Bring Science to Selling
Management Consulting Podcast Series
Hello, I'm Bill Moller, your host for the Accenture Management Consulting podcast series. And I'm talking with Jan Van der Linden, a managing director in Accenture's Sales & Customer Services practice. Our topic today is how to develop a strong analytics capability that enables the sales and revenue process. This is one of the themes included in Accenture's book, Selling Through Someone Else. Jan, welcome. Why don't you tell us why companies need to introduce “science” into selling?

Thank you, Bill. Well, as today's business environment grows more challenging, new analytical tools are becoming more critical to improving sales performance and there are a foundational element of the agile selling model, the model we describe in our book. By applying analytics to the traditional end-to-end sales process, companies can benefit in a number of ways. The first one is differentiating between customers. Many companies are striving for greater differentiation in how they interact with their customers because they recognize the one-size-fits-all model is no longer effective. Customers expect interactions that more closely align with their preferences but, under “one-size-fits-all”, some customers receive treatment elements that they care little about and others they care a great deal about. Other customers may experience the reverse situation. By better matching treatments to preferences, overall customer satisfaction increases.

Another reason companies seek greater differentiation is the one-size-fits-all model is just no longer affordable because it offers the same treatments to all customers irrespective of the customers’ value to the company.

So, three categories of analytics are needed to support greater differentiation in customer interaction. The first one is: Customer Buyer-value Analytics, and they help answer questions such as, What do customers value when it comes to how a company interacts and transacts with them, and what do they want to hear?

A second type of analytics is Customer Value Analytics, not to be confused with Customer Buyer-value Analytics. They help determine how valuable the customer is to the company and how much a customer contributes to the company's profitability.

And then a third type of analytics is Cost-to-Serve Analytics. That helps determine the cost of specific offerings and sales behaviors and what a company is saving by implementing (or not implementing) certain approaches for certain customers.

Ok Jan. Differentiation and the ability for companies to truly understand their buyer segments and be more relevant to their customers these are obviously good strong advantages. What are some of the other benefits of sales analytics?

Well Bill, sales analytics allow companies to do a number of powerful things, and one of those is exerting influence. The traditional approach to organizing and deploying sales resources is based on coverage: territory coverage, industry sector coverage, coverage of customers of different sizes, etc. However, as buying processes become more complex, the notion of exerting influence on customers is gaining in importance. And there’s a wide variety in how much influence can be exerted on certain customers versus others, as well as in the right approach to exerting influence. And this is where analytics, coupled with old-fashioned relationship building, comes in.

Today's companies must make “influencing sales outcomes” their core sales mission—identifying and implementing strategies for driving customer-buying decisions and underlying this mission are other goals. For example, if the influence a company can exert on its customers is limited, then you have to discover who influences the buying decision. From there it would make “influencing the influencer” a top priority. And it takes a great deal of data and analytics to, first of all, identify who the opinion leaders are and then secondly understand what matters to them.
Exerting influence is significantly more strategic and rewarding than emphasizing blanket coverage. However, the former requires a much deeper understanding of customer’s business and priorities. Exerting influence involves gathering, interpreting and presenting useful information—building trust with facts and insights. So to build a compelling case, a company needs analytics.

Another area, in addition to exerting influence, and a major benefit is evolving to personalized selling. Companies can use analytics to segment their customer bases and create differentiating messaging and offerings for each segment. However, leading companies are taking this a step further, and they evolve from segmentation to personalization in their interactions with and offers to customers. As opposed to treating all customers in a segment as a single entity, personalization involves tailoring communications and products or services to individual customers based on a unique set of data about those customers. So what are some examples? Well great examples of personalization can be found in the pharmaceutical industry, where companies are using an analytics-based approach called closed-loop selling, and that help sales people personalize sales interactions to a specific prospect. Another example is predictive selling, which uses a robust analytical tool to help sales reps more effectively match offers with what customers really want (not what they say they want).

The level of personalization that approaches such as closed-loop selling and predictive selling allow is a clear source of competitive differentiation. In addition to leading to a more effective sales interaction (which, in turn, can boost revenue or margin), personalization creates greater loyalty among customers.

Jan, this is really compelling. How should companies get started in adding more analytics into their selling processes?

When developing a sales analytics capability, keep in mind a few key things. First of all, most analytical areas rely on the same or similar data sets, as well as similar analytic approaches and technologies. So, therefore, the same core group of analytical resources can support multiple areas. In addition, several analytical areas build on each other. For example, many use segmentation as a foundation for other analytical capabilities. Similar mechanisms can and should be used to integrate analytics into day-to-day sales processes. A similar approach to change management can be used to facilitate adoption by the sales force.

These similarities allow companies to consider two approaches to adopting a more scientific approach to selling. The first approach is to focus on one analytical area, for example, prospecting analytics or pipeline analytics, one that is expected to provide high value and then, once that’s established, expand into other areas. And this approach is pragmatic, it’s focused, it’s low-risk; however, the implementation sequence may limit the opportunities for synergies within other areas and could require more time to achieve true competitive advantage.

So that’s where the second approach comes in, which is to lay out a vision and roadmap for evolving the entire sales function toward a broader use of analytics. This option allows the organization to apply analytics in a logical sequence, while building out the foundational elements needed to support a more scientific approach to selling. Of course, this option requires a clear strategic intent and a bigger commitment to the concept at the outset.

So regardless of which approach, which of these approaches are taken, by applying analytics to key areas across the sales process, an organization can use objective fact-based information to help sales people use their time more effectively and boost their overall effectiveness. Adhering to these principles will help ensure that new analytical insights turn into meaningful gains in revenue and profit performance.

Well Jan, it’s clear that companies that add “science” into selling through robust analytics can, in fact, influence their revenues and profits. Thank you so much for talking with us today about sales analytics, which by the way is part of Accenture’s book “Selling Through Someone Else”.

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