

TQ(S)M²

By Dave Brock, SME-Cleveland Member

In May's issue of Focus, Paul Varga of Service Graphics wrote an article entitled TQ(S)M= Total Quality (Sales)



Management. While many total quality management programs have fallen into disfavor, TQ(S)M is a critical issue for sales and executive management. Paul's comments about the value of TQ(S)M struck a chord based on some tough experiences over past years.

Quality in the sales and marketing process first became a critical issue to me about six years ago. While the basic tenets of quality have always been appealing, imagine my plight as a sales executive for a high technology company faced with the following scenarios:

- Many of our Department of Defense Subcontractors (at the time about 40% of our business) were imposing their vendor quality programs on us. Our salespeople found themselves being measured against yardsticks they didn't understand. We were found non-compliant by some customers and not allowed to compete. Our "bid" prices were uplifted by others to reflect the cost of non-compliance. Each customer had their own program, all of which were bad news if you did not comply. The sales teams were not equipped to deal with any of these programs.
- At the same time, many of our commercial customers were implementing their own quality programs. At the time, Motorola was telling us that we would be required to compete for the Baldrige award. Other customers were beginning to look at ISO 9000, and others were applying Six Sigma measurement criteria, while others had their unique programs.

The sales organization wanted to comply with our customers' needs and continue to be recognized as a quality business partner, but did not know where to begin. We had several challenges:

- The first was getting our own company to recognize that quality is defined by the customer. Like our customers, our corporation had defined and implemented an aggressive quality program. However, no one had spoken with the salespeople or with the customers. Many of the tough goals the corporation had set for itself were

non-compliant when compared to those goals our customers were setting for their suppliers (us!!).

- Second was finding a quality training program that focused on the needs of salespeople. The quality professionals seemed to focus on the "hard" sides of business--manufacturing, development and administration. None had programs targeted to the sales and marketing functions. I visited some of the Baldrige award winners to discover how they had trained their sales organizations. Most had developed their own programs with minimal help from quality professionals.
- Finally, we had to learn how to take a close look at ourselves and clean up our own house. We had to recognize that sales and marketing are definable processes, just as the other functions in an organization. We had to define our process, define how to measure ourselves and then seek to improve our processes (the Japanese and quality guru's call it Kaizen.).

It took a lot of work, but it meant our survival, both as a corporation and as sales professionals--after all, each failure hit the salesperson in the wallet!!

The first step was relatively easy. We mapped the 44 customer driven quality programs and compliance requirements against our corporate quality goals. (These 44 customers represented a significant amount of business.) Frankly, the job became fairly easy at that point. I had the opportunity to present our customers' quality requirements to our corporate quality council. It helps when the Chairman of the Board chairs that council. Once it became obvious that meeting our internal quality goals would not meet our customers' quality requirements and that we faced losing business, we caught the attention of our chairman and the rest of the corporation. It was one step in becoming customer focused.

Then we undertook developing our own quality programs. First, we began introducing our people to the basic concepts of quality and customer satisfaction. Then we sponsored a number of projects to understand where we were and to make small improvements. Rather than just tracking revenue, expenses and a few other things, we started becoming attentive to a number of other factors---returns, delivery, the number of telephone rings in our offices and telemarketing centers and other measurements. Each of these projects started establishing awareness in different parts of the

organization. On second thought, maybe they established better awareness with the executive management staff. In hindsight, I remember countless individuals talking about small problems impacting our customers that we needed to fix, but taken separately they didn't catch our attention. I think our people always knew we could and should do better, but could not capture the attention of management. Now we were paying attention.

Finally we began to undertake the big task. We started to examine the process of selling. How did we define our process from the overall management of the business down to the daily activities of the salespeople? How could we do this without creating a bureaucracy which diverted our focus--satisfying our customers' requirements and profitably growing our business? Benchmarking some leading sales organizations helped us tremendously.

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We opted for simplicity. We realized that we could adopt a simple process and apply that, with discipline, to everything that we did--from business management, to territory management, to improving the effectiveness and productivity of each salesperson, to coaching and developing everyone in the organization. Only upon implementing this process were we able to see the PHENOMENAL results it produced! We started to see the following:

- We had a common language and process to manage the business. Our forecast integrity improved tremendously.
- Our process forced us to focus on the way the world was, not the way we wanted it to be. We drove a fact base approach to managing the organization, the selling process and each sales situation.
- In each selling situation, we began to focus on the customer need to buy, not our need to sell. Customers would call me and ask "What have you done? Your salespeople are asking me questions I have never been asked before. They are really interested in my business and my problems!"

Our results were tremendous. We were no longer "blacklisted" as non-compliant by our customers. Our customers started looking at us as a valued business partner. Our company was becoming much more customer focused. The productivity of the sales organization was improving, cost per order dollar was declining. We were growing.

TQ(S)M makes sense! In the greater Cleveland area, specifically, examine the factors driving all of us to improve the quality and effectiveness of our sales organizations. The automotive industry has adopted a standard by which it will measure all suppliers--QS9000. Many companies in this area need to train their salespeople in partnering with their automotive customers in implementing the QS9000 programs. ISO9000 is driving other companies. Supplier participation is an important factor in this standard--our salespeople stand at the forefront of working with customers in assuring that we comply with the needs of our customers.

If those reasons are not important enough, consider the results other companies have achieved by introducing a quality and process orientation to sales. One organization adopting a process similar to that I described reduced its sales cycle by an average of 40%. Organizations I have managed have reduced cost per order dollar by over 20%. One organization implementing this process orientation has enabled itself to become the strategic vendor of choice to many of its customers--purely because of the ability of the sales organization to focus on its customers' problems.

TQ(S)M makes business sense! As Paul's article pointed out, creating customer focused partnerships which drive growth and profitability is key to all sales executives. Whether you call it total quality or not, it makes the sales organization more effective and productive. It provides the competitive edge.

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Partners In EXCELLENCE supports a diverse clientele ranging from Fortune 50 through start-up companies. These clients are in a variety of industries including: consumer products, computer hardware and software, telecommunications, industrial controls, scientific instrumentation, semiconductor and electronic components.

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