began to blossom within that structure. They knew what was expected of them, they sensed that the rules were good for them, and they began to develop within the rules. That shouldn't be any surprise. Because, *when you change the structure, you change the behavior of the people who operate within that structure.*

Remember this...

“...you can expect significant and measurable improvements in the productivity of your sales efforts if you will sharpen your structure.”

This fundamental principle of human behavior is just as true when it is applied to sales efforts. From my experience as a sales consultant, I can assert, without a shred of hesitation, that you can expect significant and measurable improvements in the productivity of your sales efforts if you will sharpen your structure. For example, we're often involved in helping to revise a sales compensation plan. Let's say we create a plan that provides an additional incentive for the sales person to acquire new accounts. We've changed the structure. What happens as a result? The sales people modify their behavior and call on more prospects, acquiring more new accounts.

Here's another example. We'll often work with branch managers or sales managers to help them institute a certain kind of sales management system. Part of our system requires a highly structured monthly one-on-one meeting between the manager and the sales person. As part of this meeting, managers discuss the coming month's plan with their sales people.

When this system is implemented, it represents a change in the way things are done – a modification of the structure. Since we've changed the structure, we can expect a change in the behavior of the people. What kind of change do we

normally see? Typically, sales people become more strategic and less extemporaneous. They spend more time planning because the structure requires that of them.

We can go on and on with countless examples. But you get the idea. When you change the structure, you change the behavior of the people who operate within that structure.

So, now the question becomes, “How can you use that insight to improve the performance of your sales people?”

Typically, most sales structures have evolved over time as a result of specific decisions that were made in years gone by. Over time those decisions have been hardened into the real rules of how things get done in your organization. Some aspects, like compensation, are often finely articulated, while other portions of the structure, like how samples are distributed, are rarely written down.

Some of these structural rules are positive, in the sense that they are well thought out and designed to stimulate certain behavior on the part of the sales person. Unfortunately, much of the structure is not positive. It developed unconsciously instead of thoughtfully, and detracts from positive sales behavior. For example, your sales people may have developed the habit of coming into the office every Monday morning for a few hours to start their week. No one told them to do that, it's not part of any management plan, it just happened. Somewhere, sometime in the past, someone started doing that, and it became part of the structure. No one has ever considered whether they ought to do that, or whether that practice is wise and time effective.

If you want to make measurable changes in the productivity of your sales team, refine your sales structure.

A man in a suit and tie, holding a briefcase, stands in the background. The background is a light gray with a faint, repeating pattern of business-related terms: GOALS, INPUTS, OUTPUTS, PRINCIPLES, PROCESSES, PRACTICES, and MEASUREMENTS. The text is in a bold, sans-serif font.

WHERE TO GO FROM HERE

Where to from here?

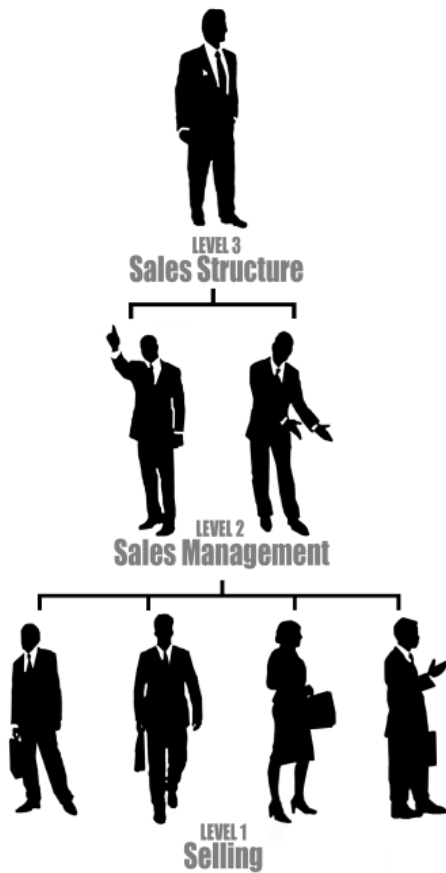
If you suspect that your sales department lacks effective structure, management systems or selling systems, then your most effective solution will be to attack the issue methodically.

Keep the big picture in mind. Your current sales system (or lack of it) didn't pop into existence overnight. More likely, it was the result of dozens of decisions made in response to critical issues at various times in the past. It can't be fixed overnight. It is going to take some time and some work.

Begin with an assessment of the relative strength and weaknesses of your system. We have a number of tools to help you do this effectively. For example, [**"How to Kreate Kahle's Kalculation of Sales Productivity"**](#) is a free download on my website, and shows you, in a step-by-step process, how to measure the productivity of each level of your sales system.

You can work at each level simultaneously. For example, we'll often instill our sales management system on one day, and our selling system the following week, and implement both at the same time.

For structural issues, you'll find it most effective to create a priority list of where your efforts will gain the greatest return on investment. A good way to start is to build one piece at a time, focusing on those aspects of a good sales system that will have the greatest immediate impact on your sales performance. We can save you thousands of dollars of trial and error and hundreds of hours of executive time by bringing our expertise to bear on these issues with you.



Don't think that you must totally reshape your sales efforts in one dramatic effort. While that would be ideal, it is not a realistic option for most businesses. You'll find that your investment in systematizing any piece of the overall system will pay handsome dividends. For example, you can teach and instill a selling system that, by itself, will dramatically transform your results. We just taught one of our selling systems to a group of ten companies -- six webinars over 14 weeks -- and brought about an average *4,150 percent return on investment* for the reporting companies.

The same kinds of results are available by making significant improvements in sales management systems, and in the sales structure. Of course, when you put all three levels together and apply the systems concept to the entire sales effort, you should expect to multiply even those results.

Because your competitors are probably stuck in the mindsets of the past, you'll gain a significant advantage. You will see transformational results evidence themselves in growing market share and greater profitability. And that, after all, is the idea.



At **Kahle Way® Sales Systems**, we enrich sales people and sales organizations by creating content, tools and systems of substance, and delivering them through a variety of learning experiences that transform selling organizations, impact people, and change the lives of sales professionals.

We'd be happy to discuss this with you. Call 800-331-1287, or email info@davekahle.com.

CASE STUDIES

A man in a grey suit and tie, holding a briefcase, stands in front of a background of faded business-related terms: GOALS, INPUTS, OUTPUTS, PRINCIPLES, PROCESSES, PRACTICES, TOOLS, and MEASUREMENTS. The word 'TOOLS' is highlighted in a darker shade.

Case Study: Petroleum distributor

Our client was a large regional petroleum products supplier. The company operated service stations and had a significant wholesale business. We were asked to review their sales efforts in the wholesale business and create a more organized, effective approach.

We first did our "[Sales System Audit](#)" and made a series of recommendations. The client elected to contract with us to implement those recommendations. Over a period of several months, we designed and implemented these **level three** (sales structure) initiatives:

- Worked with the IT department to create the necessary reports in order to measure sales behaviors.
- Created a new job description for field sales people.
- Created a new compensation plan for the field sales people.
- Created a sales management system.

Simultaneously, we put in place **level two** (sales management) disciplines:

- We trained the respective branch managers in the use of the sales management system.
- Developed a process for recruiting, interviewing, and hiring sales people.
- Implemented that process, and assisted the client in hiring seven new sales people.
- Created a unique sales training program consisting of a combination of our
 - self-study sales certification program
 - live monthly training sessions
 - Up-a-Notch™ video training kits.

Finally, we worked at **level one** (selling systems) by:

- Instilling the selling system into the sales force.
- Assisting in coaching those sales behaviors in the sales force.

The net result?

"The results have exceeded everyone's expectations. In the first full year, the program has been responsible for generating \$5,000,000 in new sales and acquiring 658 new customers."

From the client's letter of recommendation

Case Study: Professional Services Company

This is a boutique environmental consulting firm consisting of engineers and geologists serving lending institutions, real estate developers and M&A firms with complete environmental analysis, risk assessments, due diligence and remediation. The 11 member business began adopting the training from Kahle Way® Sales Systems intensely about four years ago.

Joe Berlin, BLDI's president, believes in the importance of sales training. "Our challenge at the time was that, although we had engineers who were competent in their profession, we needed to be able to show that to our customers and prospects."

He worked with Dave Kahle and Kahle Way® Sales Systems first at the **level three (sales structure)** level. Working together, we created a strategic plan that matched the business' strategic goals with their selling efforts.

We trained the staff of engineers and geologists in basic selling skills. **(level one – selling systems)** The staff was trained in The Kahle Way sales methodology.

We instituted monthly coaching sessions to monitor and refine the system as we went along.

"If we hadn't done that, my business would be in trouble!" says Joe. "The environmental consulting industry has seen reductions of over 30% lately and my competitors are really struggling in this tough economy. However, my business is up over 15%! It all comes down to our *focused* sales efforts."

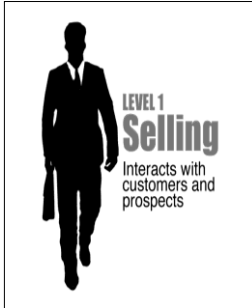
Mr. Berlin goes on to say that it is difficult to differentiate yourself simply by giving good customer service. "Most everybody gives good service", he claims. "At BLDI, we know about sales and the benefits customers receive from consistent sales contacts. It's the daily focus and the daily follow up that makes the difference".

“Margins are tough”, says Mr. Berlin. Reacting to the knowledge that several of his competitors are letting their sales people go in order to reduce costs, he exclaims, “I can’t imagine letting my sales rep(s) go, especially in this down economy.”

Bottom line: In a segment that is down 30 percent, his business is up 15 percent because he invested in sales systems.



MINI SALES SYSTEMS ASSESSMENT



Mini-Sales System Assessment

A Kahle Way® Self-assessment

Company Name: _____ Date: _____

Completed by: _____

	Not Even Close	Needs Work	Sort Of	Not Quite There	Great Shape
Level Three: Sales Structure					
1. We understand the concept of sales structure, and use it as way to improve our sales efforts.					
2. We really believe that our sales force can become dramatically more effective.					
3. We have a system for easily and regularly measuring sales productivity.					
4. We have methodically considered every aspect of our system, and refined each piece to support our strategic objectives.					
5. We have a clear and precise description of what we want our sales force to do.					

	Not Even Close	Needs Work	Sort Of	Not Quite There	Great Shape
6. We have someone (Chief Sales Officer) who is responsible for designing, measuring and managing our system and refining our structure.					
7. We have a well thought out, strategic rationale for our sales compensation.					
8. We have a variety of sales methods, above and beyond just an outside sales person.					
9. We use alternate methods of selling to accounts, based on the potential and dynamics of the account.					
10. We budget every year for our investment in our salespeople.					
11. We have described the process of acquiring a customer, and measure the key events in that process.					
12. We have described the process of creating a client, and we measure the key events in that process.					
13. We have described the process of developing a partner, and we measure the key events in that process.					
14. We measure the productivity of the important people and processes in our system.					



	Not Even Close	Needs Work	Sort Of	Not Quite There	Great Shape
Level Two: Sales Management Practices					
15. We have a defined set of management practices and disciplines which we expect every manager to implement.					
16. We have taught that system to all our sales managers.					
17. We focus the sales people on the high potential accounts.					
18. We regularly measure penetration in our key accounts.					
19. We systematically analyze and prioritize every account.					
20. We annually develop written, measurable expectations for our salespeople.					
21. We have formal, structured meetings with each individual salesperson every month.					



	Not Even Close	Needs Work	Sort Of	Not Quite There	Great Shape
Level One: Selling					
22. We have established a minimum level of competence for our sales positions.					
23. We systematically provide sales training for our new salespeople.					
24. We systematically train every new salesperson in the fundamental competencies of the job.					

For a more complete assessment of your sales system, visit

www.davekahle.com, or call us at 800-331-1287.

Need help developing your sales system? Work with our “Sales Systems” on-line set of resources and lessons.

<http://www.thesalesresourcecenter.com/sales-systems-short-course/>

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General Inquiry? Contact info@davekahle.com.