

Excerpt from UNBLOCK THE POWER OF YOUR SALESFORCE!
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The DELTA T-Selling system: T, T and T

Overview

There is a way to go about selling which views sales as one system; focused on one goal; resolves constraints quickly and successfully; reduces sub-optimization dramatically and as result, delivers more T than you ever imagined.

What does it look like? It is radically different from the frame of mind in which we set up sales systems today. We call this system DELTA T-Selling, because it results in a total focus, of everyone in the enterprise, on driving T.

What added value are you selling? OE, I or T?

The three global indicators OE, I and T have significant importance when you consider which of them will you target for in your account. In other words: which issues are you offering to resolve for your customer?

Assume that a customer comes into your hardware shop and asks for a hammer. In the classical frame of mind you would ask “how much do you want to spend”. In other words, your eyes would be focused on the customer’s wallet: share of his wallet is your prime concern. Your mindset is on OE, you are “selling to” your customer. What he wants to do with the hammer is none of your business. Your added value is in reducing OE because you will win the order if you sell at the lowest cost to the buyer. When selling like this to an account, you are selling to cost centers.

If you run your shop adding value to a customer’s “I” you may perhaps rent out the hammer. Your offer will be to keep his stock of tools small, to help him save inventory space. When selling to an account, your customer is the supply chain. Selling into the OE and the I domain are “classical assumptions” because in principle, the main contribution of a supplier is to cut cost or inventory.

However, if you focus on selling T, you will ask, “what do you want to do with it?” to better understand whom he plans to serve with his work and how. You will find out that he wants to build a fence and actually needs much more than just the hammer. He didn’t know that you can do much more for him than the hammer. Now your extended view of the sales systems allows you to see “sell through” business which is typically much bigger than “sell to”. In the TOC frame of mind you focus on the account’s T-domain. Here, it is obvious that you will find significantly more business opportunities than in the OE and I domain.

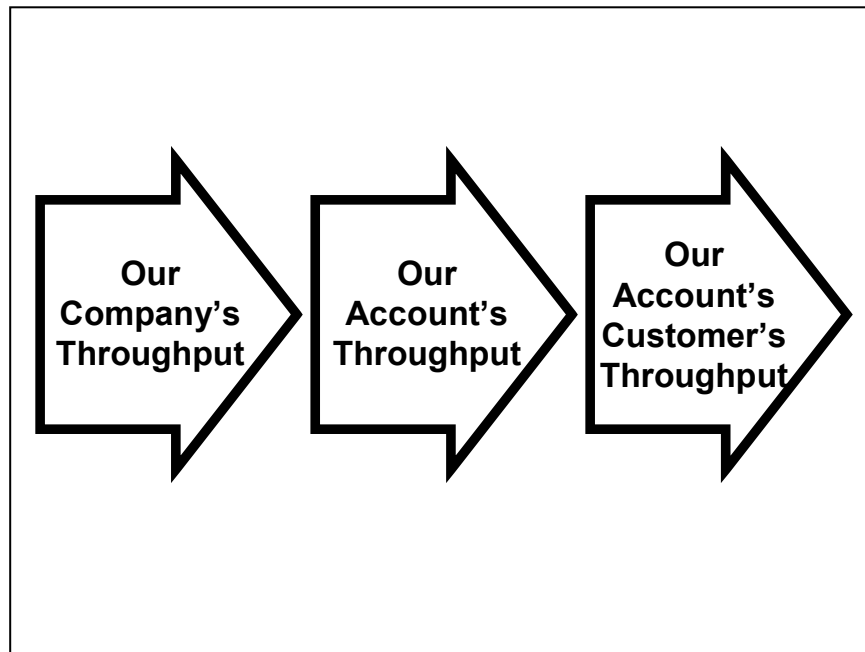
When you focus on your account’s needs in the OE domain, the customer’s cost budget will limit your order levels. However, if you focus on your account’s needs in the T domain, only market limitations will be your client’s limit.

All selling focused on T, T and T

There is a huge difference between sales systems that focus on OE or I and those systems that focus on T. The OE or I system sells to the cost budget of the account. And when the account is in a cost cutting mood, like they all are when the rumor spreads that the economy is in trouble, your market shrinks. Why? In essence, because you are selling to the cost budget of your account. There, the basic trend is reduction. Your offer is “give me money, so that I can save you money” and anyone with a right mind will reply: “you’ve got this in the wrong order”. Is your sales system in that state? It is if you are selling with a high discount and your customer is in purchasing, procurement, or internal service departments (i.e. Finance, Manufacturing, Marketing, I.T).

Your offer is different when you focus your sales system on T. It is “give me money, so I can increase your T”. You sell to the revenue stream of your account. There, the basic trend is increase. Any help to increase T is welcome.

Sales systems that focus on OE or I will declare the economy in trouble when their customers squeeze cost. Sales systems that focus on T will gain valuable market share over their competitors when the economy is declared “down”. It is not the economy. It is us.



T, T and T

Focusing on T (as opposed to OE and I) forces us to view the whole flow of T, not just our orders. We must understand the linkage between our own T, that of our account, and their customers, in turn:

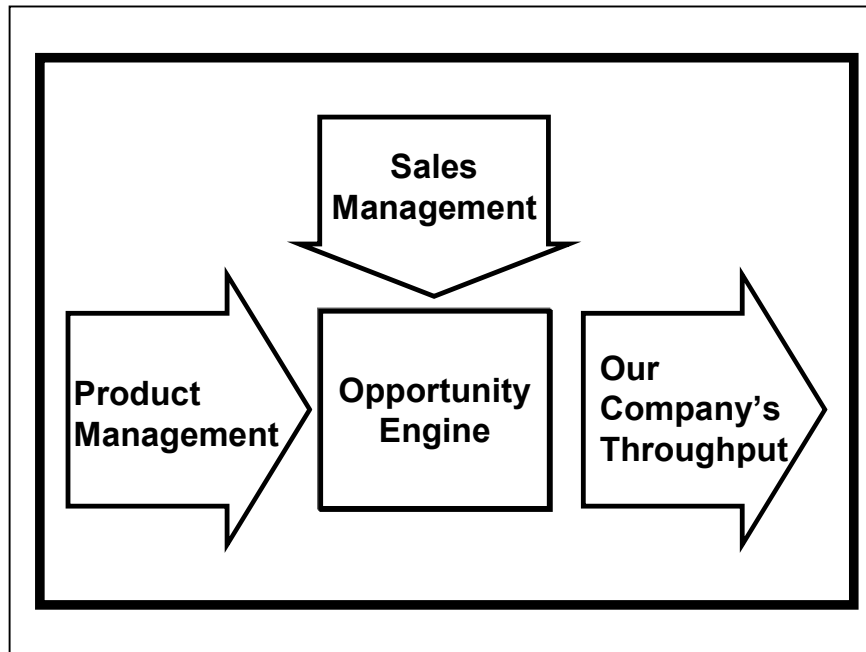
To successfully contribute to your account's revenue stream you must understand the whole flow of, and your contribution to:

- Your account's customer's T (your starting point).
- Your account's T (your prime contribution)
- Your company's T.

This principle flow must be the overall guiding view for everyone in your sales system. It opens the door for unblocking the power of your sales force.

One sales system – not many

How then do you need to set up your sales system so that it focuses on T, T and T? The DELTA T-Selling System is your solution. It has three components: Opportunity Engine, Sales Management and Product Management. Its overall purpose is to sell more today than you did yesterday.



The DELTA T-Selling System

1. Opportunity Engine.

Throughput consists of opportunities won. Therefore, at the heart of the DELTA T-Selling System is the Opportunity Engine. It's goal is to find and win opportunities that create T for your company. Account Managers and their teams own and run it. Sales Managers and Product Managers steer and help.

2. Sales Management.

Sets the T-goal. Leads constraint resolution. Resolves the systemic constraints. Minimizes and eliminates sub-optimization. Is accountable overall that the Opportunity Engine runs well, like a Swiss clock. Provides the tuning for the Opportunity Engine. When it stutters, they must fix it.

3. Product Management.

Provides the products that are “fit for the Opportunity Engine”. Clearly offering products that can provide a superior contribution to an account’s T. Quickly changing when account’s requirements change. Resolves systemic constraints for their products. Provides the optimal fuel for the Opportunity Engine.

Focused on resolving constraints for T – not on cost and downsizing

Now, assume that orders stop growing, or even worse, drop. What happens in a sales system that is driven by OE or I? One that sells on a basis of reduction of cost or inventory? We all know it: in that system, we cut cost. In other words, we attack the OE and I of our own sales system with catastrophic results for our T.

In the DELTA T-Selling system you will not fall into the classical trap. You will start by understanding the constraints and identifying where your system has run out of capacity, or is being blocked by a policy. You recognize that DELTA T-Selling is actually constraint resolution. The way it works is that your account resolves their customer’s constraints and you resolve your account’s constraints because you are constrained to do so. You know this (in DELTA T-Selling) so you can fix it. If your orders drop, it is not the economy. It is you. Your DELTA T-Selling system has run into a constraint. Fix it. Don’t blame the economy.

One goal only - not many

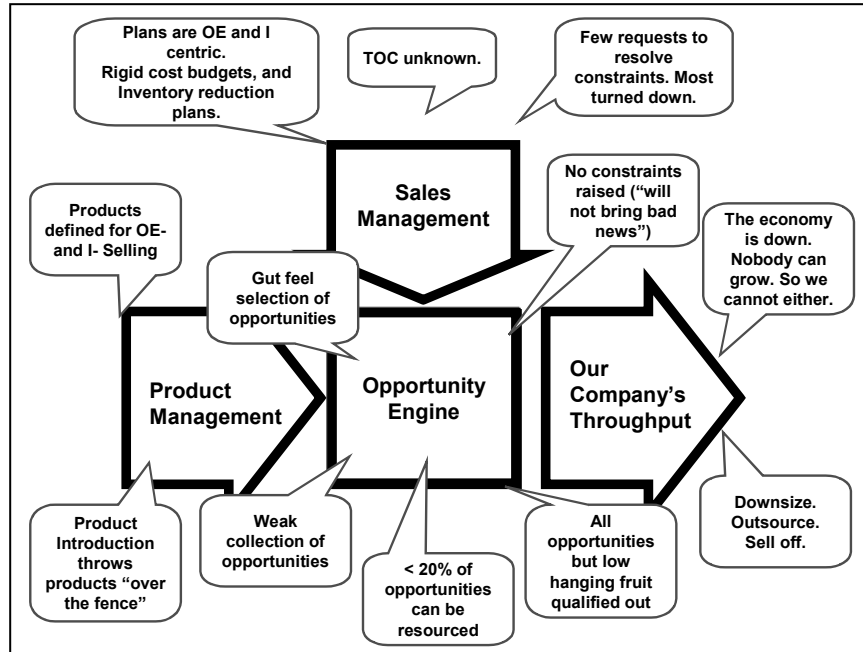
Winning opportunities creates T. They, in turn, consist of “components”: products, services, partner contributions. All these are elements of an order when you get it from your account. The classical assumption of the agricultural economy is that you must set goals for each of these components: product quota, service quota, industry quota, and channel quota. By doing so, they drive the sub-optimization and the account teams.

Firstly, the DELTA T-Selling system focuses on opportunities, not on the components. By doing so it demands elimination of sub-optimization. It treats products as what they actually are: components of opportunities. Just that.

Secondly, it has one and only one goal: to win more opportunities tomorrow than it did today. Repeat: opportunities, not orders for products. By doing so, it puts authority where it should be: with the Account Teams (who select the opportunities to work on in order to grow T) and with the Sales Managers (whose job becomes to lead the Opportunity Engine so that it delivers to the goal).

Anything new here?

You may say to yourself “So what? That is what my organization is like today!” However, the illustration below demonstrates what we have observed in many organizations:



The reality – viewed through the DELTA T-Selling system

If this is familiar, then DELTA T-Selling system is for you.

We will now take you through the DELTA T-Selling system, element by element. First, we will take you through the Opportunity Engine in detail. We'll ask you to view it like one of your account managers. So that you experience how DELTA T-Selling system will change your view of the sales system. Later, we will ask you to take the view of the product manager and then your own, the sales leader. This switch will help you to see how you must change your role in the fine tuning and running of the Opportunity Engine.

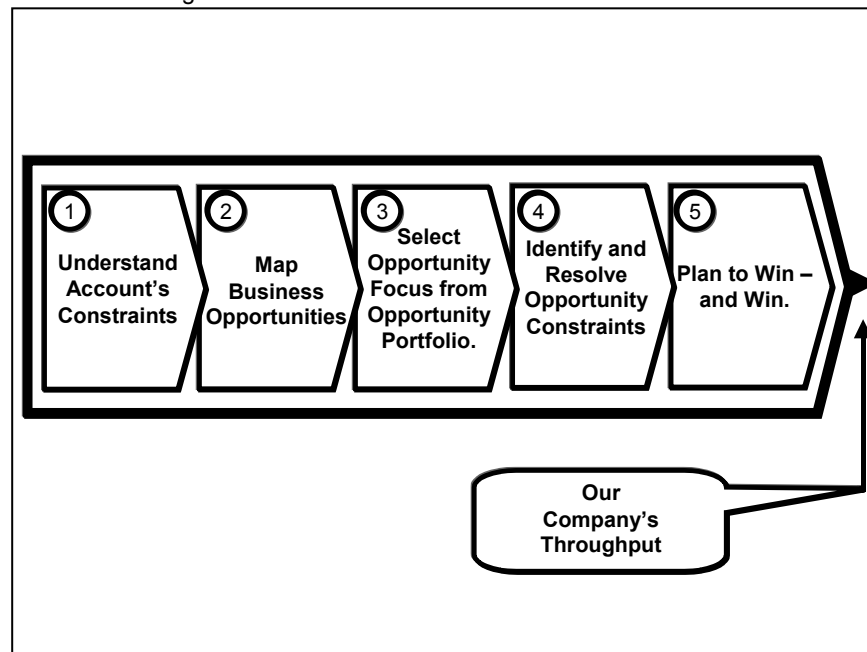
The Opportunity Engine has only one goal: to win more opportunities today and tomorrow. So that your function performs the role it has: to grow the T of your enterprise.

The opportunity engine

Five key elements

To have your enterprise continuously winning T, you need a constant stream of opportunities won. We are used to view account planning as a sequential process. That is not what we are talking about here. We are talking about an “engine”, a smoothly running machine. Not a “once per year” account planning session but an engine, which runs smoothly, continuously and fast, on five “pistons”. Producing your enterprise’s T. You continuously and quickly:

- Understand your account’s constraints and those of your account’s customers.
- Find the opportunities for business where you can help the account to resolve his constraints.
- Select the right opportunities. Those opportunities that you need to win in order to achieve your account T goal. This selection focuses on the “right opportunities” from a portfolio view.
- Identify and resolve the constraints for the opportunities you have focused on, so that they move into the T-Space where T will be possible to achieve.
- Engage and win with a simple, crisp win plan aimed at overcoming the obstacles to get the order.



The opportunity engine

No wonder we have stopped growing

In the real life of account selling where we gained our experiences, we found plenty of areas where the Opportunity Engine does not run continuously and quickly “on all pistons”. Here is a list of the items we saw, in actual companies (some of these may sound familiar to you):

- The SR thinks, maybe, the account has money and maybe certain projects. The SR does not understand the account’s constraints. In fact, the SR seldom knows what is it the account is trying to sell to their customer.
- The account plan is “reviewed” once a year. However, the account lives in real time. They need constraint resolution faster than the SR can adjust the account plan. The SR is frequently out of sync.
- There is no systematic method of collecting and viewing opportunities across an account (several ABU’s).
- Constraints for opportunities are invisible.
- The SR’s are trained to go for the low hanging fruit. The SR does not want to focus on an opportunity with constraints. SR’s who push for constraint resolutions are branded as a trouble maker.
- Sales management (you) can’t distinguish between a real constraint you can resolve and an excuse from the SR not to sell.
- When you have a list of opportunities you realize you can’t win them all. Which ones are “worth the effort?” You have no systematic way to quickly decide other than your gut feeling.
- Constraints are not raised to your level. If constraints are raised it takes far too long to resolve them.
- There is not enough effort on planning how to win an opportunity. There is not enough time to plan to win.

In summary, if just a few of these observations apply to your sales system, the Opportunity Engine will be running significantly below it’s actual performance capacity. You will experience either a lack of growth in T, or a pressure to cut cost, or as in most cases both.

Now, we are going to take you through your Opportunity Engine, step-by-step. To introduce you to DELTA T-Selling we want you now to take on the role of an account sales manager. Go back in time to your days as an SR.

We present each step of the Opportunity Engine in four paragraphs:

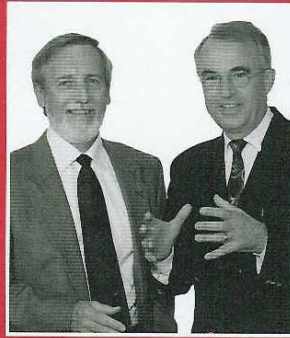
1. Brief elaboration of key TOC principles essentials for the step.
2. Walk through the essentials of DELTA T-Selling for that step.
3. Summary of the key principles of the step.
4. A check sheet for diagnosis of your own sales system’s maturity.

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This is a book for competitive and progressive-thinking sales managers. It has one key message: *It is not the economy. It is conventional sales management thinking.*

Using the well-known Theory of Constraints (Goldratt, Dettmer), Bill Woehr and Dieter Legat show sales managers how their sales systems are blocked from reaching greater success in the sluggish economy.

Corporations drive radical and progressive transformation towards virtual collaboration networks for research & development, manufacturing and supply chains. At the same time, however, the models on which they base their sales organizations are firmly rooted in outdated agricultural economic models. The book shows why the two no longer can co-exist and how sales organizations can apply TOC as successfully as other corporate departments have done. By implementing the methodology presented in the book, sales managers no longer have to be victims of the economy.



"If you're a sales manager who wants to grow your business, particularly in tough times, you need to read this book. Alternatively, of course, you can continue to blame the economy!"

Bill Russell, Vice-President, Hewlett Packard Company.

"It is a tremendous addition to the constraint management literature. DELTA T-Selling fills, what I believe, is the last hole in the comprehensive profit oriented package."

John Caspari PhD CMA, Principal Constraint Accounting Measurements

"Over the years we implemented several Account Management tools with some times good, other times questionable results. In every case, the Account Managers rarely use those tools for real business management. We found DELTA T-Selling to be simple to use, to drive the right discussion and ultimately to help us deliver the right business results. DELTA T-Selling has now gained the status of our sales management system of choice, worldwide."

Sebastiano Tevarotto, Vice-President and General Manager, Hewlett Packard Company

"Selling more while the economy declines? Unblocking sales energy by getting rid of sophisticated internal fiefdoms? Sounds like just another magic trick, but the authors of DELTA-T-Selling have two strong points. Their concept is based on sound theory, the theory of constraints, and it works in practice. An inspiring book that is rich in direct advice, illustrative examples and appeals to start at the "constraints" we have created ourselves for our enterprises."

Prof. Dr. Ursula Schneider, Head of Institute of International Management, University of Graz, Austria



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