

STRATEGIC SALES MANAGEMENT

Session 6: Breaking the Myths and Learning the Basics (Remaining Part)

UNDERSTANDING SELLING FROM A STRATEGIC PERSPECTIVE

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Learning Objectives:

After going through this module, you should be able to:

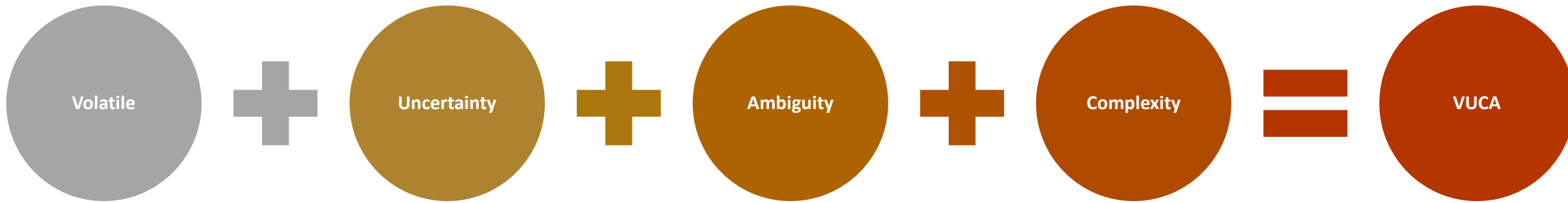
- Comprehend Selling in a VUCA World
- Celebrate Taiichi Ohno

What exactly is VUCA?

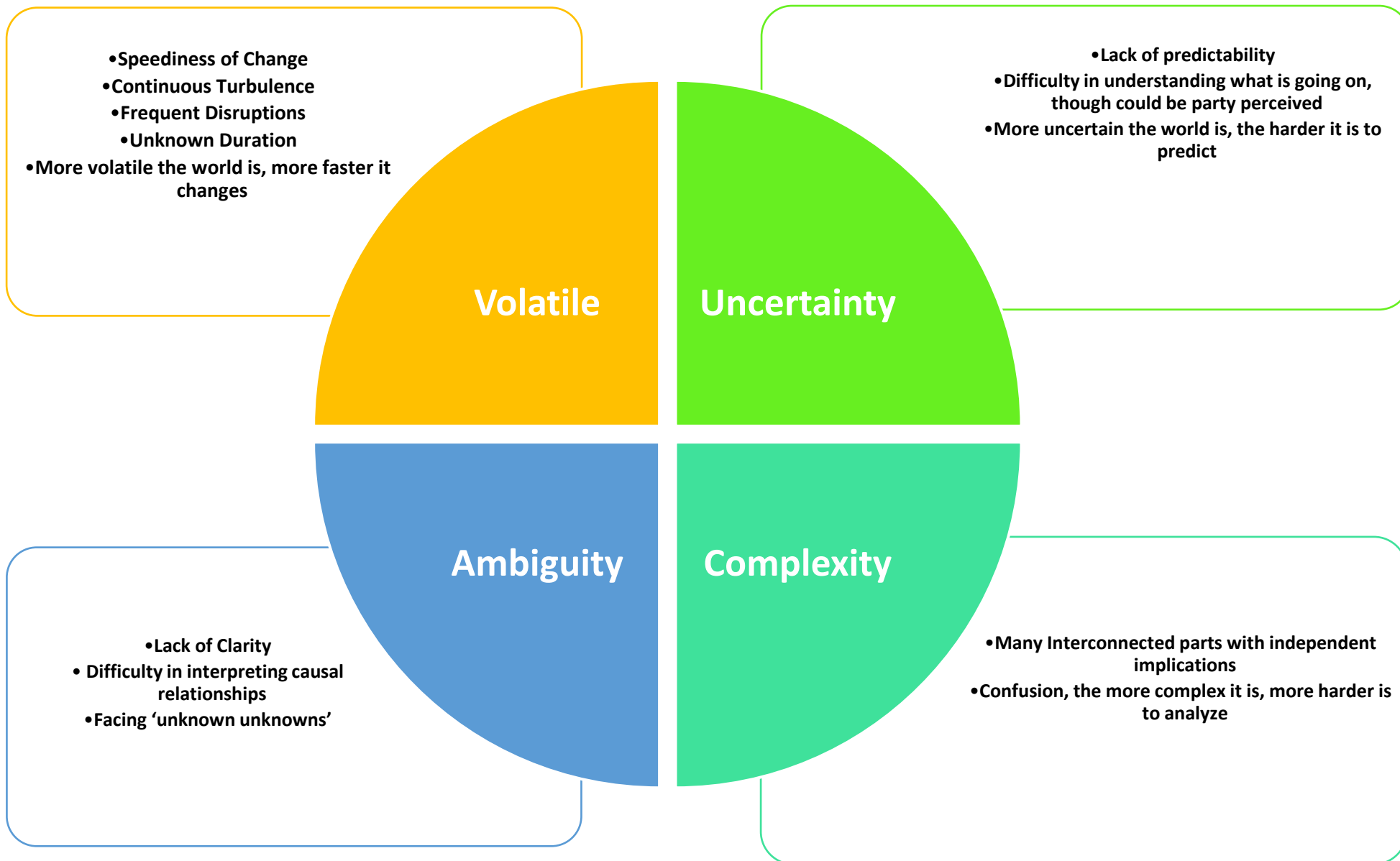
It is like being in a flight with non-stop and unforeseen turbulence... And.. you are clueless..

Source: <https://www.linkedin.com/pulse/selling-vuca-world-rupesh-lahane/>

Selling in a VUCA World



The term VUCA is based on the leadership theories of Warren Bennis and Burt Nanus. It was used by the US Army to label their military environment as being VUCA on collapse of the USSR in early 1900's.



Volatile: The world of business remains in a **continual fluidity**, things around us keep changing and these changes undeniably require a new way of looking at things, and regulating the existing strategies. Volatility in a way indicates **industry dynamism**. Knowledge may or may not be available.

As far as the sales world is considered, it calls for **higher flexibility** for combating both the positive and negative changes. **The approaches used for customers must be adaptable.**

Even maintaining a **resource reserve** can be good strategy to combat volatility or to be responsive to changing situations.

Attempting to anticipate changes must be prioritized.

For eg. How can we forget the initial days of the Covid pandemic?

Technological Changes like Virtual Reality

Changes in Government regulations and Political Instability

Uncertainty: Symbolizes the extent to which future can be predicted with accuracy. This in a simplistic way reflects our inability to completely decipher situations around us.

In order to make up for the uncertainty, sales people must work as marketing intelligence agents. Organizations should prioritize upon collecting and analyzing information on timely basis, even if it calls for structural changes, they should be implemented.

A Sales manager or a sales agent in a VUCA world must go beyond existing sources of information and hold continuous dialogue with customers to decode multiple angles on buying situations.

The focus must be on enhancing the engagement and co-creating.

For eg. Uncertainty regarding end of COVID pandemic and end of lockdown
Competitors launching new products or their on-going new product development projects

Complexity: This facet indicates the variety of factors that must be taken into account for decision making. Inter-connectedness between these factors further escalates the level of complexity. In a highly complex environment, it gets more difficult to make rational choices.

If an organization is doing business in many countries, salespeople would be required to adapt to cultural changes while selling and handling negotiations. This aspect unquestionably requires development of specialists. Research must be conducted to minimize risk in buying situations for both sellers and buyers.

For eg. If one is catering to markets in US and Bangladesh, one size may not fit both markets. Likewise, similar selling approaches may not work too.

Ambiguity: No precedents/examples exist, causal relationships are unclear.
Obscurity in reality. This is more about facing 'unknown unknowns', no right answer exists.

In order to handle ambiguities, an organization should be ready to experiment and test hypotheses. They should invest heavily on marketing research activities. Proactiveness is the key with respect to handling ambiguity.

For eg. Entering into unknown terrains with new products, Launching products or getting into activities beyond core competencies, new businesses or unrelated diversification

Some Extra Fodder for Thought : The Man Behind Lean Manufacturing Systems



Taiichi Ohno

Taiichi is considered as the father of Toyota Production Systems, which later set the foundation for lean manufacturing systems in the US. He stands credited for rebuilding Toyota after second world war in mid 1970's. He is the one who propelled 'just-in-time' production systems, and is widely celebrated as an author for his commendable books like Toyota Production System: Beyond Large-Scale Production, Workplace Management and Just-In-Time for Today and Tomorrow. *He always believed in the philosophy of workplace being a teacher, where you can find all the answers.*

Source: <https://squiretothegiants.com/my-giants/taiichi-ohno-1912-1990/>; <https://www.leansixsigmadefinition.com/glossary/taiichi-ohno/>

A Sales Manager in a VUCA realm must have answers for the below given questions:

- Are my sales people well versed with consultative selling or has it become a part of our sales culture?
- Are they well armed with right information holistically when they meet prospects?
- Are they acting as listening posts?
- How are they negotiating on price?

Source: <https://www.forbes.com/sites/jeroenkraaijenbrink/2018/12/19/what-does-vuca-really-mean/?sh=59d1e25617d6>, <http://www.ttmassociates.com/wp-content/uploads/Selling-In-VUCA-World-B.pdf>, <https://www.forwardfocusinc.com/ignite-sales/how-to-sell-in-a-vuca-world/> <https://hbr.org/2014/01/what-vuca-really-means-for-you>

Another Set of Strategies to be effective in a VUCA World:

Gemba Walk:

Gemba, a kaizen term, was coined by Taiichi Ohno. Do you know that for bands, Gemba is rocking studio. If you look at it from the perspective of Formula 1 Teams, Gemba is where the car is. Technically, it is like taking an off from day to day activities and observing actual work processes.

Sales people should physically visit the places where products are being manufactured, data is being analyzed, where customers functions happen etc. This in a way will equip them to provide right inputs for sales development processes. Asking open ended questions to clients is also the key.

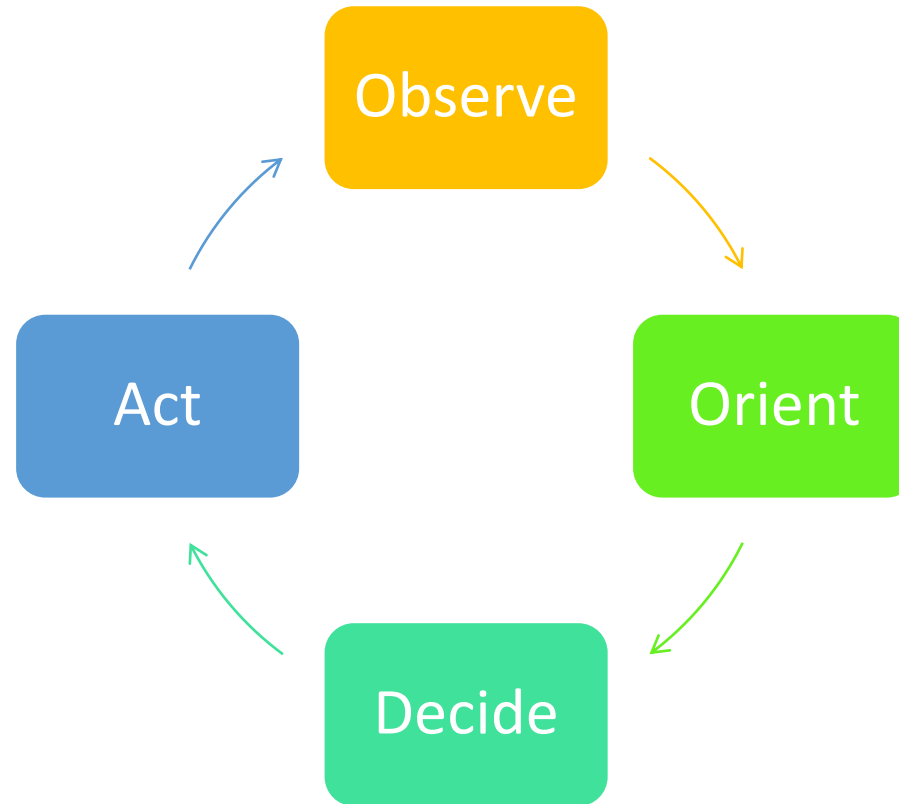
Challenger Sales Method:

Be a consultant to your prospect or the customers. Understand their processes, functions and key activities, and **challenge yourself with respect to identifying how you can help them improve.**

Overall, the key lies in thinking divergently, communicating early and innovating continuously.

Source: [://www.linkedin.com/pulse/selling-vuca-world-rupesh-lahane/](https://www.linkedin.com/pulse/selling-vuca-world-rupesh-lahane/)

OODA Framework



Source: <https://www.techtarget.com/whatis/definition/VUCA-volatility-uncertainty-complexity-and-ambiguity>

***To sum up, in a VUCA World what is a simple fact today
could be an uncertain, ambiguous, complex change
tomorrow***

References:

- Selling and Sales Management, Jobber and Lancaster, Pearson.
- Sales and Distribution Management: Decisions, Strategies and Cases, Still, Cundiff, Govoni and Puri, Pearson.
- Sales and Distribution Management: Text and Cases, Havaladar and Cavale, Mc Graw Hill.
- Sales Management, Patrick Forsyth, Capstone Publishing.
- Sales and Distribution Management: An Integrative Approach, Venugopal P, Sage.
- Rethinking Sales Management A strategic guide for practitioners, Rogers, Wiley and Sons.

*References for online and other resources have been provided as footnotes in the respective slides.

Thank You