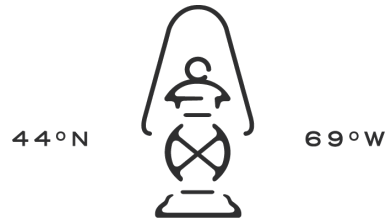44°N 69°W

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LEADERSHIP WAYFINDING

Creating a New Sales Channel Through Customer Centric Improvements

A CASE STUDY FOR PUTTING CUSTOMERS FIRST TO EVOLVE A NOVEL SALES PIPELINE

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The Case

A software development team in a large financial services company had just completed a significant scope of work. They had just been given their next assignment. The team was responsible for part of the sales pipeline on the company's website. The sales group had been tracking usage metrics on one particular line of business. The data showed prospective customers were starting a quote process and not completing it. The rate of completion was tracked in a KPI. The team was tasked to improve the KPI.

Through our collaboration, the team surpassed its goal. More than enabling quotes to be created, the conversation rate of the quote to sales doubled, and that rate was verifiably sustained for two years after our initial work.

Discover First Steps, Together

The team invited me to help them start their new effort. The team was split between locations in the US and Ireland. I suggested that both groups use video conference rooms so everyone could see each other. I also set up a Google Drawing that everyone on the call could access and edit in real time.

When the meeting began, I invited the team to bring the ideas they had already come up with into Google Drawing. Once there, the team was invited to group the items into four different buckets.

1. Items they already knew not to handle and needed no further planning.
2. Items they knew the answer to needed additional analysis or expertise to complete.
3. Items they knew were unknowable and would need the entire team to collaborate and discover the answer.
4. Items they knew were impossible due to constraints outside their control.

I suggested then focusing on items in the third bucket. Examples of these items include:

- Change the site navigation.
- Substantially change the entire quote process to bring it onto a single page.
- Substantially change the quote process to have tabbed navigation through it.
- Add a progress bar to indicate how far along a prospect was in the process.
- Create a survey for prospective customers to fill out, explaining why they completed the process.

All of these ideas, while having merit, had some common issues: they were guesses; they were neither inexpensive nor simple to implement; they risked making the existing process more difficult; drawing coherent conclusions would be difficult; they might make the problem worse. I talked the team through this analysis using inquiry and building the team's understanding. It was easy for the team to see the risks and dangers to their ideas. Together they realized they needed a new approach.
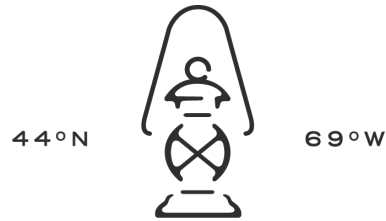
A New Direction with Customer Focus

I asked the team's business analyst what was known about the prospective customers using this sales channel to get started in a new direction. She replied that prospective customers were segmented into three large buckets of how they would make a buying decision: emphasizing low price, features, or understanding the intricacies of the company's complicated products. I ensured the entire team understood these market segments. I then used Google Drawing to make a quick sketch showing three new user interface elements that the team could put onto the entry point of the quote process. Each element would map onto either cost, features, or service. Each element would have metrics hooked into it, leading to the same first step in the quote process.

I then invited the team to apply the same assessment they had previously used on their idea: is this inexpensive to implement, safe to learn from, a source of high-quality data to inform the next steps, transparent to prospective customers, and even possible to itself increase the KPI if prospective customers believed they were getting a quote tailored to their preferences.

A Successful Experiment

The team designed the new interface elements, connected them to their metrics capabilities, and watched what element received the most click-throughs. The data showed that prospective customers favored shopping for a quote by price. Using what they had learned, the team designed a new experiment: changing the interface elements to be labeled with tiered levels of product and features with increasing prices low, medium, and high.

After measuring click-throughs again, the data showed the low-price option as the clear winner. The team then streamlined the quote process and made an independent path for low cost versions of the product. The completion rate on this new sales channel was measurably higher than either the previous process or the alternative channel for all other types of products. In a relatively short amount of time, the team achieved its goal. The sales managers were so impressed with what had been accomplished that they asked for a new effort: for the first time, issue a product directly on the website sales channel without any salespeople being involved, which delayed delivery to the customer.

The team, excited to have succeeded and to have a new challenge they were confident they could solve, began collaborating with teams beyond the sales group to create a new class of low-cost, simplified products that could be offered directly to customers at a low price point and risk.

Customers Win, Team Wins, Business Wins

In the end, customers could purchase the product that is more important to them. The company saw an increase in sales on a new path through an existing channel. ***Two years later, there remained a sustained 100% improvement in the volume of services sold compared to when the team had started.*** The management learned to trust the team's ability to deliver. And the team learned how to focus on customer needs to create effective experiments that gather high quality data on them to base their next round of experiments. They also learned to think critically about the design of their experiments to

control for cost, risk, and feedback. This was made possible through a single, two hour intervention by a skilled, agile coach.

Root Causes of Success

When something goes poorly, we are trained and look for what went wrong. However, when things go well, we often take for granted what enabled those results. Strengths based approaches to change invert this. While we don't ignore poor outcomes, we are more interested in understanding how to be more likely to achieve good ones. To do this, we study what dynamics gave rise when things have gone right. We look for *root causes of success*!

Self-Organization

The team in question was provided a clear goal which they could measure the effectiveness of their efforts against. Additionally, they were not given any specific direction on *how* to do this. Quite the opposite, managers in several parts of the organization trusted the team to achieve the goal and discover ways to do so. Of course, this is not without risk; without input and intervention from a skilled coach at a critical time, it is easy to see that their efforts may not have worked.

However, the team demonstrated that once their direction was established, they continued to be able to improvise and improve.

Customer Research

The organization had invested heavily in market research. The information was then made available to teams and product groups. Without these clearly defined personas and their represented prospective customer's value, we would have had to spend time learning more about this. Instead, the team could immediately begin deploying small experiments to measure effectiveness.

Design of Experiments

At each step, their experiments met five critical criteria:

1. Inexpensive
2. Safe to learn from and recover from
3. Had enough of the right information to proceed
4. Measurable
5. Invisible to their customers

If any of these is false, the risk profile for any experiment warrants additional scrutiny. Applying these criteria as constraints protects the team, the customer, and the organization. By making them explicit, stakeholders can be informed about how the team thinks. The important point is that for item number two if safety to learn is violated, people tend to talk about *failure* instead. If we fail rather than safely learn, how we design experiments needs to be revisited! You can learn more about these *5 Ways to Stack the*
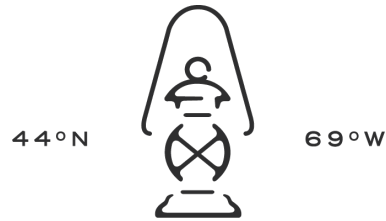
Odds in Complex Decisions by downloading and reading my brief guide, available on my website.

Team Willingness

Not all teams can be at peace with uncertainty. In complex knowledge work, particularly product development, what we don't know will always be greater than what we do.

Technology

The web based technology the team used was critical. Through it, they could easily integrate sophisticated metrics gathering and visualizations. Additionally, they could quickly and cheaply deploy changes. After every change, they could observe the outcomes. Clean code and infrastructure are enablers of agility.

Experienced Agile Coach

The profile of an effective coach's work profile is similar to that of a professional firefighter. Both make extremely time sensitive interventions that have a value far outweighing the amount of time spent.