

Do You Really Need A Sales System Or Can You Just Wing It With A Bigger Sales Force?

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[Blog entry](#)

Can you imagine that someone paid \$14,000 for the Marilyn Monroe bra which she wore in the film *Some Like It Hot*?

The reason why I mention this mind-manglingly electrifying factoid because many IT business owners rather spend the same \$14,000, or even more, to buy Marilyn's mysterious bra from that stranger than invest even a fraction of that money to turn their client acquisition into a highly automated system that could land them perfect clients consistently and predictably day in day out.

It seems to me that they enjoy chasing after new business more than actually landing new business.

And the reason for this may well be that they are often not even involved in landing new clients. They just hire low-end bazaar hucksters¹ on straight commission, because the budget is almost zero, hoping that they will flood the shop with clients.

Of course, they don't. Or they do. Yes. With clients from hell.

That's why they are low-end street peddlers who can work in used car lots or make good insurance salespeople, but in the world of high-end B2B selling, they are about as useful as a barber shop on the steps of the guillotine.

Our hero believes that by hiring some peddlers his revenue will increase.

And it may. But while his revenue can increase by 50%, his cost of sales can increase by 75% or much more. Sooner or later he goes bankrupt as he increases his sales.

And it's happening because he tries to create leverage in his company through people not through systems.

Just imagine a lumberjack who has been hired to cut down a huge tree.

One option is that he buys a kick-arse chainsaw and cuts the tree down in about an hour or two.

The problem is that a really great professional logger chainsaw can cost you over \$1,000.

So he goes for the second option...

He hires five minimum-wage (let's say, \$10 per hour) labourers with \$5 Made-in-China hacksaws.

Two weeks later the workers are still hacking away at the tree, and our hero is profusely apologising to his client for the serious delay.

And by now, he's paid out \$4,000 in labour costs and another \$500 in spare blades for the cheap hacksaws.

And even if his crew eventually completes the job to the client's satisfaction, what's the chance for repeat and referral business from this client?

Nothing. Not a sausage.

¹ Good salespeople require a base pay, so not only the reward but the risk is shared too.

So, what was our hero's mistake?

Instead of systems, he leveraged his performance on headcount.

And now imagine an IT business with an army of mediocre salespeople (who else would take a straight commission sales job?) without proper tools and systems to work with.

No matter how many salespeople you employ, if you don't have certain systems in place to reduce labour intensity, the headcount is irrelevant.

Some people may argue that McDonald's employs low-wage people.

Yes, but I wouldn't call McDonald's a complex, high-end service in which smart people dispense customised intellectual capital/property.

But it has rigid and foolproof (and custom-made) systems, so, the human part of the service can be performed by minimum wage kids.

That doesn't apply to your IT business. You need both skilled people and kick-arse systems, including some pretty expensive test instruments.

You need quality people because yours is a brain business, not a brawn business, like McDonald's.

You can't just blindly apply the E-Myth concept of building watertight (foolproof) systems and hiring unskilled goons from the bottom of the unemployment scum barrel.

And the better people you recruit, the fewer of them you need to run a highly profitable business.

Quality people can do both key functions of your business. They can both crank the systems of your business and use their brains to deal with issues that can't be moulded into rigid systems.

Think of airline pilots...

They use checklists (systems) to deal with routine processes, but implementing some parts of the checklists requires more than checking a box. That's when you need highly skilled people.

A former badminton partner, who is a pilot, told me that, under normal circumstances, a Boeing 747 pilot monitors only seven instruments. That's all. And anyone can do that. But when circumstances become a tad abnormal, life becomes a tad more complicated.

Just think of [US Airways Flight 1549](#) with 15 January 2009 with Captain Chesley B. "Sully" Sullenberger,

I bet he needed both his wits and systems to be able to land in the Hudson River and save all passengers. In a situation like that, systems alone are not enough. Experience helps a lot.

Nevertheless, having system makes life a lot easier, and in my experience even the best salespeople perform a lot better when they can rely on effective systems with routine tasks. But there is no need to overcomplicate systems.

As Einstein once said...

"Make things as simple as possible, but not simpler."

Here are just a few good reasons for having effective systems, regardless of the level of genius in your company...

Systems show the “big picture” state of business development, so managers can take the appropriate action whenever necessary.

In your mind you may know that this month you’re short on submitted proposals to qualified buyer, but in your mind’s eyes, you can’t see that relative to other sales funnel metrics. So, you have one number, but you don’t have the necessary context to make optimal decisions.

Systems allow managers and leaders to focus on the human side of their companies. It means they can dedicate more time and effort on coaching their people and mentoring new associates. This kind of “management care” creates a better and more cohesive work environment which reduces or even eliminates talent and client turnover.

Yes, studies indicate that talent and client turnover go hand in hand.

Systems can be automated. While many processes are systematic in nature (done... check, done... check), they can’t be automated, but many systems can be. And that further reduces effort and required headcount.

Just think of banking. In a way it’s systematic to go to the bank to deposit your payment cheques, but it’s both systematic and automated to request payment in such a way that you receive your payment into your bank account and don’t have to go to the bank. And that saves lots of time and effort.

Systems make your sales process consistent and predictable, and, in turn, they make your operation easier to track and forecast. Your lagging indicators become more meaningful and your leading indicators are more realistic. More realistic numbers make correction processes more effective and accurate.

Systems can keep people’s innate optimism or pessimism more objective. If you have five submitted proposals waiting for decisions, some people may say, “Hey, we’re on the gravy train”. But some may say, “Hey, we’re on the cattle cars to hell”.

They can compare the performance indicated by the system to the minimum performance that can keep the lights on. So, people can either calm down or start hustling.

Systems can drastically reduce time and effort in communication to higher levels. You don’t have to communicate at all. You merely grant access to certain people, so they can see the results for themselves. And if they have questions, they can ask.

Systems allow your company to synchronise demand generation and demand fulfilment.

It's good when demand exceeds supply, but there is a healthy ratio. If demand far exceeds supply, the market may start looking for alternatives and that can dry up even your current demand.

Systems also allow to balance and monitor different stages of the sales process. If you have lots of enquiries, but no pending proposals waiting for decision or a certain number of closed gigs ready to start, then you have a problem.

Systems allow your people to achieve more with less labour. I had a job with a small company in London, UK, designing and building PA equipment. In the assembly stage we had to screw in hundreds of screws, but the company was too stingy to buy electric screwdrivers, and we struggled with cheap crappy manual ones. The best people quit within two weeks of being hired. I quit after weeks with the initial symptom of carpal tunnel syndrome in my right hand from all that the screwdriver driving.

Even in the age of knowledge and wisdom, many IT business owners rate their people's performance based on their efforts. And when it comes to rewarding people, in most companies effort wins over performance.

Actually, high-performing people often get reprimanded for lack of visible effort (blood, sweat and tears), while bloody and sweaty low-performers get praised for their hard work.

But systems are all about doing the heavy lifting, so human talents can do the delicate brain work.

Systems enable people to better collaborate with each other. Just think of tools (systems) like Dropbox and other cloud-based collaboration tools.

Now you don't have to deliver your papers to your bookkeeper and accountant. You just grant them access to your Quickbooks files online, and they can do their parts of the accounting process as new tasks come up. And this allows you to work with the best people you can find no matter where they are located in the world.

Systems can add enough competitive edge to your salespeople, so they can be more effective than the competition.

You can be the best Formula 1 driver (talent), but if the only system you have is a rundown, burnt-out Chevette, a.k.a. the worst car ever produced in America, then you have a serious system problem, and any kid with a learner's licence and a base model Kia will run rings around you.

Systems make leadership a clearer and easier. Leadership is all about communication. The better you communicate with your team, the more your company can achieve. There is not much more to add to this.

Systems enable more effective knowledge sharing. The true value of the company is not just the individual intellectual capital of the people, but the organisation's collective intellectual property. Systems can play a major role in transferring intellectual capital into intellectual property.

Systems reduce the chance and haphazardness of your business. As I've heard it from several jazz musicians, "The better you can perform the basics without thinking, the better you can improvise."

It means, the less your salespeople have to think about routine tasks (how to use the CRM system to enter vital info), the better they can use their wits to do the kind of work for which there are no systems, like diagnostic conversations with buyers.

Systems can do all sorts of measuring in your business, so your salespeople are free to perform required judgement and discernment, something that no system can ever do.

Many years ago McKinsey & Co, came up with the mantra, "What you can measure, you can manage". It turns out to be bogus.

In the age of knowledge and wisdom, judgement and discernment are far more important than measurement.

As Verasage founder, Ron Baker, is fond of saying, "I'm rather approximately right than precisely wrong."

Many IT leaders are rather precisely wrong because they are obsessed with precision.

It's like searching for my lost car keys under the lamp post because it's pitch dark in the alley where I've lost them and I can't see a thing. Not a sausage.

Measurement (system) is necessary but only to play second fiddle to wits (judgement and discernment).

Systems promote openness and transparency. In turn, that builds trust and respect between people through more open communication. In many IT companies sales managers routinely second-guess salespeople, despite the fact that they know much less about selling than the people they criticise.

What? You say your sales manager is an over-promoted peak-performing salesperson? Then you're in deeper trouble than you think? Totally different skill sets. The only outcome this achieves is that the sales manager goon gradually chases all the best salespeople away. Undo it before it's too late.

Systems make certain that all client relationships get managed properly. Since the goal is to

have only perfect clients, you want to create consistency here, so if one day your clients talk to each other, they can say they've had very similar experiences. The funny thing is that the more high-end your service is the more human it has to be, but even human elements have to be systemised.

It's a nice human touch to send out snail mail communication in hand-addressed envelopes, but it's still part of the system to send it out at all, and a reminder to send it out should be set up in your CRM system.

On Summary

Do you know that until 1967 the Swedes drove on the left-hand side of the roads?

After 233 years on the left, the conversion to right-hand driving took place on 3 September 1967. Unceremoniously, all traffic came to a halt at 4:50pm, all vehicles changed sides on the roads and then traffic resumed at 5pm.

It looks simple on the surface, but just imagine the amount of planning and organisation that went into those 10 minutes.

And I'm pretty certain that the only reason why the whole process took just a few minutes because every move was carefully planned and systemised, so people knew exactly what to do.

And that systemisation made people's behaviour consistent, which made it possible to complete the manoeuvre without any serious hitch.

Yes. There were some minor accidents, but nothing serious.

And this is just one major event that proves that even the most complex processes can be successfully systemised, and as a result, they can be completed with a pretty high success rate.

And what is the opposite of systemisation?

Well, haphazardness. A rather confusing situation when people randomly do almost whatever they feel like doing.

So, considering haphazardness, I believe it's a much better option to invest some time, money and energy to build those systems, and then to live ever after having the systems serve you.

Just think about it. Either way you have a sales system. It either belongs to your company or it comes and goes as your people come and go. And that would be a bit of a disaster.

In the meantime, don't sell harder. Market smarter and your business will be better off for it.

[With victory on high...](#)



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Additional Knowledge Products to Build Your IT Business

Here are some knowledge products on business development for building your premium-calibre IT business. It's especially for privately held "entrepreneurial" IT companies and solo IT professionals.

These products are sort of workbooks. They explain what is what, then walk you through the "how to..." part of the process. As you read the books, you do the exercises, and by the time you finish reading, all the relevant bits and bobs are in front of you on paper applied to your own unique situation. For this reason, the materials are not long but rather dense.

I hope you find them valuable.

Winning Yellow Pages Advertising For Information Technology Companies: One piece of good news is that most people who look you up in Yellow Pages are serious buyers. Another piece of good news is that some 97% of Yellow Pages ads are like eunuchs in a harem. They are physically there but are unable to perform.

The bad news is that your Yellow Pages ads might look like your competitors' ads. But that's great recognition and you can now correct this error.

Some people say, no one uses the Yellow Pages any more. Normally not. But in case of emergency (server down or computer crash), people look up the Yellow Pages and phone the company that is best differentiated from the masses. And remember that emergency work has very very high perceived value. So, take a moment and look at your ads. [Winning Yellow Pages Advertising For Information Technology Companies](#)

Perfect IT Client Profile Development Toolkit: We all know the high financial and psychological cost of low quality clients. They pay little but demand a lot. Even when they are happy, they are reluctant to give testimonials and introduce us to their connections. So, it's pretty important to carefully cherry-pick clients and to make sure they come from the top 0.5-2% of the Perfect Client Pyramid.

Yes, these top-drawer companies are hard to "conquer", but in the long-run, they offer the highest return on your marketing investment. But before contacting them, you have to define them in your business. And this is what this knowledge product does. [Perfect IT Client Profile Development Toolkit](#)