

Necessary Condition #2 – The Right Process

By Charles Fifield, Senior Lecturer and Baylor Sales Coach

The sales process is how a sales organization chooses to effectively transform its throughput flow of inputs into outputs. In the case of real estate sales, the process involves the transformation of contracts into long-term satisfied clients and commissions on a regular and consistent basis. The true measure of process effectiveness is the incremental value created for both the client and the selling organization.

Four key ingredients are key to developing a process that enables a salesperson to gain a competitive market advantage:

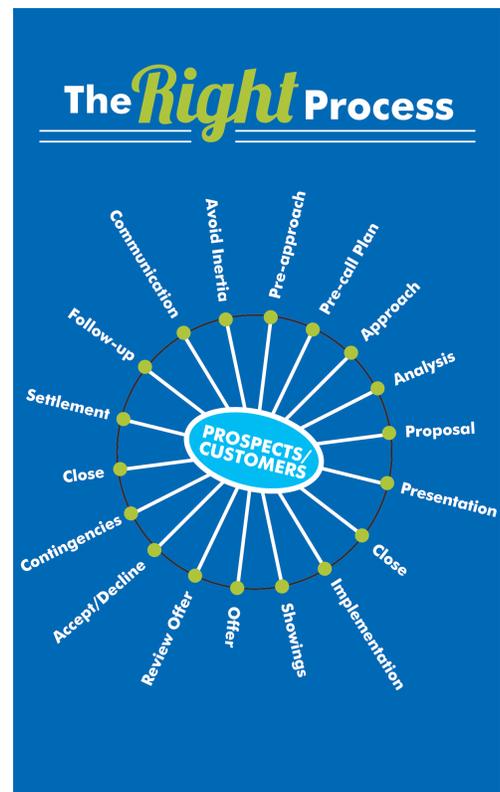
1. Focus on the long-run
2. Be customer-centric
3. Create a systematic chain of interdependent activities
4. Manage against inertia (resistance to change) and continuously improve the prospecting domain

Focus on the Long-Run

Selling must be viewed as a business. For the aspiring salesperson to achieve sustainable success, the business of selling must be managed from an executive perspective. To operate from this perspective, you must have a long-term mission and be guided by goals (the destination or purpose). Next, the salesperson must have a plan to succeed (an itinerary and map). Finally, the salesperson must implement the right process to accomplish the desired end. The chosen process is the means (the transportation) by which you plan to travel to your desired destination.

Goal development is not the focus of this study, but without goals to focus your activities and thoughts, salespeople will be tempted to aimlessly wander. The setting of goals should be guided by the acronym, SMART.

Goals need to be *Specific* and well-defined, including visually discernible. What does achieving the goal look and feel like in terms of personal value? Goals need to be



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Measurable, not vaguely formulated. A plan will never be effectively managed without well-conceived metrics to guide the salesperson's decisions and actions along the way. Goals must be *Achievable*. Otherwise, frustration will develop and then abandonment becomes an option and readily justified. Goals must be *Responsibly* pursued. Every journey in life is filled with circumstances and chaos. Unpredictable events can easily sidetrack a well-conceived plan by engendering fear and doubt. How the salesperson responds is all you can control. Concentrate on managing your responses, i.e. your responsibilities, and you will better stay on course. All goals must be *Time-based*. The journey must have milestones that serve as key intermediate checkpoints along the way. Getting to each of these significant interim performance points on time is critical to the goal's ultimate achievement.

Be Customer-Centric

At the very heart of any successfully managed business enterprise is the customer, for the customer is essentially the ultimate employer. In today's demand-driven marketplace, the customer defines the critical attributes of every product or service and for the enterprise to achieve long-term success, you must configure a transformation process synchronized or strategically fit to the targeted customer demands. How well that combined "fit" is achieved will determine customer satisfaction, the acid test of business.

The four essential attributes that define products or services are quality, price, responsiveness, and variety. In residential real estate sales, sellers and buyers will each exert their influence on the desired service, forcing trade-offs between these defining attributes. Your process must allow you to transform your activities and action to allow you to address the service mix desired by your target clients.

Create a Systematic Chain of Interdependent Activities

The real estate agent's throughput process or cycle of operations begins with prospects and ends with prospecting. Unlike so many linear depictions of a transformation process, most sales processes are truly cyclical in operation. The typical real estate sales cycle of a listing (fundamental flow unit) starts at the center of the cycle (the prospect) and involves essential activity steps (see visual).

The total performance of this chain of activities is subject to the variability and dependency of each individual activity. The effective performance of the cycle's chain of activities is irrevocably tied to the performance of its weakest link. Therefore, any attempt to improve the management of the process must be viewed from a system-wide or holistic viewpoint. Silo or functional thinking, or the focusing on individual process activities for advances and not the whole, has probably done more to impede customer-centered, business productivity improvement over the past three decades than any other factor.

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The hub activity of the sales process cycle is prospecting. In the end, the quality of an agent's future prospects is largely determined by the satisfaction of previously cycled customers (please see Personal Touch Portfolio article from the March 2010 issue of the *Keller Center Research Report*). Effective prospecting, the lifeblood of any successful sales enterprise, will be discussed in our March 2011 issue as Necessary Condition #4 – The Right Prospects. During each of the 14 activities, the salesperson should be focusing on successful prospecting.

What connects the activities of the sales cycle and keeps the cycle working as an integrated process is the flow of quality, real-time information between the activities. The effective sharing of information within the cycle enables the sales organization to function most productively and with the least amount of waste, where “waste” is defined as any activity that doesn't add value to the customer. Salespeople need business management tools that enable them to work smarter, work faster, and do work right the first time.

Manage Against Inertia and Continuously Improve

To ensure the cycle's productivity, the sales organization must understand how inertia impedes the productivity of process. You must have the proper mindset to methodically challenge inertia's impact. Inertia is illustrated in the throughput cycle as a constant drain to potential sales organization performance.

Inertia, a physics term, means “the tendency of a body to maintain its state of rest or uniform motion unless acted upon by an external force.” Human beings are subject to a reluctance to change. However, an organization's commitment to continuous improvement can overcome the force of inertia, break the primary constraints to process progress, and achieve “incremental” improvement. A continuous improvement mindset is critical to ensure a sales organization creates enduring customer value and achieves consistent productivity gains.

Summary

Any productivity-minded sales organization must manage its sales throughput process as an integral factor in determining long-term customer satisfaction. The chosen sales throughput process must be designed with a long-term view, be a customer-centric perspective, operate in a system-minded approach, and strategically match planned product/service offerings (attributes) to the needs/desires of targeted customers. By sharing quality, real-time data throughout the sales cycle of operations, you can operate with synchronicity and avoid waste. To achieve regular and consistent incremental productivity gains, you need to successfully manage your process against inertia and implement a continuous improvement mindset.

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Chuck Fifield is a Senior Lecturer for Baylor University's Hankamer School of Business, Marketing Department – Professional Sales and Communications and serves as the faculty consultant to Baylor's Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant to businesses located throughout the U.S. for nearly thirty years. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.