

Sales and the CEO

Your role has evolved to the head of the sales department.



by Jeff Thull

IT'S NO LONGER ENOUGH TO demonstrate excellence in the art of leadership, CEO's must now be firmly entrenched in sales.

Over the past few years we've seen the CEO's role evolve into one that's intimately connected to sales.

Because we live in an increasingly complex world, your sales organization is *the* most critical link to your customer. It should drive everything you do. And that's why you, the CEO, must understand every aspect of the sales process—to assure the accuracy of your strategy execution.

In today's market, conventional sales methods no longer work. Salespeople must think for their customers, creating revenue-building solutions that the customers can't come up with on their own. I call this process "Diagnosis Business Development."

Your sales process must be a precise extension of your go-to-market strategy that integrates departmental functions from R&D through marketing and on to sales and service. Here are some insights on how to translate market strategy into sales results:

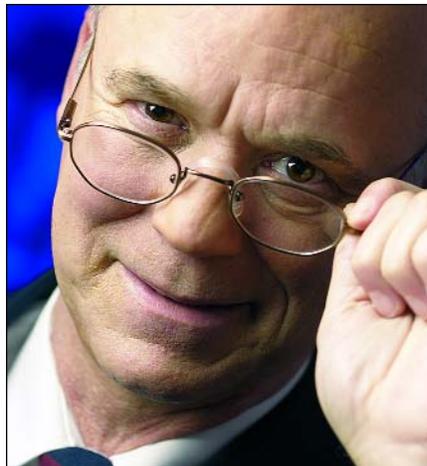
1. Avoid the "black box" view of sales.

Most senior executives who do not have sales experience adopt this view. To them, the workings of the sales department are a mystery to be solved by someone else. They will set organization goals and send revenue requirements into the black box of the sales department and anxiously wait for the outcome. But, they can't effectively manage what happens between the two points. What CEOs need is a process that can make the black box transparent—that is capable of connecting the sales function to the rest of the organization in strategic terms and creating a common language and process through which the go-to-market strategy is formulated, executed and monitored.

2. Understand the limitations of legacy systems. The conventional sales process—whose response to performance downturns is "do more of what you are already doing"—is what an information technology expert would call a *legacy system*, or an outdated net-

work originally developed for limited, local purposes. As holistic, organizationally integrated networks are developed, these systems must either be modified or replaced. The conventional sales process is a legacy system in that it offers the sales department a way to communicate internally, but it doesn't connect the sales function to the rest of the organization in any meaningful way. It does not offer a common language or filters through which sales and other functions in the business can communicate and respond.

3. Know the four prerequisites for a successful go-to-market strategy. Ignore one or more of these prerequisites and your go-to-market strategy will be seri-



ously impaired and the ability to generate profitable results is at risk:

- *A high level of understanding of, and agreement on, the business strategies in place to acquire, expand and retain profitable customer relationships.* Is every function in the company united by a shared vision and a common effort?

- *A successful transfer of business strategies to departmental and individual responsibilities that encompass both quantitative and qualitative objectives.* Does everyone in the company know what they, individually and as a group, must accomplish to achieve the defined objectives?

- *A monitoring and measuring capability to assess the performance of the departments and individuals as they progress toward their objectives.* Can everyone monitor their progress toward the achievement of those objectives?

- *A capacity to anticipate and correct the*

obstacles blocking the successful execution of the strategy. Can everyone anticipate requirements, learn from their mistakes and respond and adapt to changing conditions customer requirements?

4. Embrace a strategic alignment mechanism. Organizations need a mechanism that can create a cohesive team, communicate and reinforce messages, get everyone working toward the same goal, and measure the progress toward that goal. Everyone in the organization should be concerned about creating and capturing value for customers.

One way to generate alignment around corporate goals is to require that each function involved in the formulation and execution of the go-to-market strategy cycles through the four stages of the Prime Process—Discover, Diagnose, Design and Deliver. The "Four Ds" offer a single, customer-centric process through which each organizational function can explore the marketplace and ensure that their efforts are aligned.

5. Commit to an integrated process. Whether an organization must respond to new opportunities or changes in the market or correct miscalculations in its own go-to-market strategy, it must have a mechanism capable of responding to customer needs throughout the value creation process.

This process requires that the various functions within the organization, charged with delivering value to customers, take to the field in one voice and one process. In order to effectively Discover, Diagnose, Design and Deliver, they must frame their assumptions in terms of the customer and they must test those assumptions against the reality of the customer's world. As CEO, you'll want to push marketing and product development out into the real world where they can directly experience the issues and challenges of their customers' business. You'll want the sales team to communicate the issues they uncover as they conduct diagnosis, and you'll want the service and support staff to report the issues they uncover during the delivery and implementation of your solutions. This ongoing diagnostic feedback loop creates a learning flow that, in turn, can be used to generate continuous improvement and breakthrough innovation.

You *must* have a system in place for understanding and refining your sales process. Your profitability and credibility as a CEO depend on it. **SSE**

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