Taking Logistics Sales to the Next Level with Better Sales Communications
Transporting goods fast and efficiently is a complex job of coordinating moving parts in a volatile environment. As such, logistics companies confront complexity in running their own businesses, and they must understand that faced by their customers, if they want to offer products and services that are truly profitable. Indeed, only the best logistics providers achieve solid margins on a regular basis.

The odds are stacked against them. Trade volumes have been directly impacted by the economic downturn, as companies and consumers sit on the sidelines to wait out the uncertain economic environment. Oil prices and surcharges continue to rise.

Meanwhile, most customers of logistics providers are focused on their own cost pressure. They want their logistics provider to offer “intelligent” integrated solutions, cross-border collaboration and global processes – all for a better price. These companies often expect their logistics providers to join them in a partnership for continuous cost reduction while offering more (margin-eating) customized products alongside their standard solutions.

Some companies have come up with clever solutions to buck this trend and increase their profit. Often, those solutions are tied to complex change or IT projects that require significant upfront investments.

At Accenture, our experience shows that focusing on basics is a sure-fire way to tackle margin pressure. Like a long-distance runner, companies that want to lead at the finish line must put their energy toward refining the fundamentals. While the runner may focus on stride and pace, a company on a journey to high performance must rethink basics like sales and sales communication.

Though some have taken this message to heart, the data shows that many logistics companies repeatedly fail to give proper attention to the sales process, despite the promise it inherently possesses to ease margin pressure. They neglect to set up the correct structures and tools that enable sales and operations teams to work together effectively. With the right tools in place, companies can enable employees to transcend regions and functions. The intensified collaboration leads to smoother launches of new products and features. Companies are able to place a stronger focus on product standardization and product profitability. And they have more capacity for assembling complex bids within short bid cycles.

Accenture believes that effective sales and sales communication are integral parts of the logistics business that need the attention of top management. Companies cannot compromise on having a dedicated and enabled sales force that works as a team with operations to take the best leads from their first sighting to fruition.

Against this backdrop, we want to discuss different approaches that help logistics providers sell more efficiently.
Structured Account Management involves re-thinking the strategy, organization, processes and technologies used in sales. We distinguish Structured Account Management, which encompasses all accounts, from Key Account Management, which typically refers to only the largest and most strategically-important customers.

Global Standardized Lead & Opportunity Management improves sales processes and ensures that the right people within the organization are tied-in to develop the best solution for the customers’ business challenge. Global Standardized Lead & Opportunity Management also involves organizational and governance restructuring so that sales resources are allocated effectively.

Social Sales platforms improve sales communication by helping people at all levels of the organization share information about customers across products, divisions and countries. Social Sales platforms that facilitate a community – including the customer – add even more value in targeted sales communication.

Global Standardized Lead & Opportunity Management and innovative Social Sales platforms improve Structured Account Management for logistics companies; in combination, all three can result in a more powerful sales function that creates enormous additional value for the company by putting appropriate and targeted focus on all critical sales disciplines.

Though grounded in the latest thinking and technology, each of the three approaches represents a back-to-the-basics idea that can be put into place in parallel to one another or in sequence. With each approach tailored to and optimized for individual needs, logistics companies can:

- Increase revenue by acquiring new, profitable customers, improving the pricing of products and services, and by consistently up- and cross-selling
- Decrease the costs of direct selling and customer acquisition by enabling sales, operations and finance to work together more effectively
- Limit low-margin sales by ensuring standardized modules are the basis of each “custom” solution and by looking at cross-mode or cross-geographic solutions from a bird’s eye perspective
- Improve predictability and decision-making with superior analytics for sales forecasts and planning.
Structuring Accounts for More Sales

According to a 2011 market report, 52 percent of companies surveyed say their account plans need improvement, 38 percent want a better understanding of the customer’s buying process and 47 percent seek ways to sell based on value rather than on discounted price.

Accenture research and project experience show that companies can address these concerns with Structured Account Management. In general, that can mean focusing on the most profitable and promising customers while maintaining appropriate service levels for the entire client base, accessing and exploring new markets, and avoiding missed sales opportunities with improved sales processes across products, geographies and customer segments.

As mentioned above, Structured Account Management involves re-thinking four basic elements: strategy, organization, processes and technology.

Strategy:
Although Structured Account Management means using a disciplined and coordinated sales process for each and every account, customers still need to be prioritized and rated based on volume, profitability and what the customer means from a tactical and strategic point of view.

In addition, logistics providers should understand their clients’ strategic position in the client’s own industry. This will allow sales managers to focus finite resources on valuable customers, even as they continue developing business with the rest on a step-by-step basis.

Other important aspects of a Structured Account Management strategy are product differentiation, pricing and risk sharing. Logistics providers should approach customers with clearly defined and differentiated products and services that are offered in two ways: separated by product (i.e. mode of transport and value-add services), and integrated across products.

In addition, pricing must be value-driven. In other words, pricing is not only based on cost but on the value that is received from the customer’s perspective – i.e. what the service is worth to the customer. The result is that in some cases, customers may be interested in sharing the risks and rewards.

Organization:
Logistics providers must consider whether the structures and hierarchies of their own sales force jibe with that of the customer. That’s because some customers want to work in close collaboration with their logistics providers and expect a matching governance setup from the logistics provider. Others simply want to buy standard products with little interaction.

A recent trend toward so-called Control Towers, in which logistics providers bundle specific customer or trade-lane-centric processes, has also impacted sales functions. Logistics providers should therefore define and distinguish the role of Control Towers as part of their Structured Account Management approach.

Finally, logistics providers need to ensure that internal talent management initiatives and incentive structures for the sales force motivate teams toward the desired behavior and also reward them for sharing their knowledge about the customer.

1 CSO Insights report 2011
Processes:
Building up efficient sales processes enables more targeted interaction with key customers to solidify long-term partnerships and improve service. Most organizations are realizing that in addition to what you sell, there is the matter of how you sell. Two major components describe how you sell: your relationship approach and your processes.

Excellent sales processes map the buying process of the client and provide continuous feedback on how sales reps are using the formal sales process. Ongoing research carried out by CSO Insights in cooperation with Accenture continuously shows that organizations are almost always able to elevate their sales performance to superior levels if they proactively modify the process when they detect key changes in market conditions or the customers’ organization.

Sales and account planning are key parts of Structured Account Management and should not be done in isolation of company-wide business planning and budgeting. Organizations should conduct regular account review meetings to monitor the action plan and sales results as part of company-wide review cycles.

Further, the sales force must keep the customer power map updated and interlace it with the logistics providers’ own org chart to keep tabs on relationships. Maintaining the power map ensures that the team has an accurate picture of the different players and key decision makers who work for the customer.

Technology:
For effective Structured Account Management, logistics providers should establish a common repository of account information and make it visible to all relevant stakeholders electronically, allowing mobile access as well.

Customer insights are often dispersed widely throughout an organization, which can lead to duplicate efforts to compile and analyze information and a lack of sharing.

The repository should include: the customer profile, power map, sales data, win/loss analyses, and internal organizational charts. The goal is to foster coordinated communication at both the tactical and operational levels. Account action plans may be part of the repository and set up to automatically track customer-related assignments and their completion status.

Structured Account Management involves re-thinking four basic elements: strategy, organization, processes and technology.
Breathing Life into the Sales Organization

A final and critical part of Structured Account Management involves rethinking personnel structures and hierarchies. Indeed, the only way companies can reap the benefits of a new sales organization is with a structure to their teams that breathes life into sales processes.

Too often, employees with the deepest understanding of the operational side of the business are squeezed into sales positions, even if that person doesn’t have the right sales personality or particularly enjoy the sales process. The more effective approach is to equip people who are salespeople at their heart with the right level of operational expertise to understand the supply chain of their customers. Then the sales team can effectively apply logistics operations knowledge with the right sales techniques – to up-sell and cross-sell solutions and, more importantly, to ensure that solutions can be delivered profitably.

Accenture has a strong track record of helping clients get the right employees in the right positions with the right training. Accenture enables those employees with sales governance that is linked to operations governance with a methodology for selling solutions.

This puts an end to situations in which piecing together a bid with multiple modes of transport across multiple geographies becomes a feat in itself – and the end price isn’t competitive, also due to the P&L thinking of each individual entity that participated in the bid.

Instead, Structured Account Management, with all its facets, provides talented and ambitious salespeople the framework, responsibilities, processes and tools that they need to close the deal.

The result is a higher bar for sales performance targets through the more dynamic sales process and stronger customer relationships.

Globally Standardized Lead & Opportunity Management

Stringent Opportunity Management is an important way that logistics companies can enable the Structured Account Management they have put in place. Accenture calls the process Globally Standardized Lead & Opportunity Management, and the idea is to manage accounts and evaluate opportunities in the sales pipeline in a systematic and structured way across geographies.

Often, companies’ sales grow faster than their sales structures can adapt, and the sales force is left with each man and woman working to close their own deals. Real cooperation on bids is hard to come by, and sales managers may have difficulty getting an overview of which sales are in the funnel for particular clients.

With Global Standardized Lead & Opportunity Management, a sales organization can proactively manage its new opportunities and accelerate their path through the funnel – from the time an opportunity is recognized until the customer makes a decision.

Global Standardized Lead & Opportunity Management adds transparency and “science” to the “art” of selling. Transparency in Lead & Opportunity Management allows logistics providers to:

• Prioritize opportunities according to key decision criteria, like the ability to win, the desire to win and delivery capabilities. With priorities set, sales teams can focus time, effort and resources on the most promising deals.
• Ensure leads and opportunities are followed up in a timely manner, with a view to the customer’s buying cycle
• Speed up the decision and approval processes needed to build a customer solution, for instance by including people with the right level of authority in Opportunity Management Boards
• Prioritize resources to increase the chance of winning a deal and to maintain margins, by having the best experts build the customer solution using offerings from around the world
• Identify weaknesses in the offerings or the sales process and easily define ways to fix them, based on a structured analysis of pipeline data. This could include addressing process governance, pricing, solution configuration or individual selling behaviors.
• Discover further potential or buying trends based on an overview of incoming customer requests. This insight can be shaped into new or more standardized service offerings.
The idea is to compare and evaluate opportunities using an agreed set of criteria and to ensure that opportunities are discussed from multiple perspectives, such as management, sales and production. Such discussions will help the team find the optimal balance in the portfolio of sales opportunities to ensure that enough opportunities progress through the pipeline to keep delivery running at full speed but make sure delivery capabilities are not compromised. For instance, a portfolio of mostly large-volume customers may put delivery at risk, so a mix of large and smaller customers may actually be best.

To make such pipeline discussions possible, companies will want to ensure they’ve got tools in place that provide all relevant client information in one spot with easy access for all who need it. In that way, logistics providers can recognize quickly if there are higher-margin solutions that might fit the customer’s needs.

With such tools, all client interactions are captured in a single repository and visible to all team members electronically. This makes it more likely that salespeople will share information about opportunities.

Once implemented, standardized processes related to leads and opportunities will allow sales managers across a company’s functions and geographies to better:

- Measure performance with transparent supervision of each sales activity
- Share information centrally about local sales activities
- Involve the right people to increase cross-mode selling and reduce RFP cycle time
- Create bids more efficiently with fewer short-notice escalation meetings to finalize the bids

Accenture, itself being a provider of business services, uses a global sales pipeline management system. It features a repository in which authorized people around the world can find information about the sales opportunities with a particular client. All opportunities are continuously monitored for progress in the pipeline, so that Accenture is able to prioritize and assign the best resources across the organization.

Furthermore, Accenture uses this approach and system to steer business on a global scale based on sales trends that we recognize and analyze.

The only way companies can reap the benefits of a new sales organization is with a structure to their teams that breathes life into sales processes.
Social Sales –
Enabling Your Sales Force

The specialized nature and the complexity of logistics offerings make the third tool, Social Sales platforms, of particular value, since they can be used to capture implicit sales-related information. These platforms operate as intelligence-gathering systems that enable the sales force to collect and cultivate the information they need to seal the deal. Social Sales capabilities involve secure social networking platforms inside the enterprise on which employees discuss important sales issues and complex customer requirements, without regard to corporate hierarchy.

With such a platform, sales managers have the opportunity to float ideas and receive nearly instant feedback. They can also use the system to rally the troops.

Many Social Sales tools implemented in the enterprise mirror the social networking platforms that employees are already familiar with from their private lives, in terms of design and the way they can be used. What makes those in the enterprise different are the proprietary tie-ins with crucial customer account information, external market research, internal marketing collateral and real-time customer analytics.

Since conversation threads can be tracked, sorted and searched, the implicit knowledge, best practices and customer insight that might otherwise get lost are suddenly available to all users.

Social Sales platforms:
• Help sales professionals work together and build networks of like-minded people
• Allow more spontaneous knowledge-based collaboration and information sharing
• Provide superior ability to use and share information, turning that information into an asset
• Make existing information and sales tools discoverable and readily available to more users
• Help logistics providers adapt to the changing digital sales environment
• Represent a new way of fueling sales force productivity, eliminating functional silos and becoming more responsive to customer demands

On social sales platforms conversation threads can be tracked, sorted and searched, the implicit knowledge, best practices and customer insight that might otherwise get lost are suddenly available to all users.
Conclusion

Structured Account Management, Global Standardized Lead & Opportunity Management, and Social Sales platforms are three important approaches logistics providers can use to improve sales effectiveness and sales communication.

The approaches will spark new collaboration across divisions and hierarchical levels, help speed up tenders and shorten the time it takes to close deals. As the basis for stronger relationships and more dynamic sales processes, these approaches also represent a new way for logistics providers to become more responsive to customer demands.

Though sales and sales communication remain basic and core processes to an organization, their mastery can set a company apart. Implemented correctly, Structured Account Management, Global Standardized Lead & Opportunity Management and Social Sales platforms will improve sales and sales communication with:

• A better understanding of customer needs and buying processes
• Enhanced sharing of relevant lead and account information throughout the sales force
• Stronger networks with customers (multi-level contacts)
• The opportunity to capture maximum value at key customers

As the following case studies show, Accenture combines broad innovative sales expertise and deep logistics industry knowledge to take logistics sales to the next level.

Case Study
Cross-Industry Best Practices: Social Networking for the Enterprise

Across industries, companies are coming to know the value of social networking tools used internally. One B2B communications and high-tech company turned to internal social networking tools when it wanted to boost sales and create a greater sense of belonging within the global sales community. Its experience sheds light on how companies in other industries can do the same. It also illustrates how the customers of logistics providers may be communicating internally, a valuable insight when it comes to closing a sale.

The tech company’s marketing content was scattered and difficult to find, and salespeople had no way to share best practices or contribute to a global body of knowledge. Similarly, employees lacked a way to give direct feedback on sales materials.

Accenture teamed up with the client to form a vibrant digital community comprising 3,000 sales and marketing professionals. Accenture implemented an enterprise social networking solution that pulled together all marketing documents and made them easy to update and share. Sales team members created profiles on the system and began exchanging ideas that could be sorted based on particular team members or certain key customers.

As a result, Accenture helped the company gain:

• More client-facing time, since it was easier to find relevant information needed in daily sales work and reuse existing sales and marketing collateral
• Improved sales performance due to better market and customer intelligence
• Higher levels of engagement among employees given the ease of peer-to-peer networking and collaboration

By designing and implementing the social sales capability, Accenture supported the company’s transition from a device manufacturer to a solution-oriented company and helped position the client as an innovator in workforce collaboration.
Case Study
Innovation in the Utilities Industry:
Sales Workflow Integration and Sales Presentations with Tablet Computers

A German utilities company faced heavy margin pressure in the highly transparent and competitive B2B market. It sought ways to improve sales performance to buck the larger trends of the energy market, including restructuring and higher costs from the shutdown of German nuclear power plants.

The company determined it must change the way sales people work so that their activities could be strictly steered and measured to improve the overall conversion rate and expand the company’s B2B customer base, while increasing margins.

Accenture partnered with the company and tailored a solution to increase sales and margins, based on a pilot project. The pilot brought together Accenture experts in sales strategy, analytics, mobile computing and sales coaching.

The company increased the quality of leads with analytics, improved the scheduling and tracking of the employees with rigid sales funnel management and brought excitement into the customer relationship and the product presentation by reinventing the sales presentation with the help of a tablet computer.

Overall sales efficiency was improved with a mobile sales presentation and mobile processing of new orders. The sales force received a weekly activity list showing all existing and new customers to contact within the week. To avoid resistance to change, Accenture introduced this new approach as part of an iPad app. Enthusiasm for the device, including the easy-to-use app, motivated sales people and increased cooperation.

Accenture helped the company:
• implement a state-of-the art, activity-based sales governance concept
• improve sales with Accenture's sales coaching
• develop predictive customer analytics to identify potential customers and forecast their product preferences. This was done with Accenture's strategic alliance partner SAS.

The pilot showed that sales agents using the tablet app could increase gross margins by 50 percent, compared to a control group. In addition, they submitted 50 percent more proposals and closed 25 percent more contracts.
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Please don’t hesitate to contact us if you would like more information or want to exchange an idea.

We’re here to discuss:

• Structured Account Management
• Global Standardized Lead & Opportunity Management
• Social Sales platforms
• Customer and Sales Analytics
• Solution Selling
• Overall Improvement of Sales Force Effectiveness
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 261,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$27.9 billion for the fiscal year ended Aug. 31, 2012.