

Aligning the Sales and Professional Services Processes

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A company's Professional Service Organization (PSO) provides much needed competency in delivering projects on time, within budget while meeting established quality and customer satisfaction criteria. The role of the PSO is to deploy a comprehensive and integrated project implementation infrastructure that consists of processes and methodologies, structured and well defined tools, trained and qualified resources, and a management organization that provides the necessary oversight to meet and exceed all project objectives and customer expectations - consistently. This infrastructure must be flexible and scalable so that it is applicable in a wide variety of industry, company, technology and project environments. Yet the infrastructure must be cost effective in that the projects must meet ROI and profitability margins. This is true whether the PSO provides its services to a company's internal business units or to external customers.

Typically, the focus of the PSO is the project implementation process; that is, once a project has been identified and all stakeholders have signed off on the need for its implementation the PSO's infrastructure is brought to bear for its successful deployment. The Project Managers, who report into the Project Management Office (PMO) which in turn is an arm of the PSO deploy the tools and templates and execute the processes and techniques that are part of the proscribed project management methodology. Thus, the Project Managers deploy a communications strategy to keep all decision makers informed, mitigate risk, manage issues, keep to the project scope, establish the project team, and so on.

The pre-implementation process is often overlooked as a function that requires the same discipline as project implementations. The pre-implementation process is the run-up to project implementations and can therefore have great (adverse or beneficial) impact on their outcome. Most often the foundation for the project and the likelihood for success are established prior to the project kick-off which marks the commencement of the project implementation and the PSO's involvement. The project's details such as scope, budget, timeframe, resource allocation and skill set requirements, technical requirements, solutions design, and objectives (i.e., business problem the project is to solve) are established (sometimes cemented) during the time when the PSO has no involvement with the pending project. Ironically, not only does the PSO need to perform to pre-established standards but it has the very infrastructure in place that can most influence a successful outcome. Also, the success of a project, much as in a relay race, depends on how comprehensive, accurate, and efficient the hand-off is between the team selling projects and those tasked with implementing them.

Some organizations have well defined pre-implementation processes whereby the risk of properly identifying, scoping, budgeting and handing-off the project to the implementation team are minimized. But even in these cases, since the implementation teams are simply handed a set of implementation criteria rather than performing a proper knowledge transfer, a multitude of risks remain unaddressed. In such scenarios the incentives for selling the system outweighs the need for ensuring that the project's criteria are realistic and therefore that the project objectives can be implemented successfully.

The rest of this paper examines the pre-implementation (Sales Life Cycle) phase of projects, the deliverables, roles & responsibilities of various teams during this phase, skill set requirements of the team,

and the benefits of integrating pre-implementation phase (and teams tasked with that function) into the PSO. For our purposes there are 3 distinct phases in a project's life cycle: (1) selling the system to the intended customer (Sales), (2) implementing or deploying the system (Implementation), and (3) maintaining the deployed system (Managed Services). This last phase is typically referred to as the "customer care" phase during which time training, technical support, and upgrades are provided for the proper maintenance and on-going operation of the system. These latter services are usually covered in a separate Maintenance Agreement with the customer.

Sales Life Cycle Stages

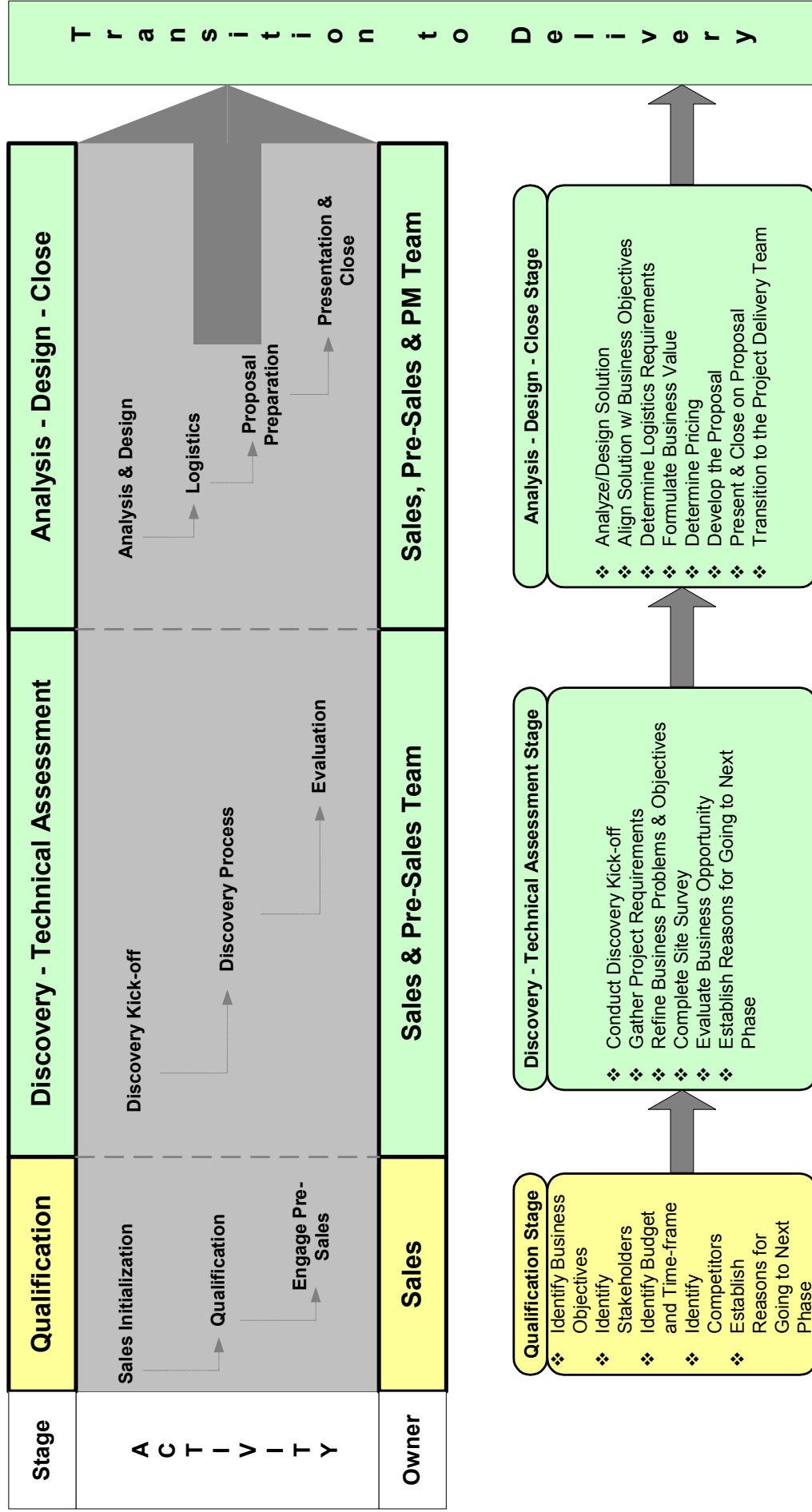
Sales processes, whether for a straightforward product like a toaster or a service for the deployment of an ERP system have commonalities. In each case a set of similar steps are undertaken to determine the best solution for the given need. A quick run-down of the activities during the Sales process can be boiled down to the following:

1. Establish rapport.
2. Identify the buyer – and influencers.
3. Identify the user.
4. Identify the budget.
5. Identify the timeframe (for buying, for implementing).
6. Analyze the requirements.
7. Design a solution.
8. Propose the solution.
9. Close on the sale.

Of course, the devil is in the details, and the skill sets, qualifications, business savvy, and account management requirements are quite different between the two products. Notice that these activities can be categorized as "sales" in nature and as "technical" in nature. "Establish rapport" is more a sales activity whereas "design a solution" requires more engineering and technical skills. Depending on the product or service being pitched the same or different people may be required for each of these activities. A sales clerk in a department store will perform all of the above when selling toasters. Indeed, the clerk will also invoice and process payment. However, for an ERP system various teams, each with specialized skill sets and knowledge may be part of the "pursuit" of a customer. Each team may perform a subset of the above listed activities.

The figure below is representative of a typical Sales Life Cycle. It consists of a minimum set of categorized processes (stages) required to execute most any sale.

Sales Life Cycle Stages



In this representation of the sales life cycle there are 3 stages for executing a sale:

1. Qualification Stage
2. Discovery Stage
3. Analyze/Design & Close Stage

The illustration depicts – at a high level – the activities that are performed in each of the stages. They, roughly, are executed in serial fashion as one does not “design a solution” before “defining the business problem”, and this doesn’t begin until the sales team has “established rapport” with the customer. Also, budgeting and timeframe details impact the activities further downstream in the sales life cycle. Therefore, budgeting details are uncovered early on in the cycle otherwise incorrect decisions and assumptions may be made in regards to the overall project’s parameters.

The primary responsibility for performing the activities in each of the stages is specified on the “Owners” row. For example, the initial contact with the customer (or business unit) and all associated activities related to “Qualifying” the customer is performed by the Sales team. Subsequently, in an IT environment, at the appropriate time the Pre-Sales team performs the more technical related activities such as defining the business problem in detail and uncovering the customer’s IT platforms. In this example, the Pre-Sales team may consist of hardware and software engineers, systems architects, and business analysts. Further along, during the last stage, a Project Manager creates a high level implementation plan, including a schedule of activities and resource requirements that is included in the proposal to be presented to the customer.

As the Sales Life Cycle progresses skill sets, knowledge and people are required, more and more, that are outside of the Sales organization proper. As we see, the requirements start with the sales competency, but the engineering and project management competencies are relied on heavily. The latter 2 competencies do not reside in Sales but rather in the PSO. This is illustrated by colors: yellow (sales), green (PSO) in the illustration above. Although not an exhaustive list, the table below illustrates the increasingly technical nature of the skill sets, deliverables, tools, and processes required of the teams and their members.

	Qualification	Discovery	Solution/Proposal
Key Deliverables	<ul style="list-style-type: none"> • Opportunity Detail Documentation 	<ul style="list-style-type: none"> • Technical Documentation • Logistics Documentation • Scope Documentation 	<ul style="list-style-type: none"> • Solution Design • Proposal – with Implementation Plan • Managed Services Plan • Project Financial Documentation • High Level Project Plan • Pricing
Processes	<ul style="list-style-type: none"> • Sales Initialization • Identify Opportunity • Qualify Opportunity • Contact Customer • Establish Rapport • Identify Business Need • Identify Stakeholders & Expectations • Identify Budget & Timeframe • Identify Competitors • Identify Customer’s Sales Process • Establish Reason for Going onto the Discovery Stage • Assess Opportunity • Define Opportunity Requirements 	<ul style="list-style-type: none"> • Develop Meeting Agendas • Facilitate Technical Interviews • Complete Technical Requirements Documentation • Perform Site Surveys • Complete Site Survey Documentation • Map Offering to Business Needs • Complete Business Need Documentation • Initiate Sales Tracking System (CRM) • Compile & Organize Technical Information • Determine & Analyze Logistics • Identify Issues • Identify Risks 	<ul style="list-style-type: none"> • Analyze Business Needs • Design Solution • Develop Risk Mitigation Strategies • Perform Financials Analysis • Develop Project Economics • Develop Value Proposition • Develop High Level Project (Implementation) Plan • Develop Change Management Strategy • Allocate Project Management and Technical Resources • Develop Project Key

	Qualification	Discovery	Solution/Proposal
			Deliverables <ul style="list-style-type: none"> • Prepare for Transition • Develop Supporting Technical Documentation • Proposal Presentation and Proposal Sign-Off
Tools	<ul style="list-style-type: none"> • Opportunity Documentation • CRM 	<ul style="list-style-type: none"> • Agenda Templates • Time & Expense Tracking Systems • Site Survey Templates • Technical Requirements Templates • Needs Assessment Documentation 	<ul style="list-style-type: none"> • Proposal Templates • SOW Templates • Project Plan Templates • Detailed Technical Requirements Templates • Change Management Documentation
Key Skill Sets	<ul style="list-style-type: none"> • Sales • Customer/Account Management • Relationship Building 	<ul style="list-style-type: none"> • Engineering • Business Analysis • Technical Architecture • Documentation 	<ul style="list-style-type: none"> • Engineering • Project Management • Business Analysis • Technical Architecture • Documentation
Team	Sales	Pre-Sales Engineering	Pre-Sales Engineering & Project Management

The staff, necessarily needs to be provided by business organizations outside of sales – typically, engineering/technical, and project management from the PSO. For example, if the proposed solution requires software development then a liaison from the Application Development group needs to participate as well. Indeed, although not shown here, as the stage moves to transition the project to the implementation team, assuming a successful sale of the company’s offering, the processes, tools, skills sets, and deliverables become even more technical in nature. In essence, a key responsibility and deliverable of the technical staff during the last stage of the sales life cycle is to transition, or hand-off, the project to the implementation team.

As a convention, the team performing the increasingly technical activities is listed here as Pre-Sales Engineering. This group is also referred to as Technical Architects or Sales Engineers.

Why Align Sales and PSO

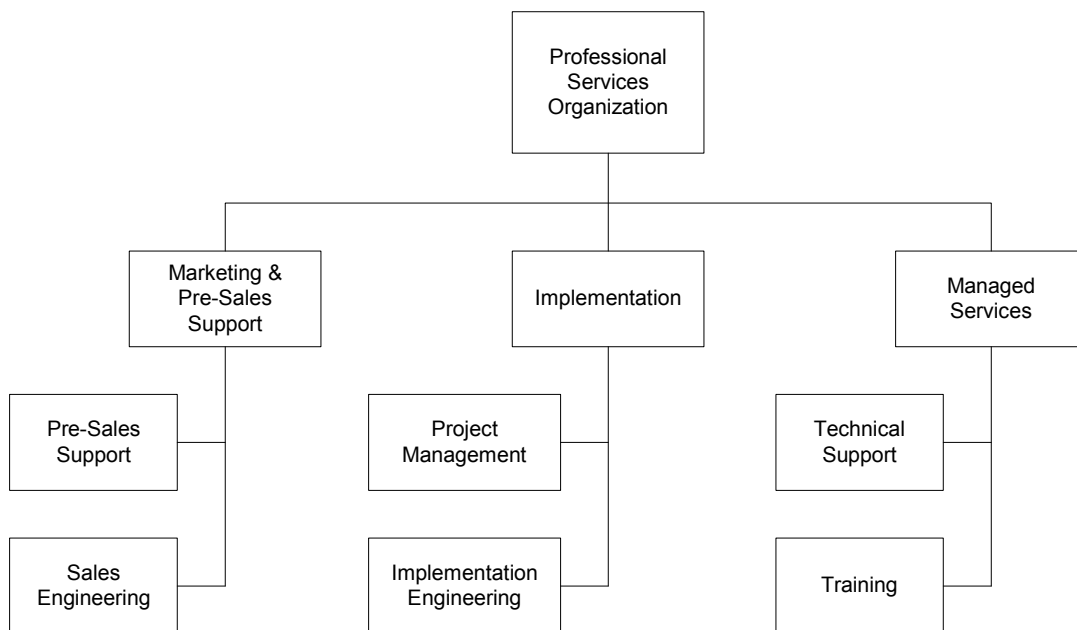
As the client experience progresses through the engagement life cycle, from sales to pre-sales and then to implementation, the company is faced with having to provide a seamless process that ensures all of the knowledge gathered and analyzed during the pre-sales stages is properly transferred to the implementation teams. For large and complex projects, or even small ones that have high visibility, but certainly for mission critical ones a high level of collaboration is required between the sales and implementation teams. Collaboration between teams and team members, each representing a different competency, requires that an integrated set of tools and methods are used in order to ensure that the information created, stored, and managed by them flows seamlessly with the progression of the engagement from stage to stage. The tools and methods need to be scalable, designed to meet various technical and functional requirements, and above all they need to be applied consistently from project to project. The development and maintenance of these tools and methods must be managed proficiently and effectively.

It is recognized that the objectives of the teams changes from stage to stage. During the Qualification stage the Sales team needs to qualify the customer and to provide a rationale for moving on to the next stage. In the Discovery stage the Sales and Pre-Sales teams need to gather and uncover all pertinent information,

business, financial, and technical drivers that impact the design of a solution. In the third stage, the teams need to not only deliver a proposal that can be closed but also to prepare the implementation infrastructure for a successful implementation. If these objectives are not set, managed and focused properly the expected results can be adversely affected.

A final consideration is that the team members should be properly remunerated and their performance as it relates to meeting their objectives properly evaluated and managed. Properly means that the remuneration should offer inducement towards achieving the desired company objectives in each of the stages. And performance evaluations should measure how well the team members execute to meet the objectives.

The challenge then is to design compensation models and measure performance metrics (and institute appropriate remedial actions where necessary) for disparate teams that report into different company organizations, to ensure that tools and methods are used collaboratively, that these tools and methods are well integrated for cross-functional teams, and that the objectives and goals are set and managed in order to increase the likelihood of success. Essentially, what is required is a holistic approach to the engagement. How can the company achieve this? The recommendation is that Pre-Sales teams be managed by the same management infrastructure as that of the Implementation and Managed Services teams. A simple representation of such an organization is:



The Managed Services competency is added here for completeness. It is essentially the last phase of the client experience (as mentioned above). There may be other groups – such as “Field Services” or “Application Development” under the umbrella of the PSO. This chart is representative only yet it depicts coverage from of the whole engagement life cycle – cradle to grave so to speak – under a single management organization, namely, the PSO. The table below depicts the advantageous of such an

organizational construct versus one that has disparate management teams overseeing efforts stretching from Sales to Delivery.

Program	Advantages	Disadvantages
Tools	<ul style="list-style-type: none"> • Standardized templates • Consistent utilization • Integrated across engagement life cycle • Continuity of tools throughout stages 	<ul style="list-style-type: none"> • Disparate set of tools, formats, platforms • Inconsistent utilization • Various tools developed for the need – not necessarily integrated
Methodology	<ul style="list-style-type: none"> • Standardized methodologies • Realistic targets for deliverables, project duration • Realistic and well understand project scoping – across • Proper hand-off to implementation teams • Continuity of methodologies, techniques and procedures throughout stages • Conducive to imparting business knowledge – not just technical details 	<ul style="list-style-type: none"> • Susceptible to scope creep • Unrealistic deliverables, project duration • Inadequate knowledge transfer of : technical requirements, scope, business needs • Lack of “big picture” understanding by implementation team members
Management Organization	<ul style="list-style-type: none"> • Single point of management for: <ul style="list-style-type: none"> ○ Accountability ○ Tools utilization ○ Methodology development ○ Compensation model ○ Performance evaluation ○ Metrics ○ Reporting infrastructure ○ Training ○ Aligning objectives across engagement life cycle – for all teams • Minimizes problems associated with various reporting structure – political infighting • Single point for problem and conflict resolution 	<ul style="list-style-type: none"> • Misaligned objectives • Undisciplined use of tools, methodology • Open to political infighting • Multiple points for conflict resolution • Ad hoc cross training – lack of understanding of other team’s objectives, requirements, skill sets, deliverables
Compensation Model	<ul style="list-style-type: none"> • Conducive for maximum performance to established organizational goals • Compensation specifically designed for Pre-Sales to sell and to design realistically deliverable solutions • Compensation specifically designed for Implementation members to deliver project within time, within budget and meet customer satisfaction criteria. 	<ul style="list-style-type: none"> • Varied inducements – not necessarily aligned with sales-delivery goals • Compensation model for each team may put them in conflict with each other
Objectives/Goals	<ul style="list-style-type: none"> • Aligned across teams, team members, throughout the engagement life cycle 	<ul style="list-style-type: none"> • Objectives different for each team and team member
Resources	<ul style="list-style-type: none"> • Single point for resource allocation and scheduling 	<ul style="list-style-type: none"> • Uninformed scheduling of resources – availability, misaligned skill sets