



Looking Outward, Inward and Forward

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When we recently surveyed a diverse group of business leaders about the greatest challenge facing their organizations in the near term and long term, we heard that the biggest challenge was to grow revenue. Many of them have accomplished great productivity improvements, but until demand increases, the additional capacity cannot be put to profitable use. In fact, throughout the world, economies are suffering from excess capacity which leads to high levels of unemployment.

When we don't have enough sales, our tendency is to cut jobs, cut capacity and "whack" the costs. Some years ago, Bill Conway had a poster made. It looked something like this:

Table with 2 columns: No Growth Path, Growth Path. Rows compare outcomes like 'People make improvements', 'Need fewer people to do the work', 'Eliminate people's jobs', and 'A lot less interest in any more improvement'.

Clearly we cannot cut our way to success. Growth is an option, but it doesn't just happen. There are concrete steps we need to take to improve revenue growth, just as we improve any other aspect of the business.

We need better methods for increasing sales.

This article discusses three valuable approaches to growing sales: looking outward to learn from customers and the market, looking inward to improve sales processes and capabilities, and looking forward to where the needs are going and how you can innovate to bring your service and product offerings to a new level.

Looking Outward

Start by testing your understanding of what your customers and your competitors' customers really care about.

Every customer contact is an opportunity to mine information that can help you grow the business. Ask customers what they like about your services or products. Ask what they would want you to change (other than the price) that would make them happier. Learn about their related needs, new needs and concerns — and remember that, in many cases, customers are not fully-aware of their needs; so, while you're at it, probe for unrecognized needs as well. Ask your customers about what is most important to them and how they think you stack up. Ask bigger-picture questions to gain insight into challenges they face that go beyond the use of your product or service. Armed with information about what customers value, you can innovate solutions that leverage your capabilities to exceed your customers' expectations. Consider performing a Kano analysis to



categorize qualities of your offering that are likely to delight your customers and grow sales revenue, and also the qualities which might maintain the business, or which may drive business away. [Click here to learn more about the Kano analysis.](#)

It is not enough to gather information from your customers. You must also have a repository for the information, and a method and the discipline to capture the information for analysis and action. Many organizations lack a good system for capturing and analyzing information from their customers and the market. If this describes you, you are wasting opportunities to learn how you can improve your offering to sell more and grow! Develop a process to gather and use information from every customer contact to improve your products and services further and faster.

- Identify what you want to learn from your customer contacts.
- Identify customer contact opportunities. You may choose to use professional surveys and focus groups, but in most businesses there are many other opportunities to speak with your customer base. And unlike professional surveys, contacts you personally initiate with your customers give you a chance to further build the relationship. What opportunities do you have today? What opportunities could you create?
- Identify how and where you are going to store the information once you gather it. This information should be at the fingertips of everyone who may have contact with the customer.
- Determine how you will use the information, analyze it and act upon it. How will you share it with other parts of the organization so you are all pulling in the same direction in your efforts? A retirement community set up a system to collect information on all prospective and current client contacts – people who called with questions, people who walked in requesting tours, questions from residents and from their families. When they analyzed the data they concluded the local market had a misperception about the community and what they had to offer. Uncovering the disconnect enabled them to penetrate a market segment they had been previously unsuccessful with.

Consider exploring three other sources of valuable information about your customers and the market you serve: observation, lost sales data, and internet searches.

- Is it possible to observe your customers using your product or service? A picture truly is worth a thousand words. You can learn far more about how well your product or service fulfills its potential simply by observing its use than the customer could ever put into words for you. If this is a possibility for you, don't miss that opportunity! When a technology company sent new product developers to watch how the users employed the equipment, they were surprised to learn that several of the more costly components added no value for the customers. This insight enabled them to launch an effective assault on the low end market.
- Every lost sale is more than a disappointment – it is an opportunity to gather information that can make you more competitive. To grow future sales you need to know why you are losing sales now. How do you gather data about the reasons for lost sales? Do you have a process that is timely, thorough, and respectful? Where is your repository for information about lost sales? How is it organized so that it is actionable? How often do you analyze lost sales information? How do you act on it to prevent lost sales in the future? A well respected manufacturer of personal mobility devices was losing market share. A review of lost orders helped the organization come to terms with the fact that they were indeed being under-priced.



- Is there information on the Internet that could tell you: what is the marketplace looking for? What are your competitors offering and how are those offerings being received? How are you perceived? How do your offerings and presentation on the Internet look compared with your competitors? How does your online presence compare to that of your competitors?

Looking Inward

What processes do you use to generate sales? How well are these processes working? How do you know? You can study and improve your sales generation process just as you can improve any other process – by gathering facts and data about how the process is currently working, identifying the waste in the process, addressing the underlying causes, and measuring and standardizing the results of the improvements. What process do you use to acquire new accounts? What process do you use to grow sales with existing accounts? Below are several different processes that businesses use to generate sales and how you might study and improve them:

Sales Calls

Improve the process: How effective is it? What is your process for generating and qualifying leads? Where are the areas of waste in the way you generate and qualify leads? What is your process for making sales calls? What are the areas of waste? Flow chart the process and identify what can and does go wrong at each step and at the hand-offs between the steps. Relentlessly follow the data. Start with ideas about what gets in the way. Then test those ideas with facts and data. Identify and implement the necessary improvements. By breaking it down into the component steps and identifying what goes wrong, you can make big improvements.

Improve the target: Are you pursuing the right prospects? How do you know a good prospect when you see one? What are your criteria? You may want to use the prioritization matrix to prioritize your potential prospects. What can you do to increase referrals?

Increase the number of sales calls: How many sales calls do you make? What gets in the way of making more sales calls? How many more calls could you make if all distractions could be eliminated? Some sales people have used Conway's Time-Finder to greatly increase sales productivity by identifying what gets in the way of more sales calls.

Promotions

What is your promotional process? How effective are your promotions? What is the return on investment for each promotion? What are the characteristics of more effective promotions and less effective promotions? Use this data to increase promotional effectiveness.

Distribution Channels

What is your distribution (OEM, Distributor, Dealer, Retailer) process? How effective are these? What opportunities remain for additional distribution channels?

Pricing

What is your pricing process? How do you know if your pricing is right? How do you evaluate and adjust pricing to make sure it provides the optimum revenue and profitability?

As we described above, to sell more and grow, it is necessary to understand customers and their current needs and values and also to have the cold, hard facts about your current processes. Necessary, but not sufficient! You must also look forward to understand where the future is taking you, your customers, and your products and services.

Looking Forward

Eventually your product or services will become commodities, no longer meaningfully unique and they will face stiff competition in the marketplace. As innovation expert, Doug Hall, is fond of saying: ***"If what you've got isn't meaningfully unique, it better be cheap!"*** Innovation provides you with greater pricing flexibility and



market options. To grow, you must offer something meaningfully unique and that means, you must innovate. Following are three directions you could explore to innovate and expand the business:

- Adapt your current offering to rejuvenate relationships with existing customers. What new feature or service would make the relationships young again? New features, functionality, packaging or performance?
- Commercialize under-utilized capabilities. What capabilities do you have or do your suppliers have that are under-utilized?
- Adapt your current capabilities and offerings toward emerging needs and markets. Where is the market headed? What technological changes will influence future needs? What geographical openings will grow in the coming decade? If you were to imagine the future, what would you see?

Don't forget to feed the brain! And not just by researching current technology and current competition. Read broadly with an eye to implications and opportunities for your business. Like sharks, organizations must keep moving or die. The world is changing every day and some of those changes represent opportunities. Others represent threats.

To sell more and grow, we must constantly look outward to learn from our existing customers and market, look inward to learn how we can and must improve, and look forward to anticipate the opportunities and threats that are headed our way.