Sales Knowledge
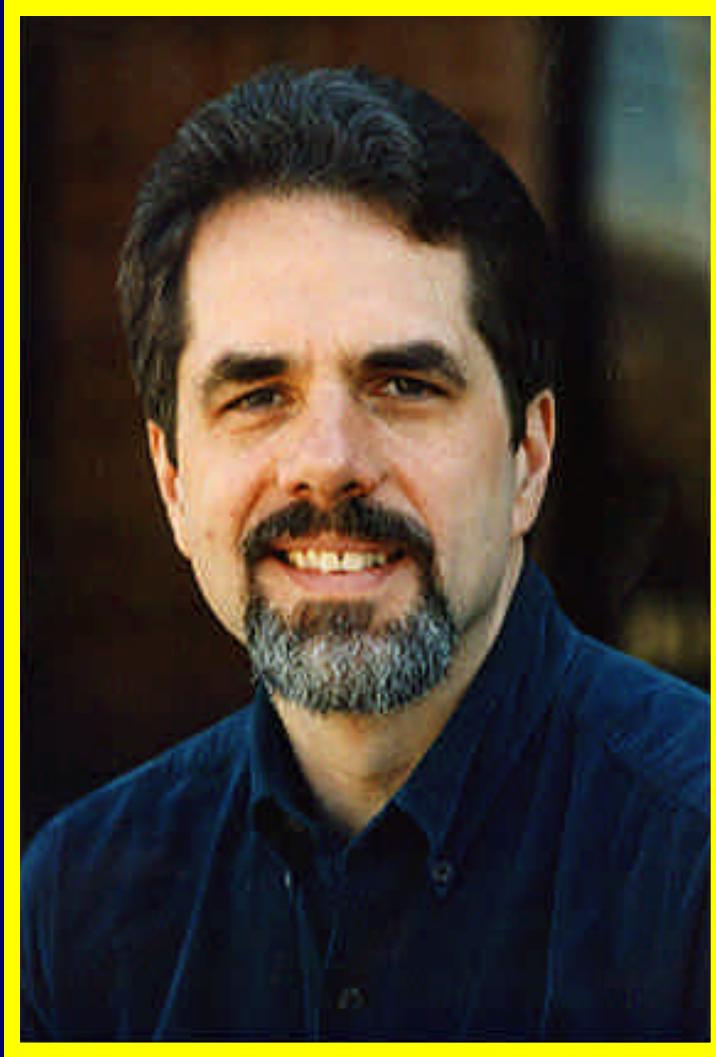
Enabling Sales Channels for Competitive Advantage

Carl Binder

Binder Riha Associates

www.Binder-Riha.com

Carl Binder

Overview

- Background

- The Problem

- Elements of a Solution

- Practical Recommendations

- Discussion

My Background

- Research at Harvard (1973-1982)
  - *Behavioral Fluency and Performance Engineering*
- Consulting to Fortune 1000 and Fast Growth Companies
  - *Precision Teaching & Management Systems, Inc. 1982-92*
  - *Product Knowledge Systems, Inc. 1992-1998*
  - *Binder Riha Associates 1998-*
- Focus on Sales and Marketing Effectiveness

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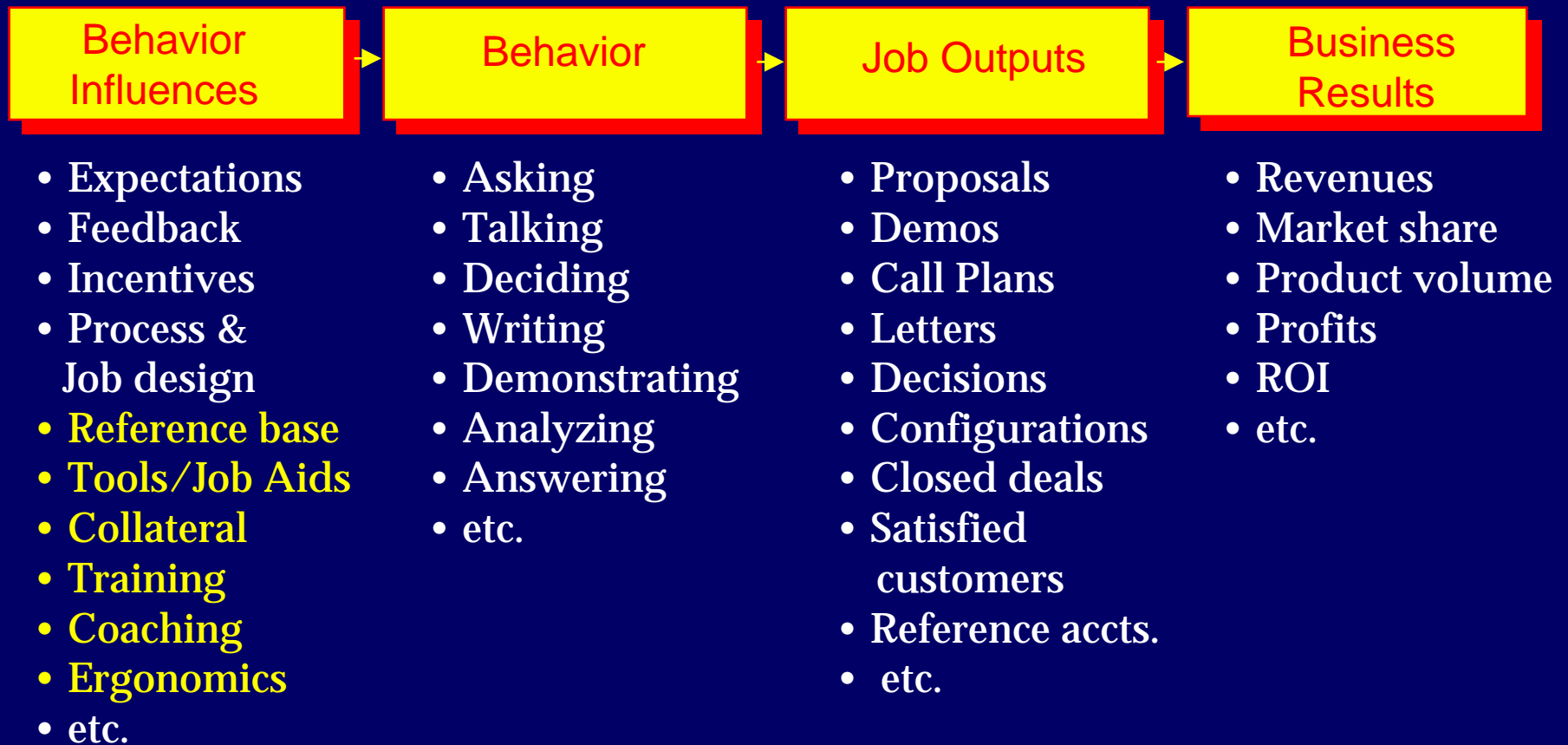# A Performance-based Approach to Sales Knowledge Management

Our objective has been to improve sales and service *performance*, not merely to *manage documents or content*.

Our methodology evolved as we discovered *the structure of knowledge* needed to support:

- On-the-job reference
- Application, and
- Learning/Coaching.
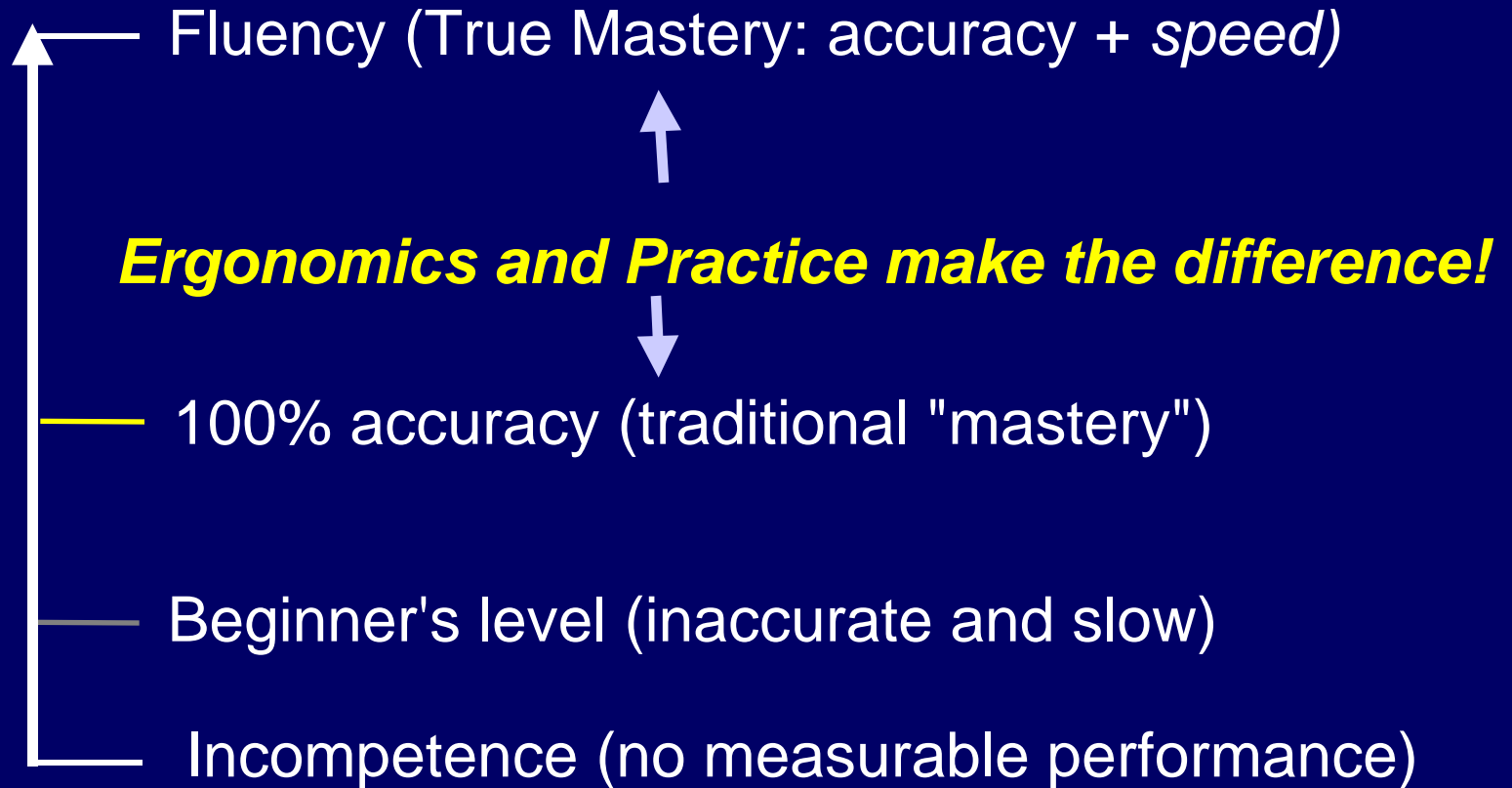
How Performance Produces Business Results

Behavior Influences	→	Behavior	→	Job Outputs	→	Business Results

Behavior Influences	Behavior	Job Outputs	Business Results
• Expectations	• Asking	• Proposals	• Revenues
• Feedback	• Talking	• Demos	• Market share
• Incentives	• Deciding	• Call Plans	• Product volume
• Process & Job design	• Writing	• Letters	• Profits
• Reference base	• Demonstrating	• Decisions	• ROI
• Tools/Job Aids	• Analyzing	• Configurations	• etc.
• Collateral	• Answering	• Closed deals	
• Training	• etc.	• Satisfied customers	
• Coaching		• Reference accts.	
• Ergonomics		• etc.	
• etc.			

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The Six Boxes™
Controllable Behavior Influences

<table>
<tr>
<td rowspan="2">E N V I R O N M E N T</td>
<td>Expectations
&
Feedback</td>
<td>Tools
&
Resources</td>
<td>Consequences
&
Incentives</td>
</tr>
<tr>
<td rowspan="2"></td>
</tr>
<tr>
<td>E M P L O Y E E</td>
<td>Skills
&
Knowledge</td>
<td>Selection
&
Assignment

(Capacity)</td>
<td>Motives
&
Preferences

(Attitude)</td>
</tr>
</table>

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A Focus on *Fluent* Performance

Fluency (True Mastery: accuracy + *speed)*

Ergonomics and Practice make the difference!

100% accuracy (traditional "mastery")

Beginner's level (inaccurate and slow)

Incompetence (no measurable performance)

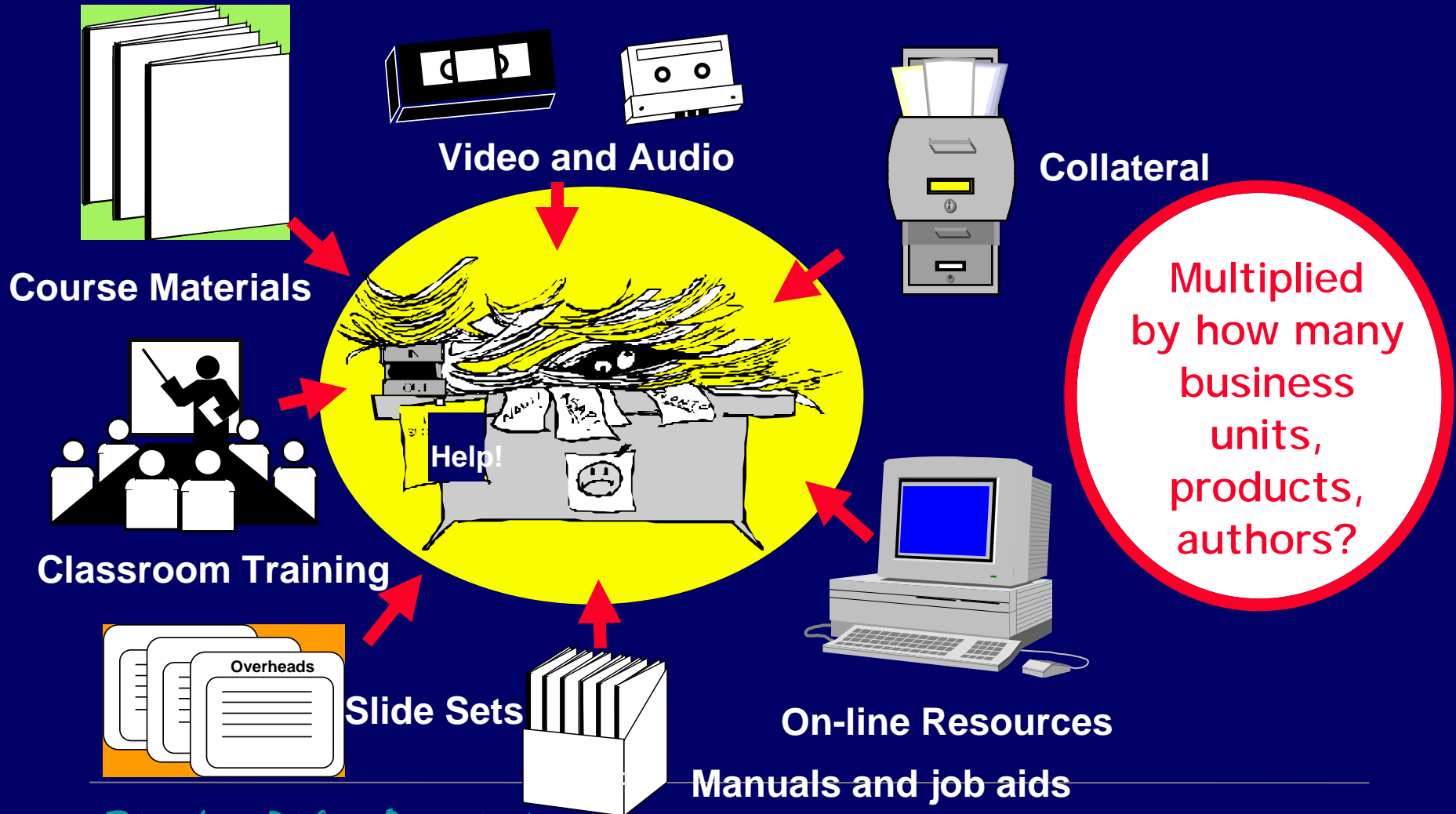**Fluent Access + Fluent Knowledge = Fluent Application**

Sales People as Knowledge Workers

Industry Issues

Marketing Messages

Company Vision and Strategy

Technology Trends

Fulfillment Process

Competitive Information & Strategy

Product Solutions

Potential Customer Needs

Technical Background

Business Trends

Responses to Objections

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Information Overload *Buries*
Sales and Marketing Productivity

Course Materials

Video and Audio

Collateral

Classroom Training

Help!

Multiplied by how many business units, products, authors?

Slide Sets

Overheads

On-line Resources

Manuals and job aids

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Some Astonishing Facts
A <u>Huge</u> Opportunity for Improvement

■ In some leading software companies, sales professionals report spending 50% or more of their time searching for needed information.

■ Sales personnel may make 20 or more telephone calls or emails before obtaining a needed bit of information.

■ Product managers may spend 30% or more of their time answering questions, the answers to which they have previously provided in writing or in presentations.

What's at Stake? Competitive Advantage

- Sales productivity - revenues per person
- Time to full quota for new sales people
- Time to market penetration for new products
- Responsiveness to changing market conditions
- Sales support cost and productivity

And Before You Throw Technology at the Problem....

...ON-LINE systems can create an overload bigger and faster than any paper-based approach!

Knowledge repositories are becoming dumping-grounds.

Faster search engines are *NOT* the answer!
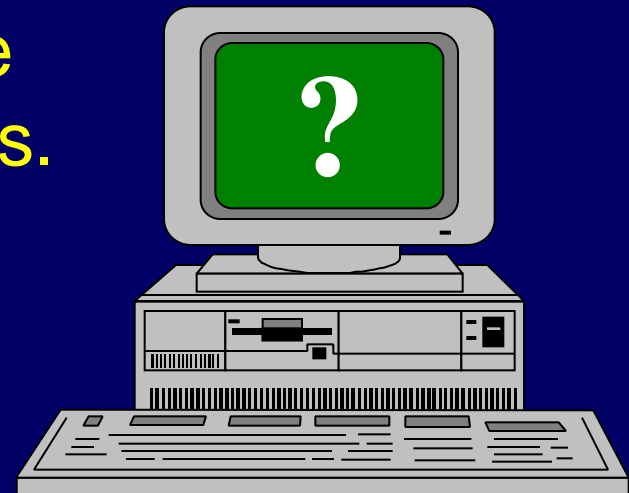
Root Causes of the Problem

- Lack of Organizational Alignment/Commitment

- Features-driven *not* customer needs-driven

- Too much, too little, or the wrong information

- Information is difficult to access

- "Exposure methods" of learning

- Insufficient practice to ensure *fluency*

Vision of a Solution

Sales personnel access, navigate through, learn and practice from a comprehensive knowledge base, built to support sales performance, containing the tools and information needed for *all* aspects of selling, with a consistent content architecture, standard labels, and formats for easy application.

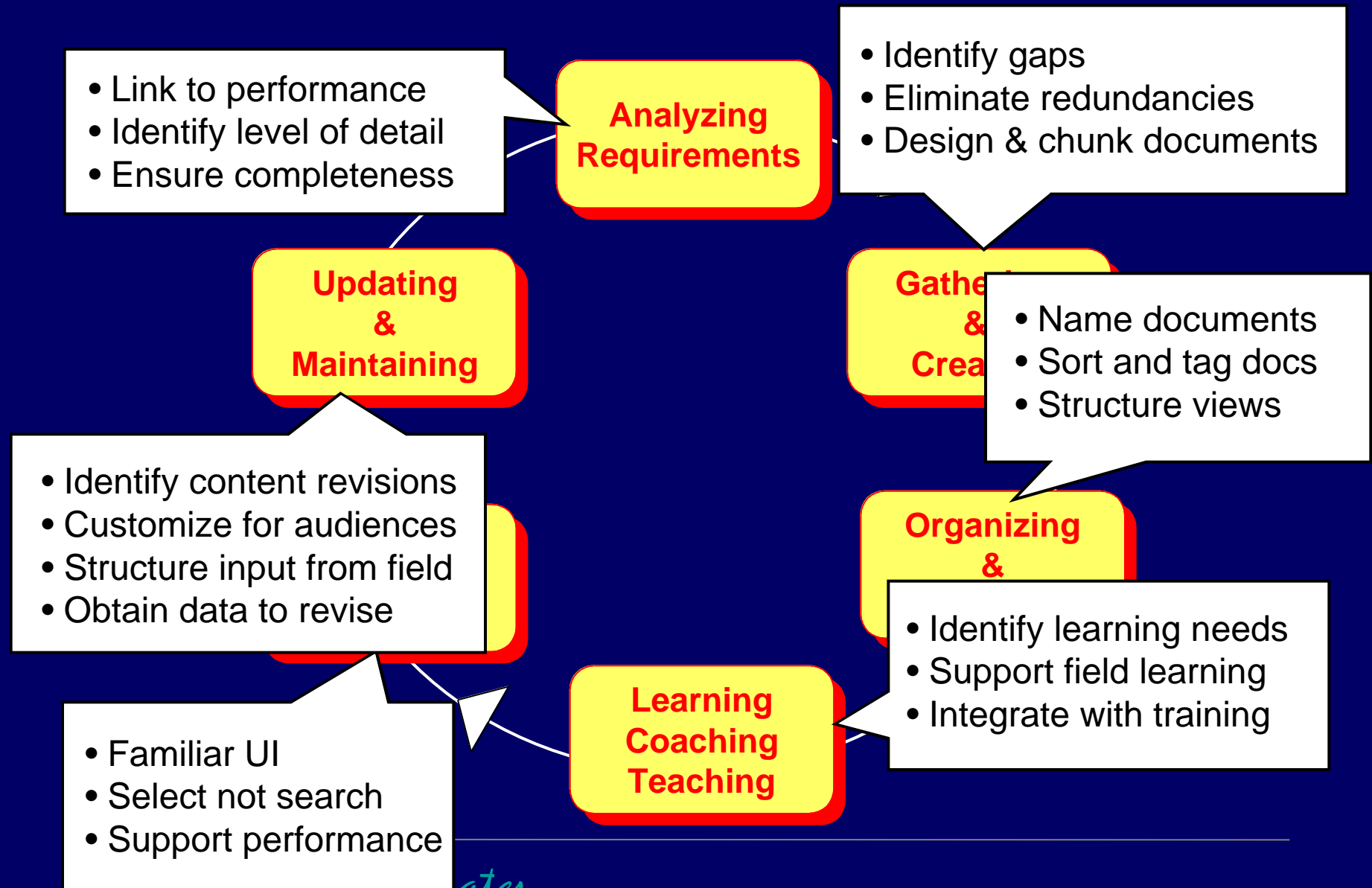# What Knowledge is Required
for Sales *Performance*?

- What do sales people need to PRODUCE and DO?
- What knowledge must they be able to ACCESS?
- What knowledge must be FLUENT?

Managing the Sales Knowledge Lifecycle

Analyzing Requirements

Gathering & Creating

Organizing & Filing

Learning Coaching Teaching

Accessing & Applying

Updating & Maintaining

Managing the Sales Knowledge Lifecycle

Analyzing Requirements

- Link to performance
- Identify level of detail
- Ensure completeness

- Identify gaps
- Eliminate redundancies
- Design & chunk documents

Updating & Maintaining

Gathering & Creating

- Name documents
- Sort and tag docs
- Structure views

- Identify content revisions
- Customize for audiences
- Structure input from field
- Obtain data to revise

Organizing &

- Identify learning needs
- Support field learning
- Integrate with training

Learning Coaching Teaching

- Familiar UI
- Select not search
- Support performance

Imagine if....

...each day your newspaper were "creatively" formatted, labeled and sequenced in a different way.

???

This is *exactly* how most sales and marketing organizations provide information to their sales people!

Key Concept: Knowledge Architecture
Structuring Knowledge for Performance

Establish *STANDARDS* for….

- **Language**: topics, document naming, keywords
- **Default Sequences**: for support learning and access
- **Links / Cross-references**: to support likely need-to-know
- **Formats and templates**: support application, authoring, and maintenance

A performance-driven, audience-friendly framework for labeling and organizing tools and knowledge.

The Product Knowledge Architecture™
Standard Sales Topics - Table of Contents View

1. Business and Performance Objectives
2. Market Context and Company (Strategic) Response
3. Potential Customer Problems/Needs/Opportunities
4. Products and Services as Solutions
5. Competitive Information and Strategy
6. Sales Process, Strategy, Tactics, and Tools
7. Customer Materials
8. Fulfillment and Implementation
9. Post-sale Support and Problem-solving

Categories of Standard Sales Language

- Topics/sub-topics (content classification - PKA outline)
- Market Segments (agreed upon segmentation)
- Decision-makers
- Products (point product or family)
- Competitors
- Document Types (proposal, reference, presentation, etc.)
- Stage in the Sales Cycle (...if this is helpful)

Sample Content Template (Segment 2)

Business Trends and Issues

        Name of trend 1: Brief description
                                    Relevant Data
                                    Implications for Customer

        Name of trend 2: Brief description
                                    Relevant Data
                                    Implications for Customer

Technology Trends and Issues

        Name of trend 1: Brief description
                                    Relevant Data
                                    Implications for Customer

Etc….

What Sales People Need to Know about Market Trends

Sample Format Template (Segment 4)

Customer Need	Product Solution	How it Works	Value Delivered

Sales People Need to Know the Logic of Your Value Propositions

A *Marketing* Knowledge Architecture
Features and Benefits

Features

Advantages/
Benefits

Unique
Strengths &
"Sound bytes"

Proof Points

*   *   *   *   *

.... Evidence ....
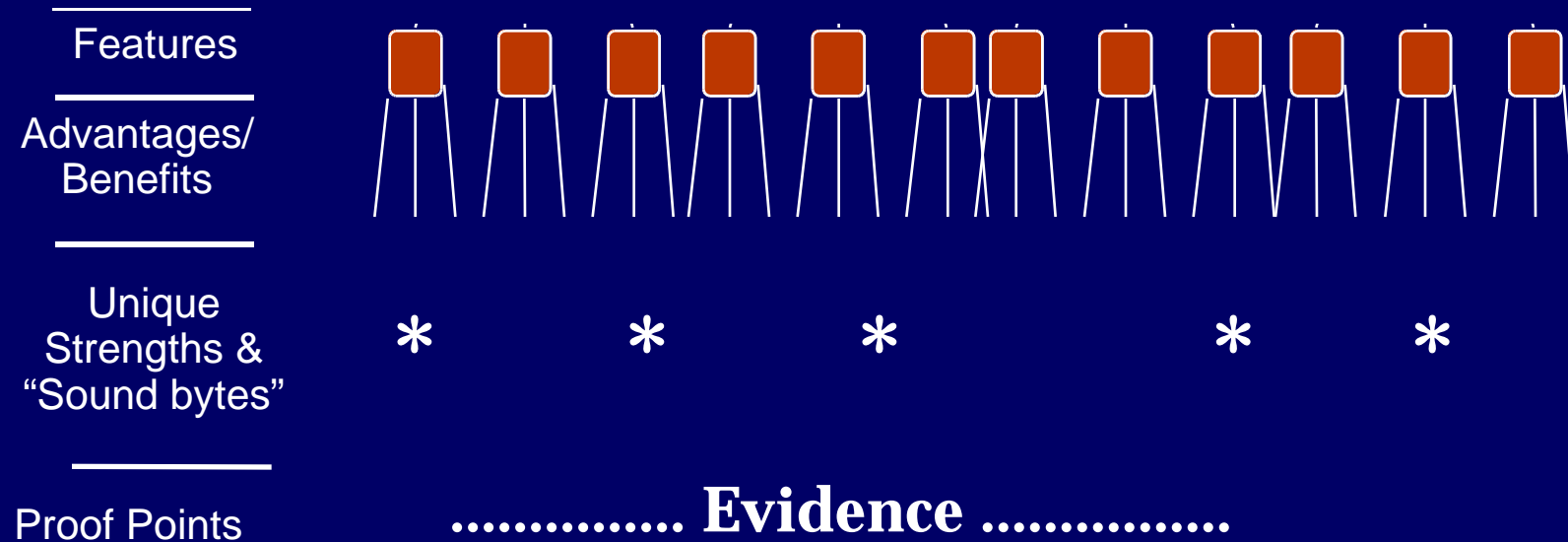
A *Sales* Knowledge Architecture
Needs and Solutions (simple example)

Categories of Needs

Potential problems or needs

Features

Advantages/ Benefits

Unique Strengths & "Sound bytes"

Proof Points

Financial **Technical** **Service & Support** **Business Relationship**

.... **Evidence** ....
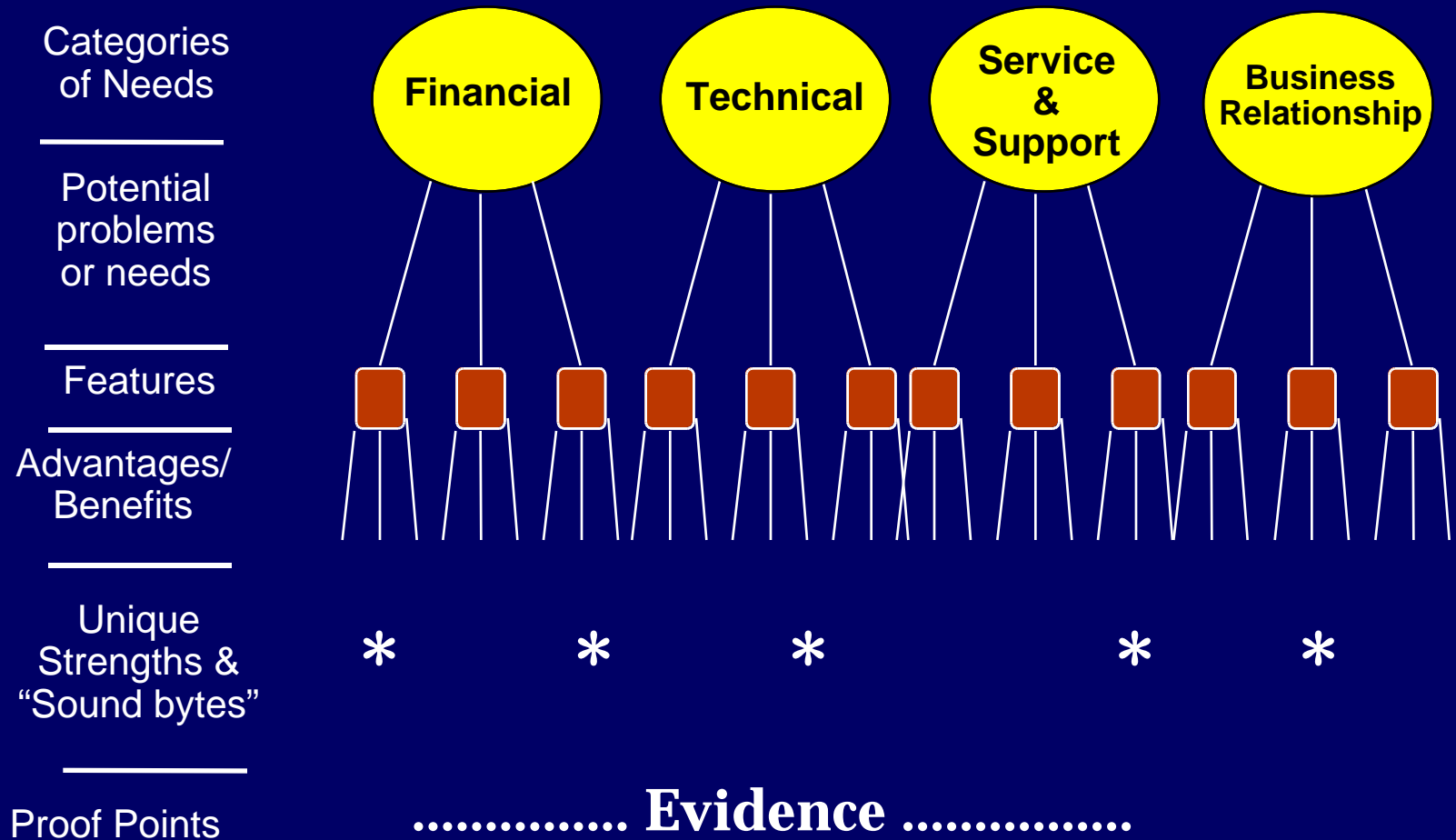
Sample Template (Segment 5)

Problem/Need	Our Solution	Competitive Solution	How We Compete
...organized by categories of customers' needs	Our capability – product / service features	Competitor's capability - strengths and weaknesses	Sales tactics for winning

Software Example

Protect investments in legacy data	*Data Import Tool*	*Only reads native files*	*Stress integrity of retrospective data*

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Typical Links / Cross-references

Market Segments

Sales Strategy

Decision Makers

Probing Questions

Customer Needs

Product Information

Customer Materials

Competitive Information
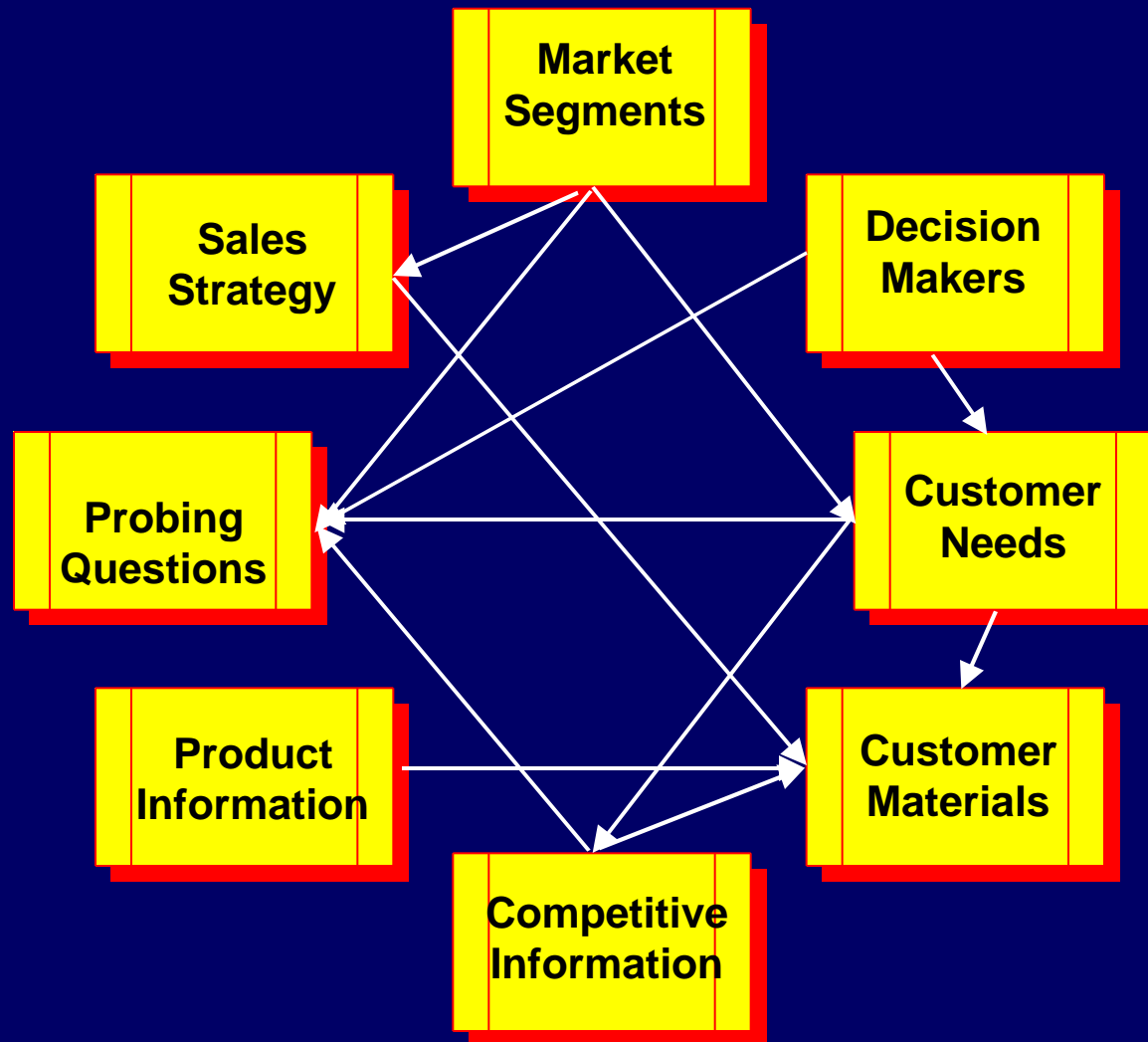
Why Address the Problem?
Productivity and Competitiveness

- 10% – 50% more time to sell vs. searching for information
- 30% – 40% less time to full market penetration from launch
- 20% – 40% fewer documents to be produced and read
- 20% – 50% less time for tactical sales support
- More confident calling on senior decision-makers
- More consistent execution of strategy and tactics
- Increased cross-selling and leveraged product breadth

=
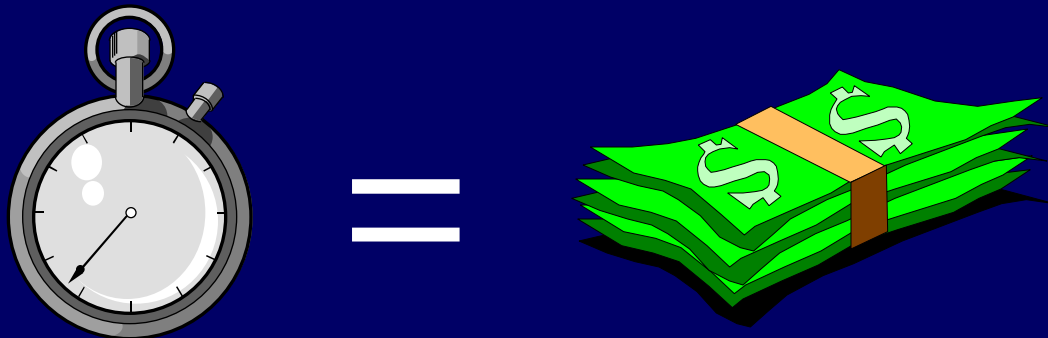
Benefits of a
Standard Knowledge Architecture

- **User productivity**: more rapid access to and use of knowledge based on performer needs and familiarity

- **Knowledge Creator/Manager productivity**: reduced time to create documents plus greater consistency

- **Learning/Training productivity**: ease of integrating reference with training/learning/coaching

- **Communication efficiency**: leveraging a standard language for consistency and clarity

Building Knowledge Architecture into Technology

■ **Use Standard Terminology**

– document names, topics, and sub-topics (menus, views)

– keywords for tagging and selecting content

■ **Embed Default Sequences**

– menus and tables of contents

– views of document sets (not merely alphabetical)

– supporting new hire and launch training that leverage the knowledge base

Building Knowledge Architecture into Technology, cont'd

■ **Provide Content Templates and Guidelines**

  – topics and layouts for documents and screens

  – author support guidelines and tools

  – structured input from the field (e.g., email forms)

■ **Implement Standard Links**

  – HTML, tables, XML, etc.

  – performance support links with CRM

Structured/Keyword Search is a Superior Technology for Supporting Performance

In most situations, sales and service professionals should be able to *select* fixed vocabulary to access information, *not guess* at terms for full text or meta-data search.

We should not force them to be *researchers*."

Scenario:

First call on the CFO of a software company

Select by:

- Market
- Decision-maker

Use this content:

- Market Trends & Issues
- Needs by Decision-maker
- Probing questions
- Needs/Solutions Tables
- Sales Tactics
- Collateral
- Success stories

Scenario:

Need to write a proposal for prospect looking at a specific competitor

Select by:

- Market
- Product
- Decision-Maker
- Competitor
- Document Type

Use this content:

- Proposal template
- Sales tactics
- Market background
- Needs/Solutions tables
- Needs/Solutions/Competitor tables
- Product Summaries
- Reference Accounts

Scenario:
My competition is winning on technology

Select by:

- Product
- Market
- Competitor

Use this content:

- Strengths/Weaknesses of Competitor
- Competitive summary tables
- Responding to objections
- Reference accounts
- Sales tactics

Integrating Knowledge Management, Training, and Coaching

■ Build a knowledge architecture with a sequence optimized for learning *and* random access reference.

■ Use online or low-tech Reference Based Learning, guiding learners through the reference base and providing practice where needed.

■ Link learning exercises to application of the knowledge base, and be sure users can use the knowledge system fluently.

■ Create ongoing coaching on the job, leveraging the same knowledge base used in initial learning.

Knowledge Architecture Streamlines the Knowledge Lifecycle

- **Categories assigned to owners/authors/experts**
- **Templates allow for rapid integration of input from field**
- **Supports workflow to manage update process**
- **Topics allow easier customization for audience**
- **Feedback and metrics drive continuous refinement**

- **Building Table of Contents (TOC)**
- **Identifying sources and experts**

- **Chunking and labeling content**
- **Identifying gaps, avoiding redundancy**
- **Providing authoring templates/guidelines**

Analyzing Requirements

Updating & Maintaining

Gathering & Creating

Accessing & Applying

Organizing & Filing

Learning & Teaching

- **Standard language and sequence supports structured search and browsing**
- **Topics and templates address specific on-the-job performance needs**

- **Tagging and filing documents**
- **Using TOC to structure browsing views**

- **TOC/browsing sequence supports just-in-time learning**
- **TOC provides framework for new hire or launch training/coaching**
- **Language standards influence "cognitive filing system" over time**

Organizational Alignment
Success Requires Strategic Commitment

- ■ Focus agreement around sales performance requirements.

- ■ Identify best sales practices and required knowledge/tools.

- ■ Eliminate sales resource gaps and redundancies.

- ■ Find opportunities for cross-functional linkage and synergy.

- ■ Apply a standard knowledge architecture at the source.

- ■ Allocate resources (head count, budget) and leverage them to improve organization-wide performance.
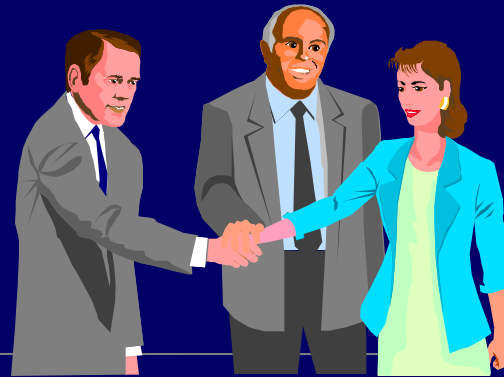
Practical Action Steps

- Drive alignment around a Best Practices sales process.
- Draft a Table of Contents based on the PKA, and populate it with information & tools needed for sales.
- Conduct a knowledge audit - content and experts.
- Develop and apply a Customer Needs Model™.
- Chunk and label documents into manageable size.
- Establish standards (language, templates) over time.
- Identify possible learning activities and tools.
- Integrate sales knowledge management and learning/training over time.

"It's the *Architecture, Stupid!*"
(*Published Cost Estimates for an Enterprise Knowledge Portal*)

KM Project Component	Software	Service
Build topic taxonomy	N/A	**$500,000**
Acquire search technology and build search site	$300,000	$ 80,000
Create document standards and templates	N/A	**$150,000**
Automate document workflow processes	N/A	$120,000
Other costs	$60,000	$300,000
Estimated Totals	*$360,000*	*$1,150,000*

InfoWorld, 09/29/99

Summary

- Conceive of a *single* sales knowledge system and build *alignment* across functions.

- Recognize *fluency* as a critical goal.

- Implement knowledge architecture *standards.*

- *The documents themselves must change (size, labeling, format, etc.).*

- *Requires sustained management support, dedicated head count.*

- Drive *continuous process improvement* with feedback and usage data.

How Binder Riha Associates Can Help

- **Customize the PKA** for your content
- **Facilitate alignment** among stakeholders
- Develop and apply a **Customer Needs Model™**
- Assist in **technology selection and design**
- Develop **document templates and guidelines**
- Identify **opportunities to improve sales performance**
- Complete specific **documentation & training projects**
- **Apply Six Boxes™** implementation planning
- Apply **FluencyBuilding™ learning/coaching** methods

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Thank You!

FIGHTING THE SALES INFORMATION GLUT

BY CARL BINDER

©1998 KENT MARSHALL

Carl Binder, Ph.D., recently moved to Santa Rosa, California, to form Binder Riha Associates, which offers strategic performance consulting to marketing and sales organizations. Previously, he was founder and chairman of Product Knowledge Systems Incorporated, a consulting firm that specialized in performance-based sales knowledge management for Fortune 500 clients including Microsoft, Lotus, and Oracle.

Not many marketing executives are totally satisfied with what they hear coming out of the mouths of their salespeople. And not many recognize where the true problem lies. With a rapidly changing marketplace, new competitive threats each month, and a blistering pace of product introductions, it takes both skills and knowledge to succeed in sales. But once the skills are in place, the knowledge requirements continue to change. In fact, salespeople may be the most overloaded knowledge workers in the company. The volume and throughput of information they must access, assimilate, and apply can be overwhelming.

There's no doubt that a company must implement an effective, customer-focused sales process in order to succeed. Many well-packaged tactical and strategic sales models are available, and almost any one, well executed, will enable the sales force to take the right steps. But once an effective sales process is in place, one of the company's highest strategic initiatives must be providing knowledge to the sales force that they can access, learn, and apply to support their performance. Otherwise, the company risks its return on investments in everything else, from R&D and product development to marketing communications and program management. None of that pays off if the salespeople don't have the knowledge they need to sell the products.

In most companies, this role falls to the training team—either a centralized sales training group, a decentralized product management group, or some combination of the two. This is often called "product knowledge training" and generally covers features and benefits, key messages, and perhaps some competitive information. Such training often comes as data dumps by product experts presenting information with as many overhead slides as

> One of the company's highest strategic initiatives must be providing knowledge to the sales force.

they can fit into the time allowed. But to qualify prospects, talk with decision makers, formulate customer-focused value propositions, present proposals and demonstrations to tough audiences, and effectively battle competition, a sales force needs to know and be able to talk about more than what they take away from data dumps.

That's not to say that training should be eliminated. Only that it would be better to build it on top of something else—a base of knowledge that people can access and apply when they need to, efficiently and confidently. Once provided with such a knowledge resource, an organization can implement field-based coaching and practice to be sure the knowledge is accessed and used in the field. And it can conduct more strategically focused training that leverages what's in the knowledge base by teaching people to apply that knowledge in complex cases.

More Is Not Better

In the age of the Internet, many marketing organizations have decided that Web sites, document repositories, or online marketing encyclopedias for salespeople will solve the sales knowledge problem. Outside the firewall, countless sites on the Internet provide information about companies, industries, and business trends and issues. Inside the firewall, just about everyone has a Web site. Some large high-tech companies have more than 1,000 internal Web sites, with new ones sprouting up daily.

Many companies have developed tools to deal with the problems of information access: databases, document repositories, work flow automation, and now "knowledge management," with search engines that are faster, smarter, and more user-friendly and powerful than ever. Users can get lists of dozens or even hundreds of documents, databases, and Web sites with a few clicks. Unfortunately, high-tech companies are drowning in their own technology. As often as not, despite dozens or hundreds of possible information sources— both online and offline—many salespeople simply call or e-mail a product marketing

resource to ask for the latest overhead presentation, or simply to ask questions. Some marketing managers and executives spend 50 percent or more of their time fielding questions that they have already answered somewhere in a presentation, white paper, business plan, or internal Web site.

The CEO of one top software company became so frustrated with this problem that he personally took the lead in putting up a single internal product resource Web site, intending it to function as the sole approved source of such information. He even became involved in editing some of the text to be sure it was clear, simple, and to the point.

It's been said that marketing is too important to delegate. Receiving the editorial attention from the CEO of a multibillion-dollar corporation may be an exceptional demonstration of the importance of getting the right information out in a single source. But the strategic intent is unmistakable: you must have a strategy by which salespeople and channels can get the knowledge they need, without wasting time, and with a high degree of confidence.

This is where the oft-discussed topic of knowledge management comes in. Many books, articles, and Web pages have been written about it in the last couple of years. They discuss "tacit" and "explicit" knowledge, learning organizations, and other concepts. They also look at software technologies that allow collaboration, communication, and the creation of knowledge repositories. Your company may even have a product positioned as a form of this supposedly new, somewhat mysterious, but apparently powerful solution set. Nonetheless, there is seldom mention of performance, as such, or suggestions for how to connect knowledge to performance. Mostly, the knowledge management literature is about accumulation of *content*.

Divorced from performance requirements, content alone is merely the fuel for information overload, which stifles rather than improves performance. Every decision in a process designed to provide knowledge to the

field must be founded on an understanding of what it takes to support specific performance. This starts from requirements analysis and continues through design and implementation of knowledge maintenance processes.

Building a Knowledge Architecture

To determine what information, in what sequence and format, salespeople need to optimize their performance, begin with a model of their process: the major milestones, job outputs, and tasks they have to produce in order to close a deal. Then identify what knowledge they need to execute each step of the process, what they must *know* and what they simply must be able to *access*. This model is known as a *knowledge architecture*, and it has the following attributes:

- a "knowledge classification scheme"— words and phrases for labeling topics and subtopics of information salespeople need to access or know in order to be effective (company and product goals; markets served; types of customers, products, and competition);

- best sequences of those topics, since the best sequence for learning is not often the same sequence in which it is applied;

- links, cross-references, or other relation-ships between chunks of information needed to support understanding and sub-sequent performance (types of decision makers within market segments, linked to typical problems and needs the products can address); and

- page formats and logical arrangements or templates that best serve performance (tables that list customers' needs and the features of products that address those needs, or decision tables for sales tactics).

Instead of throwing data at salespeople in for-mats that vary depending on who compiled it, companies should prepare information for salespeople beginning with the product devel-opment phase, so that it comes to the field in consistent and "sales-ready" form.

And again, information about products is simply not enough. So-called "product knowledge" is only useful when linked to customers' problems, needs, or opportunities. To be effective, salespeople need to under-stand their customers' businesses and the trends and issues that drive them. They need to communicate a vision of where things are going and how the company is going to help customers get there. They must understand customers' needs, how the products address those needs, and how competitors' strategies and products attempt to do so. They need to know about market-specific sales strategies and tactics. And, of course, they need to be able to talk about the products at the right time in the sales cycle.

From years of consulting to Fortune 500 sales and marketing organizations, however, I can say that the single greatest complaint is that salespeople do not have enough knowledge of their markets, customers, and competition. I seldom hear that product knowledge, per se, is holding them back. So, if a CEO is focused on getting product knowledge clear and cor-rect, he or she should put equal energy and focus into providing market and competitive knowledge that is consistent, comprehensive, clear, and easy to use.

Leveraging a Common Language

Once a good performance-based knowledge architecture has been established, the rest is merely technology and sweat. It provides a standard for how documents, databases, and Web sites are labeled, organized, and popu-lated. It also provides a basis for keyword adoption that allows salespeople to select what they need rather than search for it. All forms of communication, in all directions, among those in the field and those managing the knowledge base, can begin to leverage the "common language" defined by a standard sales knowledge architecture.

Intelligence from the field, and use of this information across the company, also becomes more efficient with a knowledge architecture. Instead of sending free-form e-mails about new competitive pressures, salespeople can fill
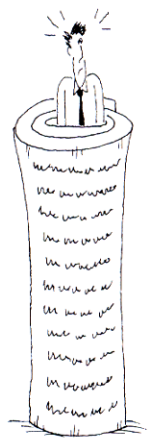
Content alone is merely the fuel for information overload, which stifles rather than improves performance.

out forms that prompt them to report on key subtopics. When the product marketing people receive this information, their jobs are easier because it's organized to be consistent with the knowledge base they maintain. Similarly, updating and maintaining any knowledge base benefits from a consistent architecture, because it's that much easier to identify where information has changed.

A knowledge architecture requires "knowledge managers"—people who sort, select, reformat, and tag information as it goes into the repository. Moreover, it requires owners—people who consistently compile, publish, and continue to refine the features of the knowledge architecture over time. Once such a sales knowledge base is established, providing knowledge to the sales force will become more a process to be managed than a campaign to be continuously reinvented. All aspects of what people now consider to be "knowledge management technology"— Web sites and databases, collaboration and communication systems—become coherent, accessible, and nonredundant with implementation of a standard knowledge architecture.

What's the role of training, once the knowledge management system is in place? Imagine training that entails prereading documents from the sales knowledge base, participating in some field-based practice with peers or managers, and then attending a brief classroom session in which salespeople apply the knowledge. Imagine that the content covered in the repository and in the classroom is labeled, sequenced, and generally organized the same. Seems obvious, but I have seen very few companies in which that basic level of consistency between reference and training exists. With such a knowledge strategy, companies can reduce the costs of training, eliminate redundancies in reference and training materials, and reduce time in the classroom.

Selling, Not Searching

If this sounds a bit like curing world hunger, it may be—if your expectation is perfection in a quarter, or even within a year. To commit to and implement a coherent knowledge strategy

and architecture takes time, especially if you do it from the ground up. My colleagues and I have been developing a single sales knowledge architecture over a period of 10 years, and it's still getting better. You can begin with templates you already have; if a knowledge architecture is anything, it is a set of templates. This could include the topics of product summaries, the structure of product business plans, and grids for displaying competitive information. You may need to revise existing templates and add new ones.

On the other hand, the potential for improvement in most companies, both in effectiveness and cost reduction, is so large that even incremental change without total reengineering can produce sizable gains. Because this is a cross-functional process, however, often involving sales, marketing, MIS, training, and other areas, it requires strong, sustained support from the most senior levels of management. Without that, sales knowledge falls into separate fiefdoms, bent on capturing mindshare for their products rather than optimizing sales revenue across the company.

Replacing many databases and Web sites with a single knowledge management system can produce savings in infrastructure and management that may well pay for the investments involved in adopting and implementing standards. Some organizations have reported salespeople saving 10 to 20 percent of their time when they can find the information they need, time now devoted to selling rather than searching for information. Others have reported savings in training budgets and significant reductions in the time product managers spend answering questions and e-mails.

Companies can no longer afford to waste valuable resources by requiring salespeople to search endlessly for the knowledge they need and marketing people to answer repetitive phone calls and e-mails. Building and supporting a coherent system for managing sales knowledge will not only provide companies with internal cost-efficiencies, but also create a stronger foundation for competitive strength and agility. ∎

Companies can not afford to waste resources by requiring marketers to answer repetitive phone calls and e-mails.