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# Guidelines for Making Lean Six Sigma Work in Sales

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For a number of years, businesses in a wide range of industries have been successfully implementing Lean and Six Sigma in manufacturing and engineering, and more recently in the transactional processes in finance, administration and customer service. The last business area to see this improvement methodology arrive was the sales department. But already it is proving its value there too.

Numerous businesses have had success implementing Lean Six Sigma in sales and achieving the breakthrough benefits that have become commonplace in other organizational functions and processes. The success stories from industry leaders and innovators offer proof that the methodology works, as well as providing some best practice guidelines for implementing Lean Six Sigma in sales.

## Selecting the Right Project Focus Area

A common question for organizations considering the extension of Lean Six Sigma into sales is: "What types of projects are best for applying Lean Six Sigma in sales?" Based on experience as well as the best practices of companies such as GE, Johnson & Johnson, Honeywell, Xerox and others, six types of projects represent fertile ground for early projects:

1. Lead generation
2. Sales proposal process
3. Sales forecasting
4. New product launch
5. Sales force efficiency and effectiveness
6. Voice of the customer

The six project areas can be roughly grouped into two categories. Category 1 consists of the first four project areas. These projects focus primarily on the improvement of sub-processes that are related to or supportive of field sales. Companies often find it helpful to start with a Category 1 project for a number of reasons. First, the processes involved in Category 1 projects are relatively easy to identify, visualize and map. In addition, data and metrics on process performance are relatively easy to collect and define. The processes involved are usually repeatable in a fairly consistent manner. And finally, solutions and improvements are easier to identify and implement than in Category 2 projects.

Category 1 projects, however, do not directly increased sales. Instead, these projects primarily create improvements in the efficiency of internal processes. For example, generating better qualified leads and speeding the flow of proposals to customers will undoubtedly lead to more revenue. Likewise, improved reliability of sales forecasts will impact the availability of products, which will ultimately impact revenue as well. However, the gains from Category 1 projects will not, by themselves, generate the breakthrough results that have become the hallmark of Lean Six Sigma initiatives.

It is the Category 2 project areas – "sales force efficiency and effectiveness" and "voice of the customer" – that generate the breakthrough results. These projects are far more complex and challenging in terms of identifying consistent processes, collecting reliable quantitative data, identifying root causes, and finding and implementing solutions. Nevertheless, because Category 2 projects impact the field sales force and selling processes directly, they create solutions and improvements that drive significant and sustainable revenue and margin growth.

## Sales Force Efficiency and Effectiveness Projects

Companies with a sales force that calls on many customers and represent fairly standard products and services are the best candidates for sales force efficiency and effectiveness (SFE&E) projects. These companies are in such industries as pharmaceutical, medical devices and hospital products, financial services, and information technology. Although sales representatives working for these companies all have more or less the same market and customer opportunities in terms of local territories, products to sell, competition, etc., there is typically significant variation in the performance and results of individual representatives. In Six Sigma terminology, a significant amount of process variation exists which, if eliminated, will yield breakthrough improvement in output – in this case revenue growth.

In SFE&E projects, standard Six Sigma tools such as fishbone diagrams and the 5 Whys are used to identify the root causes of variation in performance and results of different sales. Soft (and difficult-to-measure) factors, such as selling behaviors and skills, are frequently more significant root causes than are hard factors such as job experience. Nevertheless, even soft factors can be addressed effectively. For example, best practice selling behaviors and tactics can be identified and replicated across the sales force, and coaching by sales managers can be applied to reinforce best practices and enable the development of best-in-class selling behaviors. Often, simply measuring and communicating publicly the performance of different sales representatives results in sales growth. This is no doubt due to the competitive nature of salespeople.

### **Voice of the Customer Projects**

Voice of the Customer (VOC) projects are most attractive for companies with a concentrated market and customer segment. These companies operate in such industries as aerospace, automotive and household appliances and have a smaller, highly consultative sales force, typically organized around a few key accounts.

VOC projects are targeted on driving customer share or market penetration by first identifying each individual customer's "basic requirements." Basic requirements are those measurable standards of product, service and relationship quality that a supplier must meet in order to remain a supplier to an account. Of course, meeting basic requirements is not enough to ensure continued sales and customer share growth, especially since competitors within the same account are likewise trying to grow customer share. In order to achieve competitive differentiation, companies must learn what really pleases the customer, and finally what it takes to "delight" the customer. Delight, in this case, means pleasing customers beyond the customers' own expectations.

In a typical VOC project, Six Sigma tools are applied to identify basic requirements, what pleases customers and what is likely to delight them. Root causes or opportunities can then be identified that, when addressed, will enable the supplier to not only meet the customer's basic requirements 100 percent of the time, but also will lead to the discovery of delight factors. Implementing improvements and solutions that address delight factors is ultimately what will lead to breakthrough revenue growth.

### **Conclusion: Some Common Keys to Success**

The selection of the best project or projects to implement in order to bring Lean Six Sigma to sales depends on a number of factors, which are different for every company. However it is important to keep in mind a few things that are key to the success of any implementation:

- Lean Six Sigma in sales projects must focus on increasing profitability by driving the top line of the business (revenue), more than just driving down expenses. As revenues increase, the productivity and cost-to-revenue ratios of the sales force will improve by definition. However, salespeople will avoid, and even resist, anything that they see as an attempt solely to squeeze costs out of the sales force. On the other hand, they will embrace anything that they believe will help them make more sales.
- Involving the field sales force directly in projects is essential, but it should not require pulling people out of the field for extended training sessions and project team meetings. Typically, salespeople can work virtually and remain in the field while still participating in a project. Training in the Lean Six Sigma tools and methods can be done on a "just-in-time" basis and teams can be supported by Black Belts, even if the Black Belts have only limited experience in sales.
- And, as is usually the case with organizational change initiatives, keep it simple. Most implementations require use of a handful of key tools – data collection plans, fishbone diagrams,

Pareto charts, 5 whys, and a few others – which can be easily adapted for the sales environment.

One final thought: Do it now! Keep in mind that while a company is debating whether or not to bring the powerful Lean Six Sigma methodology to its sales staff, competitors may already be using it.

**About the Author:** *Paul Hesselschwerdt* is president of *Global Partners Inc.*, an international consulting management and development firm headquartered in Boston, Massachusetts, USA. He leads the firm's Six Sigma in sales and marketing practice area, implementing business improvement initiatives with companies across a range of industries, including biotech, chemicals, consumer goods, electronics and high technology. Mr. Hesselschwerdt can be reached at [phesselschwerdt@globalpartnersinc.com](mailto:phesselschwerdt@globalpartnersinc.com).

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