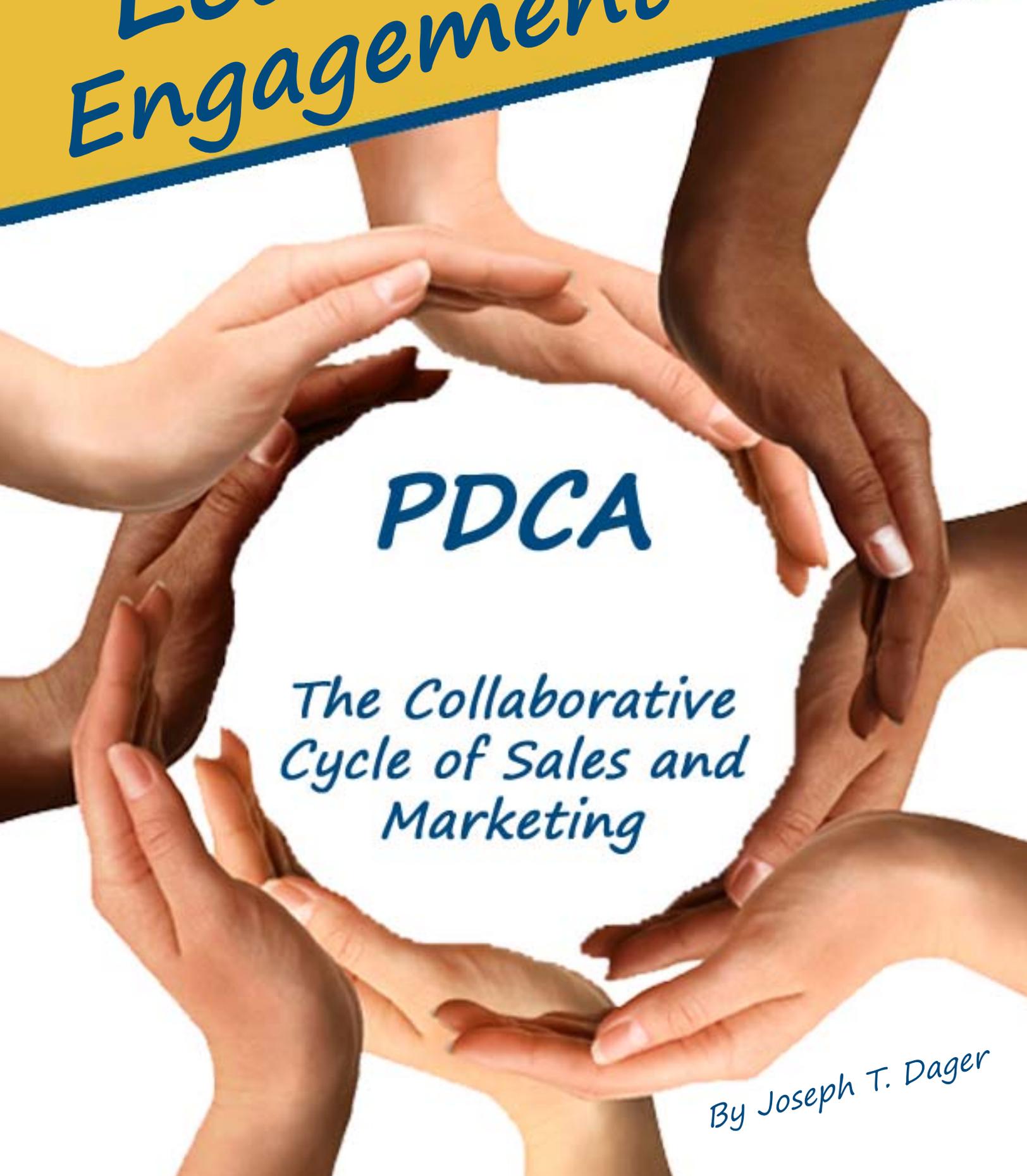




Lean Engagement Team



PDCA

*The Collaborative
Cycle of Sales and
Marketing*

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Preface

Many companies and industries world-wide are using Lean with dramatic results. With such outstanding results, Lean is being used across the entire spectrum, hence the Lean Enterprise. However, one important part has been left alone, arguably the most important, sales and marketing. Why hasn't Lean or any other continuous improvement methodology been brought to sales and marketing?

It has been but just under different terminologies. Companies like Pixar, IBM, Cisco, and many others have been using iterative and agile marketing methods. Talking to many of the latest authors on the subject, they discuss the amazing similarities to the Lean process. These are not similarities; they are simply a scientific methodology that has been firmly rooted in our culture since the days of the Greek philosophers. No one calls it Lean, but all of them are based on a simple process of continuous improvement, PDCA.

Process improvement leaders' views on how to improve the efficiency and effectiveness of sales and marketing efforts are not found inside this book. In fact, they are discouraged. Nor is it a discussion on problem solving, which could be offered as a great companion to this work. Instead, we offer a missing link: a sales and marketing solution based on the most popular methodology, Lean.

Using Lean offers many companies an extension of their continuous efforts. But I forewarn you to not treat sales and marketing as an addition of the Lean tools used in manufacturing. I even discourage a Lean company to use Lean in sales and marketing till they have become firmly entrenched in a Lean culture. In fact, you are better starting with Lean in sales and

marketing without prior Lean experience. It is different but the culture is the same.

We find that the words in customer value get mixed up. We pay particular attention that the word customer precedes value. Your organization provides what the customer believes is the value.

The Lean Engagement Team is designed not to give you a step-by-step guide for implementation. It is our intent for you to continue to use your existing practices and improve on them. More importantly, it is for you to learn how to let your customer guide you through the path of continuous improvement.

Throughout this book you will find many references to blogs, articles and books that expand on the subjects we discuss. Thought leaders will make it sound revolutionary. It is not revolutionary, it is simply PDCA.

You may find yourself at a point in your project when you are just not sure how to proceed. I would recommend reviewing the reference material at the end of the book for additional information. Please feel free to contact me directly at info@business901.com.

Acknowledgements

I would like to thank the individuals that have taken the time to participate in the interviews on Business901 podcasts. They have provided me with an immense appreciation for continuous improvement and a foundation for many of my thoughts. I have been very fortunate to interview the foremost thought leaders, authors, consultants, practitioners and industry leaders in the fields of Lean, Six Sigma, Theory of Constraints, Lean software development and personal improvement. It is my hope that this book will pass along to you just some of the help that I received.

A special thanks to the Agile and Lean Software groups that have taught me so much about teamwork in a business setting. My book would be incomplete without the discussions from Michael Balle, Jim Benson, Tonianne DeMaria Barry, Geoff Bellman, Peter Dager, Verna Allee, Jack Vinson, Terry Barnhart, Ed Muzio, Verna Allee, Bill Dettmer and Eli Schragenheim. They provided me insight on the most important side of business, people.

Joe Dager

Introduction

Sales and marketing can no longer operate in a vacuum. It has become a process output that intertwines across many of the departments within the organization. As companies have become flat, their decision making is increasingly being done by committee. As a supplier, you must mimic your customer decision-making path and as a result your sales and marketing will also be done by committee. Our highest priority is to deliver to the customer content that he deems valuable to his decision-making process.

Lean is the future of marketing and one of the main reasons is the development of Agile under the Lean umbrella. Using the Agile Manifesto as a basis for Agile marketing or Lean marketing is a good start. Many of their terms are described in the original Agile Manifesto. In summary they are based on these principles:

- Individuals and interactions over processes and tools
- Content-rich material over elaborate promotion
- Customer collaboration over contract negotiation
- Response to changing customer needs over following a plan

I cannot emphasize enough the importance of collaboration and building an effective sales team. You should go to great lengths to find people who are interested in working in a "network" type environment in solving problems, building, and supporting each other.

Will Lean ever work within a company unless sales and marketing are on board? In fact, why start with production if we want to look from the customer's eyes. Would it be more correct if we did Lean in sales and marketing first?

Why Lean Sales and Marketing

Lean Sales and Marketing is a method to make you more effective than your competitors. Lean is something that some people want to do, to beat their competitors. It is not something you have to do.

Lean Sales and Marketing is essentially a knowledge transfer system; it's a training system on how to define knowledge gaps and close them.

Lean Sales and Marketing takes an entirely different perspective on knowledge transfer. It is not the perspective of educating the customer; it is from the perspective of learning from the customer, understanding how your customer uses and benefits from your product or service.

Lean Sales and Marketing approach is to leave your customer be the professor, the Sensei, who will take you through a certain number of exercises (their decision making steps), the customer leads.

Lean Sales and Marketing takes responsibility for demand. They are always in search for the next hassle map of the customer where tomorrow's demand exists.

Lean Sales and Marketing is targeted to certain kinds of organizations who actually enjoy learning. Who are committed to continuous improvement as opposed to just doing things and running things as they are.

Lean Sales and Marketing is incredibly powerful.

Setting the Stage

Will Lean ever be sustained unless sales and marketing are on board?

Why start with production if we want to look from the customer's eyes?

Would it be not be more correct if we did Lean sales and marketing first?

Why can't we have Quality in Sales and Marketing?

With few exceptions, every time Lean is introduced to sales and marketing, it was through Value Stream Mapping with the sole purpose of removing waste in the process.

They were told what that data meant and as a result what they should stop doing.

This resulted in neither an increase in sales nor an increase in value added time with the customer.

Salespeople had every right to scream and ignore the conversation. All they were ever told to do was gather data.

The Path

Continuous Improvement for Sales and Marketing

Will Lean always internalize the customer?

There seems to be an element of distaste between Lean Manufacturing people and sales and marketing. In fact, the idea of a Lean Enterprise really doesn't exist. Why? It's because we have limitations with thinking on the demand side of the equation.

Sales and Marketing people don't throw out Lean, PDCA and continuous improvement. Lean pundits let's figure out how we have to change the planning mechanisms of lean to create new rules that then foster new tools that both the formal Sales and Marketing community and the Lean crowd can embrace.

Typical Lean thinking can work in a world of excess demand. You can then try to improve efficiencies. However, most of us live in a world that supply exceeds demand. It is not about getting rid of waste. We have excess capacity. Tell me a company that won't accept more prospects into their sales funnel or are refusing orders. In sales and marketing you have to drive revenue and the role of continuous improvement and Lean lies in this area versus the area of waste.

Many of the past examples of process improvements in sales and marketing seem archaic and more an extension of a command and control function than one of empowerment. Just calling something continuous improvement does not mean that it is. Continuous improvement is not a series of pilot tests and deployment. Rather it is empowering your workforce to practice it every day. In modern organizations it is the practice and the power of

continuous improvement that is driving results. Factory workers, Software Programmers and Health Care professionals, to name just a few are being empowered as problem solvers and knowledge workers. I would think that the sales and marketing structure should be leading the way versus being the laggards.

There is not a more important function in sales and marketing than the ability to share and create knowledge with your customer. When looking at examples, I see the key terms optimize, experiments, research versus words like cooperation, co-create, community and surprisingly "value". I see that heads of marketing need to spend time with employees rather than interact with customers. What's wrong with spending time directly with customers?

There are companies doing this. A good example is many of the gaming companies that interact regularly with their players. They are highly influenced by the top players and not only seek their opinions but join in and play with them. The players I have discussed this with are amazed at the access they have to top management. Other examples include Salesforce, BMW, Lego, Kraft and P & G.

A customer does not realize any value from your product/service till he uses it. When you view your product/service as an enabler of value creation versus the center of value then you can see how increasing knowledge flows between you and your customer is at the center of sales and marketing.

Value is an input to your company not an output. There is only one person that determines the value of your organization and that is the customer. I think many continuous improvement methodologies have hijacked the term customer. It is not an internal person. The customer is the person that purchases and uses the product.

In the sales and marketing process we have always stayed away from a process. Things were just not consistent enough to enable us to install a process. Very few people take on the challenge of bringing continuous improvement to sales and marketing and one of the reasons it is so difficult is that sales always has been about relationships and people. And when you are a “people person” you blame errors and faults on people not the processes.

You just don’t consider a process at all. I would argue that you cannot improve a system without a process and that sales and marketing does things within the boundaries of a process. When viewing Lean and PDCA as a knowledge creation vehicle versus a waste reduction tool, Lean becomes applicable to sales and marketing.

Lean professes to be a continuous improvement methodology based on value streams and pull. I believe the evolution of these principles are based on the success that we will have in not whether we incorporate Sales and Marketing into Lean but incorporating organizations into Sales and Marketing thru co-working, co-creation (practically on a one on one basis) with our customers. I think Lean, PDCA and Agile type methods are the best ways of achieving this.

Of all the different continuous improvement methods that I am aware of, I favor Lean more than others. Where I see Lean playing a pivotal role is enhancing or improving the quality experience more so than removing waste. I have distaste for looking for Muda (waste) and have a tendency to look at Mura (inconsistency/variation) and Muri (unreasonableness) (see appendix for more information). In most discussions about implementing Lean in Sales and Marketing, the first thing that pops up is that Sales doesn’t like to supply the data that is needed. I think that is one of the

major stumbling blocks in developing a lean culture not only in S&M but through-out the company.

We should applaud Sales and Marketing in most organizations for the fact that they remained a silo. Expecting your sales people to supply more data and become a collector of data is one of the most wasteful things that you can do. Sales efficiency properly defined is the amount of selling time spent face-to-face with the customer and more precisely the customer decision-maker. Bottom line, the salespeople who spent more time in front of customers sell more. So go back to the team concept, the team should **maximize the salespersons face to face time with their customer**. But to apply improvement you need data, right? Look at the following measurements:

1. Gross Sales
2. Gross Revenue
3. Product Distribution
4. Average length of sales cycle
5. Average selling price
6. Average size of deal
7. Number sales per month per salesperson
8. Number of calls needed to close the deal
9. Average gross margin
10. Number of quality sales calls per month

Name me one of these numbers that many of us determine important for sales that a salesperson needs to generate. These all can be generated from the team and truth be known most automated from typical accounting data. When a team has shared responsibility to deliver improvement on these numbers versus one person, your sales will improve.

I also hear quite frequently from Quality experts how Sales and Marketing can be a resource for them or how they can make Sales and Marketing more efficient. If you want to Lean your Sales and Marketing, partner with the S&M Team and increase touch points and face time with the customer and supply resources better or on demand when a customer/prospect needs them. Flatten your organization and trust your employees to be real resources not only for the Sales and Marketing but the customer.

Leveling demand is an act of understanding the marketplace not hitting numbers. Meeting end of month or quarter sales quotas simply lead to waste and could be thought of as a workaround. Leveling is important, problems exist because organizations don't experience true pull. It is an internal control point that manages internal operations (Pay attention to the word customer. The only true Customer is the person that uses the product or service). Your expectation is that it should manage sales and marketing and the customers also. That is why you can't level anything. Customers just wait till the control point needs to adjust and react accordingly. End of month, end of quarter, etc. They just play the game by the cards that they are dealt.

Should Sales and Marketing serve the internal organization and try to optimize throughput. Is the goal of sales to keep the factory optimized?

I have a problem understanding applying takt time (rate at which customers are demanding a product) in relation to sales and marketing. Theoretically, it sounds great but in actuality how does it apply with $Takt\ Time = \frac{Net\ Available\ Time\ per\ Day}{Customer\ Demand\ per\ Day}$. Who determines the acceptable and projected Takt Time for sales and marketing? Is customer

demand determined by the capacity of the operations? Or is it by market share?

How can you have takt time without customer demand? Can an internal measurement be relevant to sales? If it is the measurement that we force sales to use, it is not a Lean process. We are pushing in lieu of pulling. Pull comes from the marketplace and is one of the principles of Lean. Holding sales and marketing to an internal measurement that has little if any meaning to the marketplace or the customer confuses me. The fundamental question should be what the marketplace demand is and what our percentage of that market is. That leads into the questions of retention and acquisition. Setting targets in those areas would drive the process of sales and marketing, innovation and hold operations accountable to a realistic level.

The metrics we have been traditional using are based on an economy with excess demand. Since we live an economy that has excess supply, fundamental beliefs must change. Sales and Marketing does need a process for improvement but it is one that must be created from the marketplace and I actually believe the principles of Lean are best suited for that journey.

I made a statement once, "it is a disaster to have sales people operating on their own". I think sales can be better served by a team effort. The team could only consist of an inside and outside set of people but to really add some fuel to the process you need to include people from marketing, engineering, service and operations. Your teams should be created based on one and only one thing: The Customer Experience. Think of the customer experience that you could develop if you had a customer support team divided up for one state, one product, etc. Utilizing a virtual daily stand-up meeting everyone would be attuned with what was going on within the state

and if a customer called in he could be handled and routed very effectively and efficiently.

Another important aspect to the team concept is the ability to handle customer's request more effectively and efficiently. Having a team concept the customer can call with an engineering or operation or service request and talk to a familiar body and someone knowledgeable with their account. This improved touch point will ultimately be distributed to increased revenue.

I have always been an advocate of seeking Sales and Marketing's response to each of the customer's decision steps. This simple exercise utilizing a Journey MAP can get your individual departments on the same page. Create your own sales team by reviewing who responds to your Customer's Journey Map. Start having a few meetings, similar to a daily standup meeting. I would recommend at first error in having the meeting too often, just cut them short. In a spirit of true collaboration, don't automatically exclude your customer from the team. This concept really could increase face time!

Paraphrasing Six Best Practices outlined in a book by Daniel Stowell, Sales, Marketing, and Continuous Improvement. **The Six Best Practices needed:**

Manage for change: *Change, whether incremental improvement or radical restructuring, does not just happen. It requires leadership and management based on a foundation of a lasting commitment by everyone in the organization. Of all of the best practices, management commitment stands alone at the top of the priority list.*

Listen to Customers: Sales and marketing need input from their current and past customers, prospects, and competitive users on which to have their continuous improvement activities. To be most effective, they need to use several complementary listening methods tailored to their specific customer set. Although listening to customers appears to be easy to do, there are pitfalls and barriers along the way. However, the input from listening will provide the requirements and feedback that they need to implement the other best practices. Without that information, they are just guessing.

Focus on Process: Leading companies have applied all five of these process improvement techniques to sales and marketing processes. As we have seen, when process improvement techniques are focused on the most important processes and used properly, they can make dramatic improvements in an organizations effectiveness and efficiency.

Use Teams: Teams are not appropriate for everyone or in every situation, but virtually every organization can benefit from expanding its use of teams. This is especially true of sales and marketing departments. They can apply teams in almost every combination of scope, size, mission, authority, and duration. These teams build on the synergy of the team members, improve communication and buy-in, increase productivity, raise employee morale, and provide a forum for personal development. To achieve these benefits from sales and marketing teams, organizations must be prepared to address both the critical success factors and the issues unique to teams in sales and marketing. When they do, they have taken another major step toward an open organization culture.

Practice an open Organization Culture: To be effective, all the elements of the open organization culture must be used together. Gathering

information by practicing awareness and taking a global view is of no value if the organization does not share the information or take informed action. Reserving action for the top of the business does not support fast response or take advantage of the skills of the people who really get the work done. Taking action without questioning the organization's underlying beliefs and assumptions may lead to repeating mistakes. It is when all the elements of an open culture work together that an organization becomes more effective and efficient, whether that organization is an entire company or a sales or marketing function.

Apply Technology: *Of all best practices described in this book, applying technology is today's most visible. It has reached this status within the past five years and it appears that it will continue to revolutionize the way customers buy and companies sell in the future. That makes it important to stay aware of changing technology, looking for ways to use it to address opportunities and resolve problems. It is the companies that find ways to use technology, frequently ways it was never intended to be used, that will create and maintain their competitive edge. The others will just be playing catch-up.*

Granted the information in the book is dated but it reinforces the ideas that I have in bringing continuous improvement to sales and marketing. For Continuous Improvement to have a chance resides in the power of Deming's concept and its simplicity. The concept of feedback in the Scientific Method is well understood. The tools used in PDCA process are very visual and deceptively simple to start with (as you understand them, they tend to get harder). And for the "people person", Lean is all about people; training, empowering and respecting.

Positioning your organization to learn from your customers

The further we are from our customers' knowledge base the more effort has to be made to create a larger and larger supply of prospects. **The ability to share and create knowledge with your customer is the strongest marketing tool possible. Successful Sales and Marketing are no longer trying to get their message out but developing strategies to get the message in.**

You hear a lot of talk about touch points and increased efforts within an organization to create them. McKinsey goes so far and states that *We all need to become Marketers*. Taking this information and spreading it within your organization will make it easier for customers to go deeper into your organization for knowledge sharing. As a result, it will provide a flood of new ideas for innovation and co-creation opportunities. But even more importantly it secures a vendor-customer relationship or partnership that is difficult for others to replicate.

This cannot be done unless we take on the role of pupil. Before you begin teaching the customer what they need to know, start thinking of this process a little differently. Think of it as you being the pupil rather than the teacher. Think about you having that "aha" moment or that moment when you "get it" versus when your customer gets it.

Participate in communities and discussions that highlight your knowledge, developing an ever expanding network of touch points that allow prospects to self-serve information and to locate you. Think of ways for trials or templates of your organizations best practices to be used that will allow prospects to move into a more collaborative arrangement. As this happens,

greater human interaction occurs but typically as a result of the customer qualifying themselves.

If you view your sales and marketing from this position it will create vast opportunities not only in sales but throughout the rest of the organization.. There is not a stronger differentiator for your company to acquire. A Lean Marketing measurement is how deep and widespread can a customer penetrate your organization.

Why is sales and marketing the last to adapt to Lean thinking?

Sales and Marketing understands that push marketing does not work and have stopped sending out promotional mailings, feature driven ads and of course they never encourage cold-calling! Or have they? Most ideas for good marketing are investing more money to get someone into their funnel, not to make that time in the funnel a memorable experience.

It is no longer a market that has excess demand. Our product/service cannot be at the centrality of our sales and marketing process. With lessons learned from SD-Logic ([The Service-Dominant Logic of Marketing](#) by [Stephen Vargo](#) and [Robert Lusch](#)) concepts the centrality of our sales and marketing must be the value that is created in the use of our product or service.

Can we reduce the uncertainty in response levels required and sort the important responses needed. If this can be done we may be on a path that efficiencies and increased effectiveness is possible in sales and marketing.

Many times in my discussions of mirroring the customer buying process and building the appropriate value stream and response, we have a tendency to consider a one to one marketing approach. We forget to view the enterprise foundational need for marketing to our core customer base. There is so much talk about innovation and early adaptors and they certainly have a role

in your marketing structure. However, the core customer group of an established customer is that 68% majority found in the middle of the diffusion curve.

Companies that keep venturing to the extremities of the curve still compete on price and availability. The organizations that align themselves with similar cultures to themselves create an opportunity to establish a structure that is can be identified through profiling the customer by knowledge gaps. Surprisingly when we go to scale, these factors are seldom different. Establishing your presence through increase knowledge transfer will allow you to dig deeper within the structure of any company. It may take you longer to dig the hole but every shovelful will make it that much more for your competition to overcome.

Effective knowledge transfer seldom occurs without effective collaboration and in today's world having the right tools in place plays a vital role. Dr. Graham Hill addressed this issue in a blog post, [CIO view: Ten principles for effective collaboration](#) where he said:

"Companies should start to develop their collaboration capabilities before purchasing collaboration technology. This will ensure that the technology really fits the style of collaboration that has already been developed. The pace of business is getting faster and faster. Today's competitors may not even have existed a few years ago. Improving effective collaboration is one of the few insurance policies that companies have in these hyper-competitive times."

Can the customer be front stage in your organization?

There has been a fair amount written about designing a customer experience and more specifically how the interpretation of theater can help. The most

ready reference on the subject is [Interactive Services Marketing](#) by Ray Fisk, Steve Grove and Joby John. Service Theater is based on the metaphor of services as theater, which they have been writing about since 1983.

[From their website:](#) "By Service Theater we mean that services involve the same theatrical elements as a stage production: actors, audience, setting, frontstage, backstage, and a performance:

- The actors (service workers) are those who work together to create the service for the audience (customers).
- The setting (service environment) is where the action or service performance unfolds.
- The front stage actions that service actors perform for the customers usually rely on significant support from the backstage, away from the audience's inspection, where much of the planning and execution of the service experience occurs.
- The performance is the dynamic result of the interaction of the actors, audience, and setting."

But seldom do we look at the customer experience through the entire supply chain. We view it as a "marketing" thing. However, designing a customer experience seldom works unless your organization is actually living it. Examples are Zingerman's Deli, Starbucks, Ritz-Carlton, Ed Debevis, and Zappos.

In the Lean Engagement Team metaphorically speaking the actors are your sales team or the Front-stage crew. Back-stage is your support cast; Value Stream Manager, Team Coordinator and Marketing Communication. The traditional stage of course, is the platform that your customer sees to include website, signage and such.

In SD-Logic ([The Service-Dominant Logic of Marketing](#) by [Stephen Vargo](#) and [Robert Lusch](#)) the premise is that products and services only create the opportunity to provide value. Value is created only when the customer uses the product or service. So the front-stage is your customer using your product.

Viewing the Front-stage in this sense, you put a greater premium on value in use! It re-defines your sales and marketing efforts and the rest of your supply chain on supporting the customers in their process of creating value. The stage must provide a platform for customer engagement that will increase a network of relationships between organizations. Can actors and the audience be entwined this way? Is that the experience that Starbucks creates? Or maybe a better example is Personalize M&M'S® with your words and faces?

Profiling the customer by knowledge gaps

I think it may be interesting to group customers not by traditional segments but by the level of knowledge that we have of each other (customer and supplier). If we were to view the stages such as described in the blog post, *The 7 step Lean Process of Marketing to Toyota*, we would see a natural progression through the stages of the supplier – customer engagement. This serves as a good outline for the knowledge that we gain in participation with our customer.

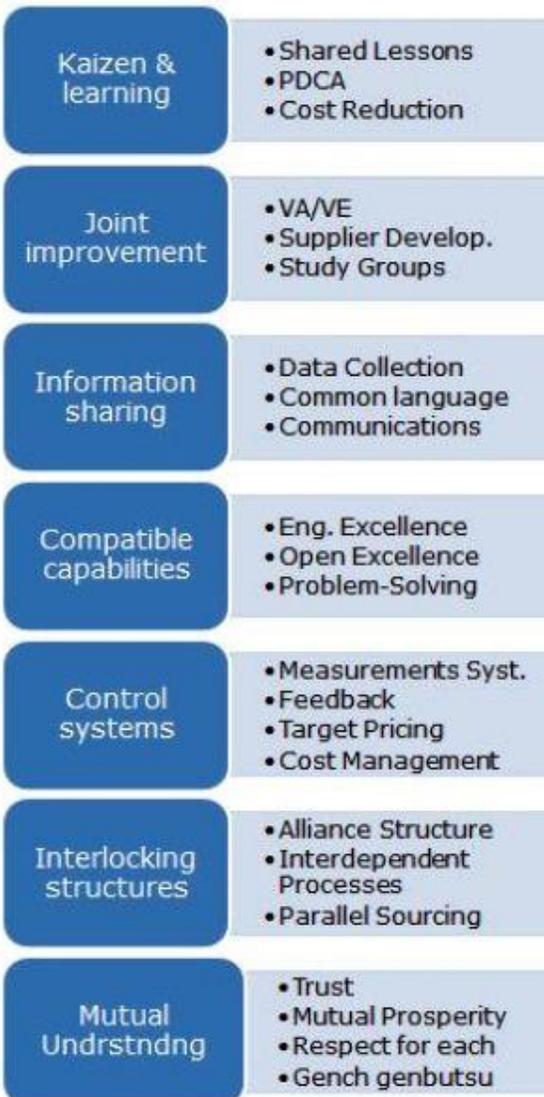


This type of segmentation leads to better results than a traditional buying cycle. It may seem that many of us are already doing this. If your product groups are actually defined by customer markets and your customer defined by the knowledge gap as distinguished by a method such as the Toyota supplier relationship hierarchy you are halfway there. The first question after that, you must ask yourself when looking at the levels within those cycles is the amount of people or organizations that your company can maintained in that particular cycle. At what amount does it become it an asset or a liability? It is very similar to carry the right inventory. Too little and you miss orders and too much you have resources tied up. Your buffer zone or Work in process (WIP) between these two points is an asset.

This is where we can take many of the Lean Marketing principles and scale them to a larger organization. We are not going to be able to take each individual customer and mirror their decision making paths, it would simply be overwhelming. Instead, we must review the first step and position our organization to learn from our customers and determine where we have the most customer knowledge or as I like to term it where we have the ability to play in our customers' playground. Defining this market area allows us to market much more effectively and systematically.

We typically group customers through buying channels, but why? What about grouping them through the knowledge hierarchy? Further defining them in the individual cycles that make up the knowledge hierarchy? The reasons are:

1. The level of support is readily defined within these cycles.
2. Variability is definable by rate of touch points.
3. Lead Time is a function of their decision making process..
4. Minimum order quantities would relate to size of company.



An example for this reasoning can be found again in the 7 Step Toyota Supplier model. The 3rd level, Control systems in the hierarchy can be used as an example. Striving to improve the measurement systems, feedback, target pricing areas and cost management structure between vendor and customer are very tangible and smart goals with defined outcomes. It is not a task that is easy but it is readily definable and as a result a method that continuous improvement can be applied.

The questions really is can a customer profile be readily applied that is not so general in nature that everyone fit sit or so singular in nature that each company has a separate profile. If we view just that cycle we can identify the support

required, the customer decision process for each task and the size of the company we are working with.

What may be needed is to define the variability of these individual companies? Profiling them based on variability or high, medium and low touch companies creates an opportunity to judge the level of support and frequency required. Your higher touch companies will more than likely have a shorter sales cycle. This may be accomplished by condensing the decision making process or eliminating several steps. Going back to the Toyota example, a high touch company may disregard vendor measurement

systems and require little feedback. They may be only interesting in target pricing. If you claim that a customer wants to be high touch but have the entire spectrum of services, you will probably find out that may not be a customer you would want anyway.

It is somewhat beyond this book to demonstrate calculating the buffer levels but sizing of the buffer levels for each individual component and cycle is possible. The advantage in doing this is that you start managing sales and marketing by demand. You “sense and adapt” to market changes and penetration levels. It is a continuous deployment of a SWOT analysis on a micro and macro level.

Profiling customers based on these types of components would allow for a support structure to be developed and ultimately buffer levels developed. If a buffer level is developed, you start managing resources and adjusting capacity much earlier in the sales and marketing cycle. This will result in better use of capital, people and a saving in time for your customers where it is needed most.

How outdated is your sales channel structures? Are you segmenting by products or geographically? Or Direct Sales and Distribution? Or even Online and Offline? Once someone is in the sales funnel are they classified by level of interest such as A,B,C? Or level of opportunity? Maybe you consider past, present or new? Or in new marketing circles we are discussing early adopters, early majority, etc.? Or the buzz words like Influencers and Enablers? How do you decide? Or for that matter, do any of them work?

The three well-known rules of forecasting have always limited the sales and marketing world:

1. Forecasts are always in error.

2. The more detailed a forecast, the more error will be realized.
3. The further into the future the forecast goes, the more error will be realized.

Most experienced sales and marketing are aware of these shortcomings and the wide array of sales and marketing processes. Most believe that it still comes down to beating the pavement. Can that be changed?

Variation is seldom understood within a company let alone in Sales and Marketing. This is an area that “efficiency” experts can help in the Sales and Marketing field. Manipulating and simplifying the data that they already have to help S & M respond to better qualified leads and understanding the customer desires is where they should be spending their time.

First, you must answer: How do you manage variability and volatility in today’s market? Experts in variability and volatility tend to be more enterprise focused and less event specific. Variability must be considered in relation to its impact across a holistic system. All variation does not have the same impact. Reducing variability does not necessarily improve the overall process. There are places where it must be protected against in order to keep the system stable and effective.”

Can we protect key portions of our sales channels? Can we reduce variability and volatility in sales and marketing?

Think Self-organized Teams

In Supply Chain Management they discuss three types of adjustments:

1. Recalculation: These are typical automated adjustments based on usage or occurrence.

2. Planned: Based on seasonal/historic fluctuations or strategic such as new product introductions.
3. Manual. Occur when dramatic changes occur such as environmental or new regulations may be imposed that no amount of planning could overcome.

This also holds true when you think about sales and marketing. These adjustments are necessity in matching your Work in Process (WIP) or customers/prospects to the internal resources needed to support them. Most specifically you have to have the flexibility in your teams to support these adjustments. When you can't deliver on the resources required it is not different than not being able to get a part out the door. Rush orders disrupt production flow. High variability disrupts sales flow. So how do you adjust for this flow, dynamically?

The first thing we need to do is really define self-organizing. Self-Organizing does not mean you walk down the hallway and grab people as you need them but rather this description from Jeff Sutherland where he quotes:

"Takeuchi and Nonaka clearly explain the fundamental concepts so often missed by management and teams new to Scrum. The discussion of self-organizing teams is a good example:

A new product development team, consisting of members with diverse backgrounds and temperaments is hand-picked by top management and is given a free hand to create something new. Given unconditional backing from the top, the team begins to operate like a corporate entrepreneur and engage in strategic initiatives that go beyond the current corporate domain.

Within the context of evolutionary theory, such a group is said to possess a self-reproductive capability. Several evolutionary theorists use the word

“self-organization” to refer to a group capable of creating its own dynamic orderliness.

The creation and, more importantly, the propagation of this kind of self-organizing product development team within Japanese companies represents a rare opportunity for the organization at large to break away from the built-in rigidity and hierarchy of day-to-day operations. It is quite difficult for a highly structured and seniority-based organization to mobilize itself for change, especially under non-crisis conditions. The effort collapses somewhere in the hierarchy. A new product development team is better suited to serve as a mote for corporate change because of its visibility (“we’ve been hand-picked”), its legitimate power (“we have the unconditional support from the top to create something new”), and its sense of mission (“we’re working to solve a crisis situation”).”

So in the sales and marketing sense, to create a buffer, you must empower the team concept. There is high resistance due to traditional policies and compensation structure, especially of your star sales performers. But as Kiichiro Toyoda said, “Each person thoroughly fulfilling their duties generates great power that gathered together in a chain, creates a ring of power.” Can you afford not too?

Collaboration to Co-creation

Collaboration is critical to the process of generating ideas and problems in any organization. When you review the principles of Kaizen and Agile, your ability to succeed really comes down to how good a team you put together.

The goal of co-creation is to allow customers to specify exactly what they want while engaging them an interactive building experience. An example of this type of structure can be found at LEGO. LEGO has used open innovation and co-creation as part of the development of LEGO

Mindstorms, LEGO Design by Me and LEGO Universe.

Customer co-creation is the epiphany of early market feedback. The Agile movement and other parts of the software community have been introducing the customer early in the development process for many years. Co-creation seems to be a natural extension of this process. One of the leading authorities in the Lean product development field, Don Reinertsen of Reinertsen Associates, talks about including the customer early in your development process, but he warned not to stop at understanding what the customer wants but rather understanding why they want things. He went on to say that the real advantage of a customer-driven process is that it will seldom lead to a product that no one will buy. A specification-driven process can easily produce a product that nobody wants.

Collaboration starts in one place in a sales and marketing environment and that is in the customers' playground. If you want to be visible, if you want the opportunity for collaboration, you literally need to play with the customer. Even more precisely, it should be synonymous to your prime target market. This allows you to see the market swings at the same time your customer does. For example, if your customer has a downturn in business you will sense that immediately versus seeing months later. Your market upswings will also be maximized for basically the same purpose. Theoretically it sounds great but is it that easy? Again, the customer-vendor relationship and the degree of trust in one another are imperative. It is not simply something that just happens it must be orchestrated.

Not everyone wants to be your partner. As a result, other segments may produce wider swings in variability and may require different lead times or even more frequent contact (touches) than even your prime customers. It based on what your customer needs are and the resources you are willing to

dedicate to the segment. This is not an arbitrary thing; it is a well-conceived execution of the plan developed.

When we talk about visibility and collaborative execution, it is not just an external requirement. It is an internal one as well. You must have transparency, open collaboration and no hidden agenda that will compromise your organizational efforts and especially your sales team.

In the sales and marketing arena the ability to execute is dependent on two major themes; clarity and autonomy. On both macro and micro level clarity has to be well established to enable a team to work autonomously. When considering a particular customer segment at the macro-level a well-defined value proposition with revenue goals must be established. At that level, I use the [Business Model Generation](#) template to provide the clarity for a particular customer segment.

Within that customer segment, the micro-level will be dealing with the individual cycle that is facilitated the increase of knowledge for the customer decision making process. This individual cycle is where the sales team needs to have total autonomy to make execution happen. They are on the street with the customer and should contain the expertise and authority to complete the mission. Many would compare them to a Swat Team or even a Navy Seal Team. That being said the teams may require extensive training in these specialized areas to assist in the customer decision making process.

The new set of rules computational power have given us metric after metric to analyze, distribute and even sense the marketplace. What we have not done very well is understand how to use them in a productive manner. How do you create a plan around empowerment of teams at the execution level? It seems on one hand that we have metrics but on the other we empower teams to do whatever they want.

In traditional planning, we do little except set targets for where we want to go and then create the plans around them. We may go ask sales and even customers some projections but the planning exercise typically turns into something like we want to increase revenue by 10% and how are we going to do that. In addition most sales cycle's evaluations are built around either how quickly we can accelerate the process through the funnel or how we can increase prospects by stuffing more into it.

We could start with a more definable solution based on our knowledge gaps and the high, medium, low touch points that a customer requires in our prime markets. Planning then takes on real meaning as no longer are we taking an arbitrary set of numbers but instead real action on how we can improve in our buyer relationships.

Our planning though must be customer centric versus prospect based. Your core customer may need high or low touches and you may not have a relationship where you are striving for anything except best price. It is where you are, not where you want to be. But what you have just done is defined a performance gap in sales and marketing performance that you can develop a plan around. As you review it, you will look to other similar and dissimilar customers to combine or create their own lanes and supporting processes.

Our data selection should be defined in a micro and macro level. I would encourage that the micro level data be set up to rather autonomous, simple and very easily understood by the team. However, the most important data would be contained in the visual task or Kanban board. At the macro level this information can be mollified and monitored but it takes a strict discipline to allow the team to continue to work autonomously. Should that information be shared outside of scheduled meetings? I would if it is tactical in nature but only through the team coordinator. Adding data to the routine

either at the micro or macro level should be decided upon at the monthly strategic session and that discussion should be centered around what we are not using as much as what we want to add. The addition of more metrics or data collection should always be subordinated to whether it increases your organizations ability to share and create knowledge with your customer.

Only the Customer Determine Value

Your product or service has little value in it. You cannot build value or even create it through clever marketing. Value is only created when a customer puts it into use. This is [Service Dominant Logic Thinking](#) (Vargo and Lusch (2006)).

If you take this approach and view your product or service as enabler of customer value a different world opens up for you. Companies like John Deere, P & G, Crayola and Mar's M & M's have re-invented themselves by understanding value in use. Each of these companies has taken it a step further and included their customers in the co-creation of products.

We're all marketers now in the McKinsey Quarterly discusses how engaging customers today requires commitment from the entire company and a redefined marketing organization. They say marketers have been adjusting to this new era of engagement through increased Web expertise and have simply found that to be not enough. In a quick summary of the article, they believe the marketing organization will have to change and coordinate deeper activities based on these four critical activities:

1. Distribute more activities
2. More council and partnerships
3. Elevate the role of customer insights
4. More data rich and analytically intense

They sum it up by saying:

"The major barrier to engagement is organizational rather than conceptual: given the growing number of touch points where customers now interact with companies, marketing often can't do what's needed all on its own.

CMOs and their C-suite colleagues must collaborate intensively to adapt their organizations to the way customers now behave and, in the process, redefine the traditional marketing organization. If companies don't make the transition, they run the risk of being overtaken by competitors that have mastered the new era of engagement."

This article mimics many of my reasons for saying, "Why Lean Marketing is the Future of Marketing." McKinsey may create a different template for the future but why re-invent the wheel? Lean is here with an established method that has proven successfully in many companies and industries to include both service and manufacturing. In fact, McKinsey even draws the similarities to the early stages of the quality movement. Let me elaborate on how Lean applies to their four points:

Distribute more activities: One of the foundational principles of Lean Sales and Marketing is the establishment of a team structure with self-organizing teams in response to the touch points of the customer. No longer are we building internal structure for marketing activities, rather our structure is created through the needs of the customer. We develop a SALES PDCA cycle that continuously adapts to the changing customer need. The Lean Sales and Marketing team resembles a support staff that sole purpose is to facilitate the customer journey through their decision making process.

More council and partnerships: Managing the Value Stream is a key component of these needed partnerships. The roles of the Value Stream Manger and Team Coordinator manage the activity of the outside influencers (council and partnerships) required by the customer via the Lean Sales and Marketing team. The Team coordinator will also organize the necessary support from the internal marketing communication staff.

Elevate the role of customer insights: The Value Stream Manager provides the oversight at a high level monitoring profitability, changing value propositions and the needs of the identified customer/market. The VSM will set direction and clarity for the Lean Sales and Marketing Team enabling them to act autonomously in the spirit of PDCA.

More data rich and analytically intense: When you think of analytics and data in an organization you first think of the quality department. In the new marketing era driven by more data than we could ever imagine, the question is not acquiring data. It is what data to look at and how to interpret that. Through the use of many of quality control tools integrated within Lean, this data can be managed, interpreted and implemented.

Lean Sales and Marketing is built upon the philosophy that there has been a subtle shift to knowledge as the way to engage, develop and retain your customer base. These teams must act as a vehicle to cultivate ideas not only within their four walls but more importantly from their customers and markets. The only competitive advantage that you have is the ability to learn more efficiently and more effectively from your customers than your competition.

“The fundamental idea of iteration (PDCA) is learning. To eschew PDCA is not only arrogant; it is inefficient & often ineffective,” says Shoji Shiba author of [Four Practical Revolutions in Management : Systems for Creating Unique Organizational Capability](#).

When you discuss Lean Sales and Marketing, PDCA Cycles and how Continuous Improvement can be used; people jump to a couple of basic conclusions. When you throw in additional words like quality, effectiveness and efficiencies they dig deeper and more often than not forget to take a ladder with them. Many of my writings even follow this path because it is

just so intuitive to attack continuous improvement efforts from this view. The typical conclusions are:

1. Lean Sales and Marketing will increase our effectiveness and efficiencies on a project by project basis. We will better utilize people, processes, practices and products to do this.
2. Lean Sales and Marketing will increase flow through our sales and marketing cycles, the marketing funnel metaphor.

There is nothing wrong with improving your sales and marketing through these two methods. I encourage this and both of these concepts are very dominate in previous books, [Marketing with A3](#) and the [Lean Marketing House](#). But there may be a better path and you may be better served by taking a step back and looking into the hole versus jumping in it.

For starters, the funnel metaphor is broken. People no longer are making buying decisions in a linear fashion, going from awareness to familiarity to consideration, evaluation, and purchase or perhaps they never did. Second, people are now turning to their peers, friends, and other users of a particular product for advice instead of to the company. Third, the potential number of choices that prospects can have in their product consideration set is much larger than it has ever been before, and the information sources through which those products can become part of buyers' consideration sets has grown exponentially as well.

But this is where I think people stray, when I say,

Quit looking at trying to fill you funnel with "qualified" prospects. Instead participate in communities and discussions that highlight your knowledge, developing an ever-expanding network of touch points that allow prospects to self-serve information and to locate you. Think of ways for trials or

templates of your organization's best practices to be used that will allow prospects to move into a more collaborative arrangement. As this happens, greater human interaction occurs but typically as a result of the customers qualifying themselves.

Sounds like your typically social media mumble jumble but most including myself seldom see or appreciate that view when you are down fighting in the trenches. Try to take a step back and look at the cycle or iteration from more of a big picture viewpoint. This is where the joint meeting between the Value Stream Manager, Team Coordinator and Team Leader can be so critical.

A sales and marketing cycle consist of numerous decision making steps of a customer. The customer (prospect) may be in the awareness (pull), buy or upsell stage of the process. What we attempt to do is move them "through the stage" as in the marketing funnel metaphor versus leaving them experience that individual stage. For example: most of time, no matter what stage a prospect enters, they enter it through a data collection or information seeking process step. The Lean Sales and Marketing process moves the customer not through a pre-determined sequence of events but instead through a hierarchy or increasing knowledge from data to wisdom.

The flow through each stage is not time based. It is not an iterative cycle such as scrum cycle of two to four weeks. That seldom works; the customer is in control. Instead, I prefer to use more of a Kanban type structure. Taking each stage of the Data through Wisdom hierarchy creating the columns and queues and visualize the work flow that way. Limiting the work in process for teams is essential since a higher degree of interaction and many times expertise happens as we go through the progression of the Kanban. Visualizing the cycle in this way allows you to look at how you can

“improve the knowledge of the customer” during the cycle or from one stage to the next. Think about:

1. How are you going to take that data and translate it into information and later knowledge?
2. How are you going to go from the What and When and move the conversation to the How and Why?
3. How are you transferring efficiency conversations to effectiveness conversations?

This viewpoint develops a better understanding of the customer needs and the required responses that are needed.

Theory of Constraint flow concepts can be readily applied in the progression. Many people when finding a constraint assign more resources. In the TOC world, we know that adding another “Herbie” (resource) is sometimes impractical. Just as hiring another superstar salesperson seldom is the answer. In lieu of trying to increase the rapid flow of customers through the cycle, view the constraint as a poor transfer of knowledge. Don’t try to attack the problem from your point of view. This is where the concepts of design thinking and prototyping become useful. Use these tools to uncover what knowledge the customer/prospect is missing in their decision process. What will allow them to make their decision easier? Or, it may not even be a decision? It may be an idea of that needs to mature and they are just trying to put pieces together. As you do this, more of these concepts that seem strange to you start to shape. Collaboration and Co-creation cease to be words that you read about in blogs. They start becoming reality.

There is a changing emphasis on customer interaction and the importance of embracing uncertainty in your organization. In an interview in the *MIT Sloan*

Management Review with Michael Schrage on Value-Creation, Experiments and Why IT does Matter, he stated:

“The cost of experimentation is now the same or less than the cost of analysis. You can get more value for time, more value for dollar, more value for Euro, by doing a quick experiment than from doing a sophisticated analysis. In fact, your quick experiment can make your sophisticated analysis better.”

Later in the interview, in answer to the question, “**Can you summarize the three things you think companies need to get good at?**” Michael Schrage also stated:

The most important thing I would urge companies to do would be to experiment, by crafting good business hypotheses. I can now look executives in the eye and say, “The cost of experimentation is now the same or less than the cost of analysis. You can get more value for time, more value for dollar, more value for euro, by doing a quick experiment than from doing a sophisticated analysis. In fact, your quick experiment can make your sophisticated analysis better.

The second is to promote greater collaboration, interaction, and diversity—not politically-correct diversity, but diversity of skills and points of view.

And the third is to think more clearly about innovation. It’s no longer about creating new features and functionality. We have to move away from the notion of innovation being about greater creation of choice. Instead, it’s about greater value from use.”

To paraphrase from an outstanding book, [Everything Is Obvious: Once You Know the Answer](#):

Most of us (marketers) have more data than we know what to do with. The real problem that exists is what we are doing **causing** increased sales or what we are measuring is the **correlation** between the two.

Differentiation between correlation and causation can be extremely difficult. The authors recommend running an experiment. Without an experiment they conclude that it's actually close to impossible to ascertain cause and effect, and as a result measure real return.

They view experiments not as a one-time exercise that either yields the answer or doesn't, but rather as part of an ongoing learning process that is built into the process.

Iterative Cycles seems to be the buzz word these days: Just look at the new books:

- [The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses](#)
- [Little Bets: How Breakthrough Ideas Emerge from Small Discoveries](#)
- [Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers](#)
- [Gamestorming: A Playbook for Innovators, Rulebreakers, and Changemakers](#)
- [This is Service Design Thinking: Basics – Tools – Cases](#)
- [Adapt: Why Success Always Starts with Failure](#)
- [The Toyota Way to Continuous Improvement: Linking Strategy and Operational Excellence to Achieve Superior Performance](#)
- [Open Services Innovation: Rethinking Your Business to Grow and Compete in a New Era](#)

All of them focusing on iterations but they are fundamentally just PDCA (Plan–Do–Check–Act). Test a hypothesis, improve on it and test it again. Marketing is about moving along the cycles of EDCA = Explore, PDCA = Plan, and SDCA = Standardize. Sometimes you may not even use a full cycle but rather use more of a game environment half-cycle version of Inspect and Adapt (IA). These iterative processes are simply responding to the ever increasing world of uncertainty that we live in.

Iterative cycles are best handled through team interactions. Decisions made in isolation seldom have a chance of success. And isolation means your organization, not an individual. You have to gather outside influencers from the markets you serve. To do this, the team must be empowered and schooled with the new toolset. You can find these new sets of tools by researching subjects like: Design Thinking, Cynefin, Value Networks, Open Innovation, Co-creation, Lean Startup, Service-Dominant Logic, Q-Storming, Game Storming, and Kanban.

The tools used in sales and marketing are certainly changing. Gone are the days of being trained in cold-calling and the art of closing and in are the days of iteration, open innovation, co-creation and collaboration. Funny, I did not even mention social media?

When we think about co-creation, we have a tendency to think only in the terms of innovation. Most of us are not ready for that step. In fact, it is a rather large one. However, Janet R. McColl-Kennedy Professor of Marketing UQ Business School, University of Queensland, Australia recently published a paper where she discussed the **7Cs of Co-Creation:**

1. **Co-operate** (compliance)
2. **Collate** (sorting, assorting, synthesizing)
3. **Combine** complementary skills, knowledge, expertise

4. **Connect** eg with family, friends, service providers, support groups
5. **Co-learning**
6. **Co-produce** (self-service, co-design, new service development)
7. **Cerebral** activities (eg positive thinking, reframing, emotional regulation)

These are not earth shattering revelations. However, they allow you to start working with customers in the co-creation space. Something that is earth-shattering. You could use a simple checklist designed around these 7 Cs that would enable you to review sales and marketing material or presentations. If you start asking questions like:

- Does this comply 100% with what the customer requested?
- Can we sort our information to make it more meaningful?
- Can we group our material differently for the different customer departments?
- What complementary skill does the customer have that will facilitate the problem solving?
- Who do we need to connect with internally or externally (downstream or upstream)?
- What can we learn together that will assist to move forward?
- What changes may be required to our product/service that provides better use?
- Is the customer using our product/service differently than intended?
- Does the customer modify our product/service?
- How could we reframe our proposal/offer to allow our customer to change it?

Changing our mental model and making that leap to co-creation is mind boggling for most. Starting simply by asking the right questions around existing procedures and content, the perspective begins to change.

PDCA from the Outside-In

What do you find when looking from the outside in? Who are those people outside of your four walls? Customers! So how do you include customers in your Lean Sales and Marketing Cycles? By my definition: Lean Sales and Marketing Cycle mirrors your customer decision making process.

When you are involved in a customer/prospect (I will use customer but depending on the cycle it could be only a prospect) decision making cycle there are certain stages that they go through. Your response is multiple PDCA cycles that mirror their decision making process but there is a little more to it than your standard Plan-Do-Check-Act.

The biggest change that occurs is your thinking process has to change. You must think from the outside-in. Seldom does a customer enter into a new decision making stage except at the beginning seeking new information or building on information that they have. If a customer or for that matter your company is not ready for the next level it is soon discovered or as this cycle demonstrates through "reality testing". An example may be through the use of checklist or the customer has requested certain information or called the next meeting with certain decision makers in attendance. Your company also has to be on the same page as the customer. It is important that during this reality check that there is total agreement/clarity on this decision making step between both parties.

The purpose of moving from one stage to the next is to acquire that next level experience. You have to first seek information and test the waters. Then leave the customer experience your product or service to enable them to move forward in their decision making process. After that, fully expect to meet some sort of resistance which we all do. In typical sales training you would at this time be taught how to ask certain types of questions to

minimize the risk or to deflect the objections. However, in Lean Sales and Marketing this resistance is met with opportunity to create dialogue. Don't try to analyze, judge or argue instead take a Design Thinking approach and think about what can be which involves constructive and creative thinking.

This moves into the next stage of compromise which is not about each side giving something up. If you have created a true exchange of dialogue, you have built something better at this point and time. Compromise in this sense is a matter of co-creation, satisfying both parties' needs. As we finalize our cycle we simply document what we have learned and integrate it as part of our process. If we cannot use this this knowledge in practice, by definition we simply have increased our information base. It is not knowledge if we cannot use it. As with any PDCA cycle, if we did not achieve the results that we need we simply go through the loop again based on the information on hand. If we believe we have achieved the desired knowledge we enter the next stage of Lean Sales and Marketing cycle.

Spend time understanding the Service Design concept. The history according to Wikipedia:

"The earliest contributions on service design (Shostack 1982; Shostack 1984), the activity of designing service was considered as part of the domain of marketing and management disciplines. This design process, according to Shostack, can be documented and codified using a "service blueprint" to map the sequence of events in a service and its essential functions in an objective and explicit manner.

In 1991, service design was first introduced as a design discipline by Prof. Dr. Michael Erlhoff at Köln International School of Design (KISD), and Prof. Birgit Mager has played an integral role for developing the study of service design at KISD in later days. In 2010, 23 service design professionals

published the first comprehensive textbook [This is Service Design Thinking: Basics – Tools – Cases](#) , edited by Marc Stickdorn and Jakob Schneider.”

Wikipedia goes on to give a brief description of Service Design:

“Together with the most traditional methods used for product design, service design requires methods and tools to control new elements of the design process, such as the time and the interaction between actors. An overview of the methodologies for designing services is proposed by (Morelli 2006), who proposes three main directions:

1. Identification of the actors involved in the definition of the service, using appropriate analytical tools
2. Definition of possible service scenarios, verifying use cases, sequences of actions and actors’ role, in order to define the requirements for the service and its logical and organizational structure
3. Representation of the service, using techniques that illustrate all the components of the service, including physical elements, interactions, logical links and temporal sequences.”

Where Service Design has made an impact in my thinking is its obvious connection to two areas. One in the ability to involve customers through co-creation or open innovation and the other as it relates to [The Experience Economy](#) popularized by the book of that name by Pine and Gilmore.

In the 90’s business processes was all the buzz and Lean and Six Sigma led the way. They have continued gaining popularity but may soon lose out to the methodologies of Service Design and Design Thinking.

Why? Lean and Six Sigma cannot move away from that supply chain mentality. They are continuously bogged down in the internal world of

product delivery. They continue to think the more efficient you become the better company you become. They relate everything to customer value but seldom is that referenced to an external customer.

What's different about Service Design? In the Service Design context they put the customer experience at the center of the organization. Many product companies have been using this concept with Apple being the shining example. Design is the differentiating factor.

When viewing the customer experience perspective from [The Service-Dominant Logic of Marketing](#) framework that states, value is not created till your product/service is put into use creates a different spin. It obsoletes the supply chain and operational excellence as the primary reason your product is purchased. Many efficiency experts are simply at a loss to explain this and struggle to comprehend this concept.

I am not saying improvement of a process is not a good thing. But to do it without improving the customer experience will provide little value and may even prove to be "invaluable".

In [The Service-Dominant Logic of Marketing](#) edited by Robert Lusch and Stephen Vargo they present the case to use SD-Logic as a foundation versus a total integrative marketing method. I believe that Lean viewed through the lens of PDCA as a knowledge creation platform can serve as the vehicle for implementation of this Logic. The principles of SD-Logic cannot be implemented in various silos of an organization, just as the basic principles of Lean cannot. It requires a cultural and fundamental shift within the organization placing the customer and user experience becoming the center.

Let me start by listing the foundational principles of Service Dominant Logic described in the before mentioned book:

1. The application of specialized skill(s) and knowledge is the fundamental unit of exchange: Service is exchanged for service.
2. Indirect exchange masks the fundamental unit of exchange: Micro specialization, organizations, goods, and money obscure the service-for-service nature of exchange.
3. Goods are distribution mechanisms for service provision: “Activities render service; things render service”
4. Knowledge is the fundamental source of competitive advantage: Operant resources, especially know-how, are the essential component of differentiation.
5. All economies are services economies: Service is only now becoming more apparent with increased specialization and outsourcing; it has always been what is exchanged.
6. The customer is always a co-creator of value: There is no value until an offering is used—experience and perception are essential to value determination.
7. The enterprise can only make value propositions: Since value is always determined by the customer (value-in-use), it cannot be embedded through manufacturing (value-in-exchange).
8. A service-centered view is customer oriented and relational: Operant resources being used for the benefit of the customer places the customer inherently in the center of value creation and implies relationship.

My premise is that if you understand Lean as a Knowledge Creation machine versus a waste reduction machine these principles are not only compatible but harmonious. There is little or no difference.

I asked Dr. James Womack this question in a podcast:

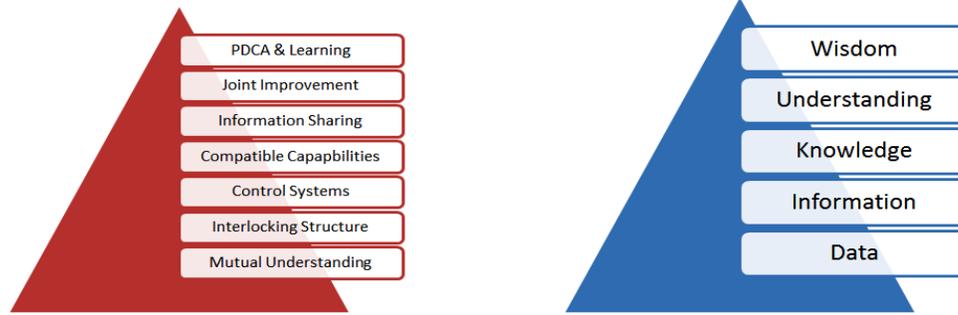
Joe: Most people don't think of Lean as, a capturing knowledge mechanism. Do you?

Dr. Womack: "Well, of course. That's what the whole idea is. It's an experimental process that you try things. They are right. Deming most famously captured it in PDCA. But again, Deming didn't exactly think of science. Hey, let's give Galileo a little bit of credit.

Now look, it's by design and experimental process. By the way, Kaizen is nothing but an experiment. There's a plan based on grasping the situation, I hope, which is to say what is the issue? Then you do it, and that's to run the experiment. You can run a valid experiment because you have baseline data on how the current state works. So then you change something in a future state, and you measure the difference and decide whether that's a good or bad result and whether to standardize it or not.

The entire idea here is to capture knowledge in books of knowledge and the product development system in a progression of A3s which, of course, we talk about a lot at LEI. But A3s are really nothing but a way to put an experiment in context. You put PDCA in context and so they become their own book of knowledge as time moves ahead. If you're not trying to learn something and not trying to cumulatively learn something, so you don't have to do the same experiment over and over, as I often see in companies. Well then, you need some sort of a way to write it down. To standardize it so you can sustain it as well as discover it."

I find a striking resemblance in the Toyota Supplier hierarchy (on left) depicted by Liker and Meier ([The Toyota Way Fieldbook](#)) and the Economic Pyramid model (on right) of Pines and Gilmore ([The Experience Economy](#)).



Lean offers a guiding light for implementation of Service Dominant Logic or maybe a more correct and broader term would be a Customer (User) Experience Centric Platform. This change is occurring in the market place and Lean can be part of the solution for many companies. It is a platform that is well understood and readily accepted. But with that understanding emanates a platform of internal focus based on a waste reduction mentality. This focus may actually hinder the growth of the Lean Methodology into the higher culture that it professes to emulate.

If we were to view the stages such as described previously (page ___), *The 7 step Lean Process of Marketing to Toyota* we would see a natural progression through the stages of the supplier. A supplier starts working with Toyota at the stage of developing Mutual Understanding. They base this on the key elements of Trust, Mutual prosperity, Respect for People and Genchi gembutsu (actual part, actual place). It ultimately ends in Kaizen (Continuous Improvement) and Learning through PDCA. I am leaving out a significant portion of development in the five other steps but it suffices to say that there is a continued progression through the stages based on an increase of knowledge and sharing between the two parties.

In the [The Experience Economy: Work Is Theater & Every Business a Stage](#), Pine and Gilmore discussed the Progressions of Economic Value and corresponding to a level of Progression of Value Intelligence which I have

combined in the above diagram. They so masterfully compared it with the statements:

- If you charge for stuff (noise), then you are in the commodity business.
- If you charge for tangible (data) things, then you are in the goods business.
- If you charge for the activities (service) you execute, then you are in the service business.
- If you charge for the time (experience) customers spend with you, then you are in the experience business.
- If you charge for the demonstrated outcome (wisdom) the customer achieves, then and only then are you in the transformation business

When you hear discussion in Lean Marketing about mirroring the Customer Decision process it is sometimes difficult to see how it will scale to larger companies. These examples are the basis for such activity. It is sales and marketing responsibility to define them and to close the knowledge gaps that exist from one stage to the next. These gaps are readily apparent between each stage and typically well-defined.

How to close the gaps is not readily defined in most companies. Sales and Marketing has seldom viewed their efforts from a perspective of knowledge gaps and with the ultimate goal of developing open innovation and co-creation platforms. As the New Economy unfolds whether Economy is prefaced by Experience, Transformation, User-Centric or Customer Centric, sales and marketing's role will be defined by their ability to learn and share knowledge with the customer.

I have come to believe that in many successful companies there is not a lot of low-hanging fruit left. They simply cannot make efficiency changes that

will create significant differences in the market place. Does that mean you should stop? Not at all, that's part of the dilemma. Your competitors are improving so that means the bar is continuously being raised.

The next area of we look at for growth is innovation. Apple has proven that to be the savior. But the fact is new products and features overwhelm most of us that now we seldom see significant advantage in changing. New innovation is seldom a game changer. How many of us, except for a select few see their innovation result in dramatic market place changes (hopefully for the better). When we do hit a home run, how long does the marketplace take to catch up? Our products are quickly commoditized and as a result our advantages are short-lived.

So how can you develop an advantage? First, you must understand your value proposition and how your customer values it. Secondly, you must have the ability to share and create knowledge with your customer at a quicker rate than your competitor.

Many will hate the simplicity by how that sounds but that is it. Reinstating it slightly, driven by clear understanding of the values that your organization provides and being open to redefining that value (customer needs change) through pursuing and listening to your most important customers is what is needed. That ability to interact with your customers in this way allows us to outperform our competition hands down.

This is not something you can do by becoming customer –focused. You must become customer-centric. From the book [Designing Your Organization: Using the STAR Model to Solve 5 Critical Design Challenges](#), the authors discuss the differences:

Customer-focused strategies and initiatives usually apply to how products are developed and how customer interactions—sales and service—take place. Companies that are customer focused use extensive market research and may even involve customers in the design of their products and services. They create products that customers want rather than trying to build demand for the products they are able to produce. They invest in the training and systems that allow frontline employees to provide smooth and consistent service in transactions.



- Customer-focused programs, processes, and systems improve an organization, but they do not transform it.
- Customer-centric strategies do transform an organization. Put simply, a customer-centric organization brings together and integrates products, services, and experiences from within and beyond the firm to provide solutions to the complex and multifaceted needs of its customers.

You must become a customer-centric organization. In the before mentioned book, the authors use the example of the IRS. Originally it was structured based on geographically but in the late 1900s, it was reorganized into four customer segments containing groups of taxpayers with similar characteristics.

They go on to list the Customer-centric advantages:

- Customize for customers
- Build in-depth relationships and customer loyalty

- Create more value-added product and service bundles and solutions
- Avoid commoditized products and competition on price alone

There are disadvantages that take place and they listed:

- Divergence among customer/market segments in focus and standards
- Duplication of resources and functions
- Challenge of measuring customer profitability and identifying appropriate segments

I find the area of organizational structure fascinating and an area that needs to come to the forefront as the shift to stronger customer interaction takes place. Another facet that is discussed in the book is for this transformation to take place; re-organization must occur. The structure of the organization is no different than any other process within your organization. It must be structured to facilitate the objectives it is trying to achieve.

I think organizational structure deserves serious consideration before contemplating process improvements especially in the sales and marketing arena. The organizational structure is adaptable to the level of integration needed based on the degree of complexity and the number of product and services offered to a customer segment. It is not an undertaking that should be done or is needed by all. However, it is worth further study if your improvement efforts are stalled. It may be that organizational change/structure is needed.

Note: The organizational construction discussed is based on five components of the Five Star Model developed by Jay Galbraith and explained in [Designing Matrix Organizations that Actually Work: How IBM, Procter & Gamble and Others Design for Success \(Jossey-Bass Business & Management\)](#).

All of us want to be customer-centric? Are your products and organization structured to be customer-centric? In the book, [Designing Your Organization: Using the STAR Model to Solve 5 Critical Design Challenges](#), the authors discuss the differences between being product-centric and customer centric. Adapted from the book, I have created the following survey for you to visualize where your organization is positioned.

Strategic

1. Are you looking to supply the best product or the best solution for the Customer?
2. Is you main offering centered around new products or packages of products/services?
3. Do you create value through cutting edge products or through customization?
4. Do you consider your most important customers cutting edge or loyal?
5. Do you set priorities on your portfolio of products or portfolio of customers?
6. Is your pricing structured around the market or around risk?

Structure

1. Is your organizational structured by product or customer segments?
2. Are you teams developed to support products or customers?

Processes

1. Do you put greater emphasis on new product development or customer development?
2. Which is a greater priority, innovation or customer relationship management?

Rewards

1. Is number of new products measured or share of target market measured?
2. Is revenue from new products measured or lifetime value of a customer?
3. Is market share measured or customer retention?
4. Do you reward people based on greater product or customer knowledge?

People

1. Is empowerment given to meet deadlines or save customer's business?
2. Do you view the possible ways to use a product or the possible combination of products for a customer to use?
3. Does your sales force consistently side with the organization or the customer during transactions?
4. Are you more open to new ideas, experimentation or finding more customer needs?

By now the answers should be obvious. Everything on the left side of the "or" is product-centric and to the right is customer centric. Is there a right or wrong answer? Not really, it is just telling you where you are at.

If you think about the rapid commoditization of products and the value in use concepts of [Service Dominant Logic](#), you can see why I believe in structuring an organization around the customer is so important. The important question you must ask yourself is whether your organization is structured and positioned to do that?

The iCustomer and iTeam

One of the main reasons that I have attached marketing to the Lean methodology is the simple approach that is used and termed “Learn by Doing.” The Toyota Production System is known for Kaizen/PDCA that is explicitly built upon learning-by-doing effects.

Kaizen is a daily process, the purpose of which goes beyond simple productivity improvement. It is a process that, when done correctly, humanizes the workplace, eliminates overly hard work, and teaches people how to perform experiments on their work using the scientific method – Wikipedia.

The use of “Learn by Doing” techniques is what drives my adaption of Lean in the Sales and Marketing efforts. The basic premise of marketing today has become the interaction with the customer; the more humanistic, the better. Learn by Doing technique simply breaks the marketing process down into a series of validating loops with the customer.

If there is only one thing that you take away from the Lean Startup movement, it is the message that is sent about getting out of the office and validating whatever you are working on with the customer. It is a similar principle that is reinforced in Service Design and Design Thinking processes.

Going back to the [The Lean Startup](#), an important lesson you can learn from this concept is not even in the book. Author Eric Ries sold the Lean Startup through Meetups, Lean Startup Sessions around the globe and later his own conferences. Secondly, he leveraged everything with the brilliant use of social media. However it was all high touch, low technology from a person that grew up in the software community. Even the Build, Measure and Learn

adaption of PDCA is highly structured around gaining customer acceptance and validation; again, high touch.

No matter, what brilliant marketing efforts you may create or how automated your marketing funnel may become, it will fail against authentic and human touch. I think this customer interaction is the most important marketing tool you can have. **I will term this customer interaction: the iCustomer.**

In Lean Sales and Marketing the “Learn by Doing” concept is the iCustomer. It is not about sending another email, it is about the iCustomer. It is not another Voice Shout or tweet or even blog post, it is the iCustomer. If you want to know how effective your marketing efforts are? Measure how many iCustomers it creates. You have only one customer, the person that buys and uses your product. This is the person you must learn from. “Learn by Doing” must be done at the iCustomer.

What is your iCustomer Level?

If the customer interaction (**iCustomer**) is an important part of marketing you should be able to measure it. But first, let’s review a few of other popular “scores” out there.

Net Promoter is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix. It was introduced by Reichheld in his 2003 [Harvard Business Review](#) article “The One Number You Need to Grow”. The most important proposed benefits of this method derive from simplifying and communicating the objective of creating more “Promoters” and fewer “Detractors”. The Net Promoter Score is obtained by asking customers a single question on a 0 to 10 rating scale, where 10 is “extremely likely” and 0 is “not at all likely”: “How likely is it

that you would recommend our company to a friend or colleague?” Based on their responses, customers are categorized into one of three groups: Promoters (9–10 rating), Passives (7–8 rating), and Detractors (0–6 rating).

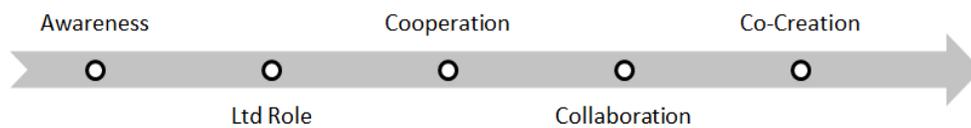
The Klout Score is a measure of your online influence based on your ability to drive action. Every time you create content or engage you influence others. The Klout Score uses data from social networks in order to measure:

- **True Reach:** How many people you influence
- **Amplification:** How much you influence them
- **Network Impact:** The influence of your network

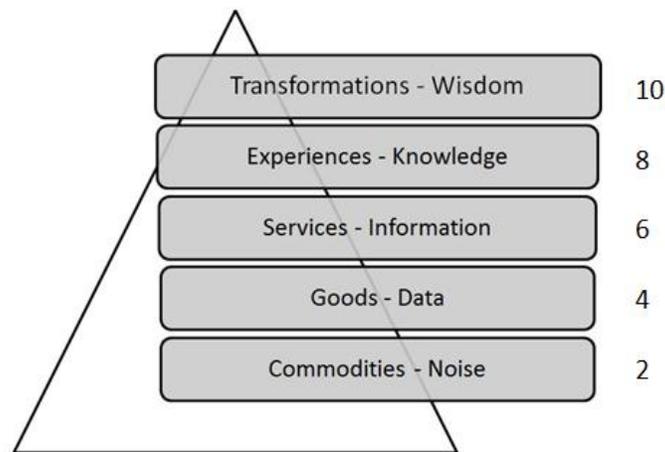
There are of course opponents of each but both are exceptionally good tools when used in the correct way. They give you a measure of how others view you or your product/service. But they do little in the way of informing you how much interaction is required with a customer. Organizations need to have healthy relationships and interactions with their customers. However, they need to know how much interaction is needed based on the product or level of service being delivered.

There are two components of the iCustomer Level. One is the depth of your organization’s customer interactions. Second is the Progressions of Economic Value and as it corresponds to a level of Progression of Value Intelligence as described in Pine and Gilmore’s [The Experience Economy: Work Is Theater & Every Business a Stage](#).

Starting on the horizontal axis, review both ends of the spectrum with 0 as no interaction and Co-creation of products as a 10 and the highest form of interaction. On that scale of 1 to 10, rate the state of interactions with your customers today. It will have more value if you do this by individual customer segments.



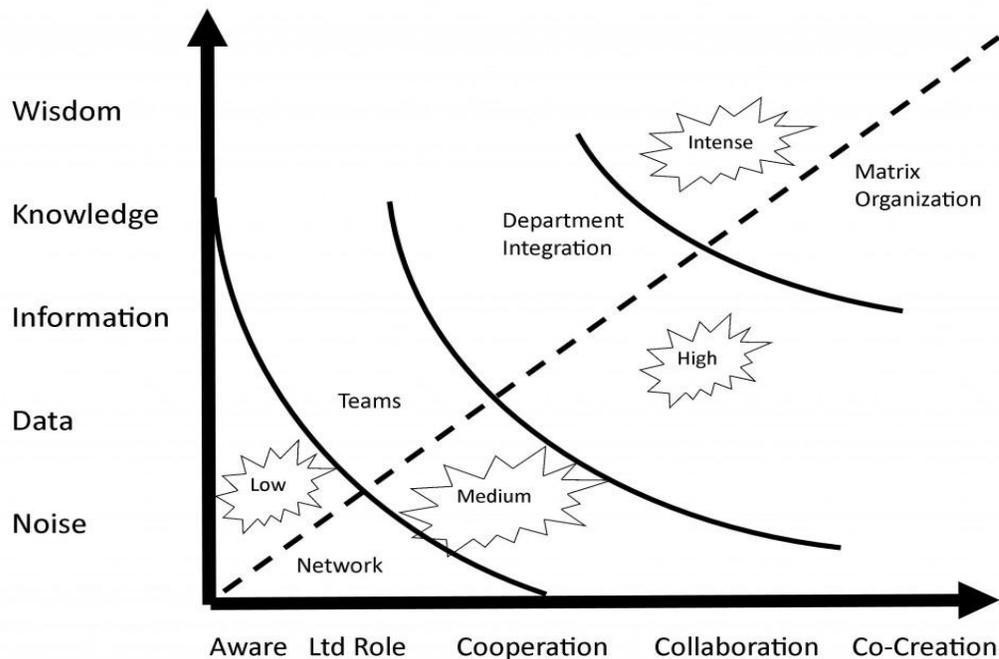
On the vertical axis use the Progressions of Economic Value and corresponding to a level of Progression of Value Intelligence. The Pine and Gilmore description of each stage suffices for the needed scaling:



- If you charge for stuff (noise), then you are in the commodity business
- If you charge for tangible (data) things, then you are in the goods business.
- If you charge for the activities (service) you execute, then you are in the service business.
- If you charge for the time (experience) customers spend with you, then you are in the experience business.
- If you charge for the demonstrated outcome (wisdom) the customer achieves, then and only then are you in the transformation business

The iCustomer level is not a tangible number. It is strictly based on the degree of interaction your organization needs based on the products/services it is delivering. You cannot afford to give high level support when delivering a commodity. Nor can you give a low level of support when you are part of a transformation. There is not wrong or right answers but is meant to serve as a guide. It is a way to create a path for discussion, such as:

- Are we supplying to little or not enough interaction?
- Do we view our position the same as customers do?
- What is (is not) working?
- What is the expectation of the other?
- Who/What needs to be communicated?
- What type of support is needed?
- Can I strip something away and sell it as a commodity?
- Can we add support and sell it as an experience?



I would recommend that you create your own iCustomer chart with your own scaling. Change the vertical axis to your own progression of products (See the [The 7 step Lean Process of Marketing to Toyota](#)). If there are no plans ever to co-create products with a customer, why put it on the horizontal axis? Make the iCustomer your own and debate it internally and externally. Leave it become a discussion point.

Note: The idea of the iCustomer Level came from the book [Designing Your Organization: Using the STAR Model to Solve 5 Critical Design Challenges](#).

Successful Lean teams are iTeams

Teamwork is an individual not group skill. Individuals must take responsibility for...

- the quality and productivity of each team
- relationships they are part of
- individual accountability
- the larger, shared tasks or deliverables

When I use this term, it is based on a simple theory that [Teamwork Is an Individual Skill](#). In this book by Christopher Avery he describes a team as a group of individuals responding successfully to the opportunity presented by shared responsibility.

Paraphrased from the book:

Your ability to create high quality, productive relationships is fast becoming the most important factor in getting your work done. It once was management's job to hand out individual jobs and then integrate them. Now, organizations are giving the work to teams in larger chunks and expecting teams to divide the work in an effective and efficient manner.

In Lean Engagement Teams the individual must come first and the reason there must be an I at the beginning of team, hence the iTeam.

Avery goes on to state:

- Every individual at work can be far more productive if they will take complete responsibility for the quality and productivity of each team or relationship of which they are part of. It means that..
- You may have individual accountabilities, but accomplishing these will almost always depend on successful relationships with others and their work.
- You can better attend to you own accountabilities when you assume responsibility for a larger, share task or deliverable.
- You success depends on teams. Teamwork is an individual – not –group – skill and should be treated as such.

- Individuals make a huge difference in teams, for better or worse. You can easily earn what kind of difference you make and how to build and rebuild a team.

The team concept in Lean thinking is very much individual driven. As we start engaging our customers in the spirit of collaboration, co-producing and co-creation we must remember that our internal actions will mimic our external actions. The importance of the iTeam will become intensified and transparent in all of our external engagements. We must be willing to accept that as individuals and organizations as we move forward.

Lean sales and marketing is built upon the philosophy that there has been a subtle shift to knowledge as the way to engage, develop and retain your customer base. The sales and marketing team must act as a vehicle to cultivate ideas not only within their four walls but more importantly from their customers and markets. If this is true, how do we create new knowledge? How do we learn? Most studies show that we learn best by doing and by being forced to resolve our perspective with those of others who disagree with us. This means that you have to encourage contradictions and be willing to push the envelope with your customers.

This is a strange paradox. Disagreement with your customer can hardly be seen as a positive mechanism for sales and marketing. However, it is the embracement of this understanding that will move your sales and marketing efforts to a higher level of performance.

Can you disagree with a customer? Can you purposely cause tension? You must! You must move away from the comfort zone and create a healthy tension and instability in your sales and marketing process. The first step in doing this is that you must create an atmosphere of respect. It is such an

important function of Lean sales and marketing that I asked Dr. Michael Balle to define respect within a Lean company. This is what he said: The next step in the process is surprisingly easy but difficult to do. It is the process of reflection or in Japanese, hansei. There are three key components of hansei:

1. Recognize that there is a problem – a gap between expectations and achievement – and be open to negative feedback.
2. Voluntarily take responsibility and feel deep regret.
3. Commit to a specific course of action to improve.

The first step, acknowledge that there is room for improvement is not that difficult. However, putting a number to it may be a different story. When we create a performance gap we identify two points, one where we are at now and one where we want to go. Of course we may not get there overnight; there will be limitations. You have to determine what is realistic to achieve.

A simple but effective way of looking at it is, “From what to what by when”. The second step can simply be stated – don’t look for excuses. Take responsibility, feel a little humility and move forward. Without this, you will never fully release from the past and it may be much more difficult to bring fresh ideas to the table.

This is your action plan to move forward. However, without step 2, you will seldom be passionate about step 3. It will just be another effort and ownership will be limited. Ownership cannot be achieved without an emotional attachment.

The steps of Respect first and Reflection second will drive the third step of Kaizen or continuous improvement. This is the process and culture of PDCA

in your marketing cycle. It is the embodiment of tension, a performance gap to send you off on a new path. This path acts as an expanding spiral of co-creation of knowledge with your customer that will be truly valued.

THE ABILITY TO SHARE AND CREATE KNOWLEDGE WITH YOUR CUSTOMER is the strongest marketing tool possible. Few companies will take this path. Few companies will take the time to develop the level of respect required. Even fewer will use hansei and look at performance gaps releasing their own pre-determined reasons. Few will ever practice continuous improvement in sales and marketing. Will you?

An example of Why thinking using a simple purchase such as a new refrigerator: we address the concerns of the customer by asking why we need one, how much do they want to spend and what fits in the hole. If we start with the Who; we center on their lifestyle, who is using it, who will be installing it, who will be removing it, and maybe even who will be paying for it (if we don't have terms to delay payment till next year). We develop a customer experience that is extended into delivery, warranty and service agreements.

We live in a replenishment society, most of us do not need anything else. We have everything. It is the company that takes the time to understand the customer and their behaviors that enables them to not simply design a solution but centering on the Who to create an outstanding customer experience. If we do that, we end up creating products and services that customers can't resist and competitors can't copy.

Who...

1. Externalizes your thought processes
2. Creates customer centric organization

3. Enables a spirit of

- Community
- Co-operation
- Co-learning
- Co-producing
- Co-creation

Who is the key in developing an obsession to understand the customer and allow us to deliver on customer desires and wants versus just their needs. Average companies deliver on customer needs, above average companies deliver on desires. Which one are you?

New Lean Thinking

Design and Customer Experience, incorporated in Service Design Thinking are not the future but already upon us as the new norm for being successful in business. These principles address the demand side of the equation. Examples are Amazon, Starbucks, Xerox and IBM to name a few high profile companies. As a side note, these companies are also driven internally by continuous improvement.

Lean Thinking can lead the way using the external principles of Service Design. But the internal planning focus of many Lean Companies prevents that. Viewing PDCA as a way to identify the knowledge gaps that exist between the customer and your organizations and closing them is actually what Toyota has done in their supplier management programs (Use that as a template and think of yourself as the supplier). You move up the supply chain with your customer through cooperation, co-producing, co-creation. You create the demand with your customer and Lean (PDCA) is the best way to achieve this.

In Europe, Toyota used EDCA (Explore), PDCA, SDCA in the CRM systems very successfully and the latest extension of that theory is embedded in [Service Design Thinking](#) or [Service-Dominant Logic](#) theories where the belief that value of your product/service is not obtained till it is put into use. When viewed from that vantage point, "Value in Use" it opens an entirely different view of your product/services and as a result "Demand."

I believe that Lean is the best vehicle to do this but is bogged down in the thoughts of only improving processes and more specifically internal processes. When viewed as a knowledge creation vehicle, which is all PDCA is and focused outside the organization it becomes a way to create demand. Design Thinking can be a great conduit to achieve this (Had a Great podcast

on this subject with Tim Ogilvie co-author of [Designing for Growth: A Design Thinking Toolkit for Managers](#))

Working on internal processes is not creating business opportunities.
Working on supply side economics is not solving anything. We must simply focus on Demand through Service Design and Customer Experience and why not use Lean to lead the way?

I believe so many continuous efforts fail, they are concentrating on supply. Though this same scenario could happen by doing this without it being tied to a competitive advantage in the marketplace it accomplishes little if anything.

From the article: "Fleetguard marketing professionals developed a "solutions for sales" proposal, which guaranteed 100 percent delivery performance and reduction by half of the current project lead times for the export market segment. Fleetguard's decisive competitive edge for this sector is its commitment to availability."

- Look as you drive by empty Coffee Shops and you see lines at the Starbucks? Do they have better coffee? Or better Customer Experience?
- I had to go to the ATT store Friday and with the release of new iPhone it was literally like Christmas. The store manager told me that they were fully staffed and everyone had to come in at 7 AM to prepare, move stock around, etc. They looked at selling out of their stock by that afternoon and that was for a \$200 to \$500 phone not counting additional services.
- Xerox uses Lean Six Sigma to assist in-house printers to create better internal efficiencies. This allows the printers to operate more efficiently

in small batches and giving them a decided advantage over out sourcing the printing needs.

These are just 4 examples of companies focusing on the demand side of the equation through Service Design, Customer Experience and Design Thinking. Just as in Agile development, Lean Thinking can be the umbrella over these processes. It will provide the culture that is embedded in the principles of Kaizen (PDCA) and Respect for People for the entire organization.

I think improvement efforts should be based on results in the marketplace. We are constantly trying to improve internal processes making them more and more efficient. Many companies are seeing little change or improvement from these efforts over their competitors and in the marketplace. Business is Business. If it is not about succeeding in the marketplace and in a crass way cash, what is it about? I hate to take it down to this level because I hold corporations and

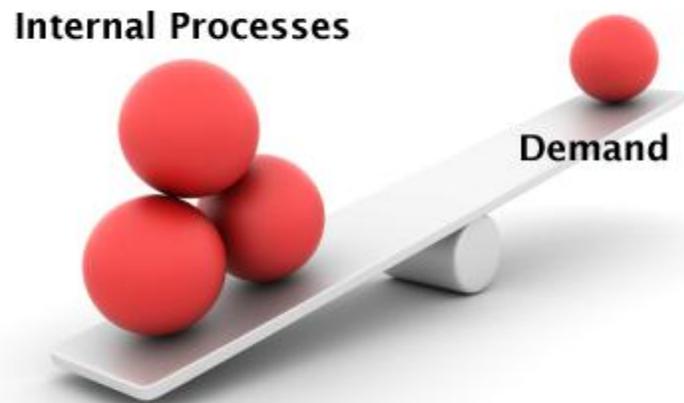
Most large manufacturers last year failed to reach their cost-savings targets, despite significant investments in "lean manufacturing," "Six Sigma" and other productivity programs as part of their overall retrenchment efforts in this tepid economy. Nearly 70% of manufacturing executives say that their manufacturing-improvement efforts led to a reduction in manufacturing costs of less than 5%, the typical minimum threshold for successful productivity programs. That's according to a survey of manufacturing executives conducted in May and June by [AlixPartners](#), the global business-advisory firm.

"At their core, continuous-improvement programs must include clear priorities based on the expected financial impact," said Andrew Csicsila, director in AlixPartners' Manufacturing Practice. "Yet, there remains a pervasive misunderstanding that simply focusing on 'lean' and 'Six Sigma'

processes alone will be the magic fix. Ultimately, it's not about chasing a process or philosophy. It's about the cash."

Can this be true? I am a proponent of Lean and adhere to most of the underlying philosophies that it exhorts. However, I go off on a rant sometimes when I hear that we are always supposed to "wait" for improvements to prove their effectiveness. It is all about culture, you will hear echoed by the top-level consultants. (I always thought it might have been because culture pays better – just a joke). It seems to always fall back that Leadership is shortsighted and not patient enough, even if it does mean their jobs.

I think improvement efforts should be based on results in the marketplace. We are constantly trying to improve internal processes making them more and more efficient. Many companies are seeing little change or improvement from these efforts over their competitors and in the marketplace. Business is Business. If it is not about succeeding in the marketplace and in a crass way cash, what is it about? I hate to take it down to this level because I hold corporations and myself to higher standards than this but let's face it, if you are not making money, you cannot be effective at what you do.



On one side of the fulcrum we have products and services supported by internal processes and on the other side of the fulcrum are customers or the demand side. There has been a significant shift in the marketplace and at the moment the customer is in control. Supply exceeds demands. However, continuous improvement seems to be still stuck on the wrong side of the fulcrum, the internal processes.

We do not live in a world of excess demand. The strategies that we need for improvement need to be focused on the demand side, the customer. These efforts of continuous improvement must be focused on moving ourselves along the path of our customers. Do you wonder how that path is shaped? A brief synopsis is that path is shaped initially by understanding the knowledge gaps that exist between you and your customers. As that knowledge is shared and made explicit the gaps close and eventually the power of the two organizations is realized. It is in the spirit of Service Design and Innovation that these thoughts will flourish.

Looking back at the beginning of the quality movement can you remember this types of all too common of a scenario described by Tim Ogilvie, CEO of

innovation strategy consultancy Peer Insight and co-author of a new book [Designing for Growth: A Design Thinking Toolkit for Managers](#): “We had a VP of production and a VP of quality, and they had an argument on the loading dock on the 30th of the month as to whether we we’re going to ship that order or not. And the VP of quality said, “It’s not high enough quality because I inspected it.” And the VP of production said, “I got to make my order.” It was an adversarial system, and here we are 25 years later and the quality is all baked in because at our workstation we self-inspected and we fulfilled with a Kanban, and we got single minute exchanges. All of these amazing breakthroughs have happened in that time period.”

It is the time for continuous improvement to start tackling the demand side the equation. It is not going to be an overnight success but small gains of moving from frameworks such as cooperation and joint ventures to co-producing and co-creation or platforms of customer-centricity to user-centricity are the starting points. This is the one of the few ways that you can create and sustain demand. And with demand comes increased revenue and market share that can be measured. Without doing this your company may flounder and the results may not be very forgiving.

The concept of PDCA (Plan Do Check Act) is based on the scientific method, as developed from the work of Francis Bacon (Novum Organum, 1620). The scientific method can be written as “hypothesis” – “experiment” – “evaluation” or plan, do, and check. Shewhart described manufacture under “control” – under statistical control – as a three step process of specification, production, and inspection. Clearly, Shewhart intended the analyst to take action based on the conclusions of the evaluation.

PDCA was made popular by Dr. W. Edwards Deming, who is considered by many to be the father of modern quality control; however it was always referred by him as the “Shewhart cycle”. Deming preferred *plan, do, study,*

act because “study” has connotations in English closer to Shewhart’s intent than “check”.

- Wikipedia

A fundamental principle of the scientific method and PDCA/PDSA is iteration—once a hypothesis is confirmed (or negated), executing the cycle again will extend the knowledge further. Repeating the PDCA/PDSA cycle can bring us closer to the goal, usually a perfect operation and output.

In a Business901 Podcast Dr. Womack stated his view of Lean/PDCA: “It’s an experimental process that you try things. Deming most famously captured it in PDCA. But again, Deming didn’t exactly think of science. Hey, let’s give Galileo a little bit of credit.

Now look, it’s by design and experimental process. By the way, Kaizen is nothing but an experiment. There’s a plan based on grasping the situation, I hope, which is to say what is the issue? Then you do it, and that’s to run the experiment. You can run a valid experiment because you have baseline data on how the current state works. So then you change something in a future state, and you measure the difference and decide whether that’s a good or bad result and whether to standardize it or not.

The entire idea here is to capture knowledge in books of knowledge and the product development system in a progression of A3s which, of course, we talk about a lot at [LEI](#). But A3s are really nothing but a way to put an experiment in context. You put PDCA in context and so they become their own book of knowledge as time moves ahead. If you’re not trying to learn something and not trying to cumulatively learn something, so you don’t have to do the same experiment over and over, as I often see in companies? Well

then, you need some sort of a way to write it down. To standardize it so you can sustain it as well as discover it.”

One method was by Toyota that I learned about through [Graham Hill](#) who was the head of CRM at Toyota Financial Services at a European facility. He stated that: “Marketing in highly competitive markets is about exploring new propositions on the innovation fitness landscape. The environment determines where to start and complex marketing environments need EDCA (EDCA = Explore-Do-Check-Act, PDCA = Plan, SDCA = Standardize). Marketing Operations is all about moving along the EDCA>PDCA>SDCA pathway.”

In healthcare and other industries there seems to be the prevalent culture of PDSA versus the more traditional method of PDCA. The thinking, I believe coincides with Deming’s belief that check is somewhat misunderstood and study is a more appropriate term.

The next step of evolution of may be the beginning of the end of PDCA as it exists today. There has been a subtle process that has been taking place that I feel is causing an enormous shift in our thinking. Standardizing the process has been one of the most controversial areas of Lean and PDCA throughout the years. Most Lean traditionalist will argue that a standard is part of the process. That was the function of A (Act) in the PDCA/PDSA cycle. Of course, if you could not reach standard you went through the process again. Many claim the word Adapt is better terminology at this point versus Act. The thought is that you never stop improving so a standard is never reached.

Other thoughts from a Lean Software Architect, [James Coplien](#) states: “A good feedback cycle has the appearance of causing problems. It will cause emergent and latent requirements to surface. That means rework: the value

of prototypes is that they push this rework back into analysis, where it has more value. And most important, good end user engagement *changes end user expectations*. It is only by participating in a feedback loop that's grounded in reality that customers get the opportunity they need to reflect on what they're asking for. If your customer changes their expectations in the process, you've both learned something. Embracing change doesn't just mean reacting to it: it means providing the catalysts that accelerate it.

Along comes the innovation crowd, headed by Eric Ries of [the Lean Startup](#) and he favors the use of Build – Measure – Learn which is very similar to PDSA. I would argue that each of the four components of PDSA may be minimized somewhat in practice of the Lean Startup Cycle but for innovation it is a much needed strategy. I will even go one step further and state that sometimes a three step cycle has been minimized to two steps. Such as a half-cycle version of Inspect and Adapt (IA) is common within game structures.

These iterative processes are simply responding to the ever increasing world of uncertainty that we live in. New books and methodologies such as the Lean Startup, Little Bets, Adapt, Service Design, Agile and even the new Toyota Way book all are focusing on iterations but they are fundamentally just PDCA (Plan–Do–Check–Act). Test a hypothesis, improve on it and test it again. We evolve to an answer through iterations.

There is an underlying tone that we are still internally focused at the beginning and that we check or learn from the customer to validate our hypothesis. What is missing in this equation is the involvement of the customer in the P (Plan) or Build stage of the cycle. This stage should represent the customer or more specifically Co-creation, Co-producing, or at the very least Cooperation.

Demonstrating a shared outcome with your customers should be the ultimate strategy of your company and your improvement cycles. Many people are still touting improving capabilities of internal processes. Except for growing industries, such as healthcare many companies see little return in their investment in process methodologies. It is not enough to improve internally anymore. We do not live in a world of excess demand. The strategies that we need for improvement must be on the demand side. We must simply focus on the customer.

Our planning cannot be isolated. In fact, we no longer own our standards. They are only validated through customer interaction. The customer cannot be introduced at the end of the cycle, he must be at the beginning and part of the entire cycle. We must share a Co-Destiny with our customer. The evolution of our company may be one of Community, Connection, Cooperation, Co-producing, Co-creation and finally Co-Destiny with each being supported by Do-Study-Adapt.

Toyota has led us through the turn of the century and beyond establishing "Respect for People" as one of the most important ingredients of the Toyota Production System and Lean Thinking. This has led to establishing a culture of Servant Leadership versus the more traditional command and control type organization. This type of thinking in conjunction with Kaizen (continuous improvement) is the bases of Lean Culture.

However, the age of process and improvement methodologies is starting to fade as the customer experience comes to the forefront. The methodologies of Service Design and Design Thinking are moving at a rapid pace. Lean due to its core concepts of going to Gemba or viewing things from the customer perspective is the one process methodology that is in position to readily adapt to these new forces. The Lean Startup and Agile Movements are excellent examples.

Customer Experience is at the forefront of not only marketing but organizational structure as evidence by the corporate shifts such as IBM to a more Customer-Centric structure. Zappos may be the shining example and the organization to emulate in this new culture.

What about this? Is Zappos to Customer-Centricity what Toyota and Lean was to the process movement? [The Zappos Experience: 5 Principles to Inspire, Engage, and WOW by Joseph Michelli](#) takes you through the Zappos company culture revealing what occurs behind the scenes and showing how employees at all levels operate on a day-to-day basis while providing the leadership methods that have earned the company \$1 billion in annual gross sales during the last ten years. Michelli breaks the approach down into five key elements:

1. **Serve a Perfect Fit**—create bedrock company values
2. **Make it Effortlessly Swift**—deliver a customer experience with ease
3. **Step into the Personal**—connect with customers authentically
4. **S T R E T C H**—grow people and products
5. **Play to Win**—play hard, work harder

Not exactly PDCA, but it may be the future of organizational culture.

So much has been written and said about Zappos that I can't say the book surprised me but it did allow me to gain a deeper understanding of the internal workings. More so, the book really generated my interest on the relationship of employee and customer experience. **Does the customer experience have to mimic the internal company culture?** Is that not what [Zappos](#) is all about?

How would you create that fun game type culture? You may turn to Gamification which has been used primarily to focus on marketing and

extending the customer experience. If have to mimic the internal structure to the external, should not Gamification apply internally. I turned to my favorite Gamification resource, Amy Jo Kim and reviewed a recent slide deck of hers that was based on 7 Core Concepts for creating Compelling Products.

1. Know your players: design for their personal & social needs
2. Build fun/pleasure/satisfaction into your core activity loop
3. Design for 3 key stages of your player lifecycle
4. Build a system that's easy to learn and hard to master
5. Use game mechanics to "light the way" towards mastery
6. As players progress, increase the challenge & complexity
7. Embrace intrinsic motivators like power, autonomy & belonging

Putting Customer Value in the Product Lifecycle

How are you at managing your Products Lifecycles? Are they being managed from Conception to Disposal or in a Green world, Recycled. I find this quite often an area that can develop rapid growth and additional streams of income very quickly. The organizations that are doing well in this economy are a result of taking a more outside in approach to the product lifecycle.

Using a very simple Lifecycle diagram made up of five components, we can demonstrate this approach.

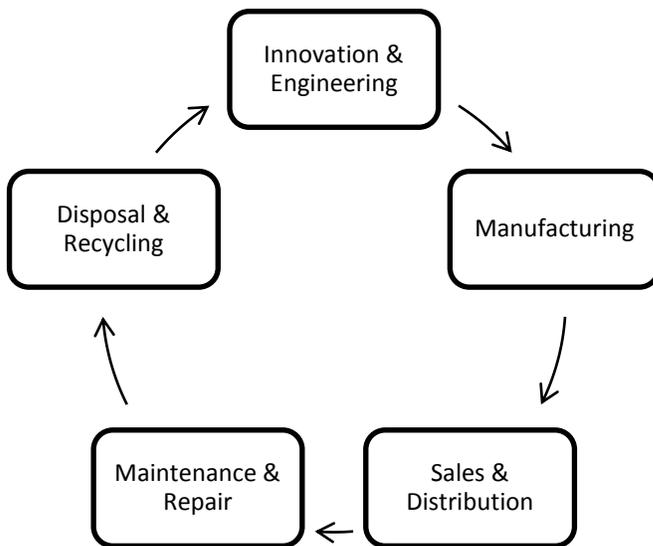
What most companies are doing?

1. **Innovation & Engineering:** Using new innovations tactic they are designing products with greater flexibility offer more product choices and flexibility later in the design process, Toyota Scion.
2. **Manufacturing:** Lean processes have made tremendous advances in manufacturing the past several decades and has changed the way we view our own products. Learning to See

Customer Value from the eyes of the customer has allowed for significant improvements in quality and customer satisfaction.

3. **Sales & Distribution:** At the point of sale, customers now experience more choices, more flexibility and better pricing than they have ever had.

4. **Maintenance & Repair:** Our expectations due to the



advancement in quality accept little if any repair or maintenance during the entire lifecycle. We probably will throw it away before fixing it. However, when we do we will take it to a specialist versus doing it ourselves.

5. **Disposal & Recycling:** We expect

more of our items to be recyclable. Or is there is value left, saleable and that there is an easy distribution method for that to happen. A few examples are E-bay or Craigslist.

This is the normal lifecycle and expectations of most products and even services. So what makes you better? What differentiates you? It is a difficult chore to do it. It is even more difficult to get someone to notice it. And even more difficult to get someone to pay for it!!

What are the successful companies doing?

Some companies make one of these areas a differentiator and target a customer segment that values that component. You can possibly charge

more if that value proposition is strong enough for that segment or you can make it a minimal cost by burying it in the total cost of the service, such as a subscription rate. That price difference may seem minimal to that customer segment. Another way is to make one of these propositions an operational advantage that actually is saving you money. This is similar to the Theory of Constraints, Mafia offer.

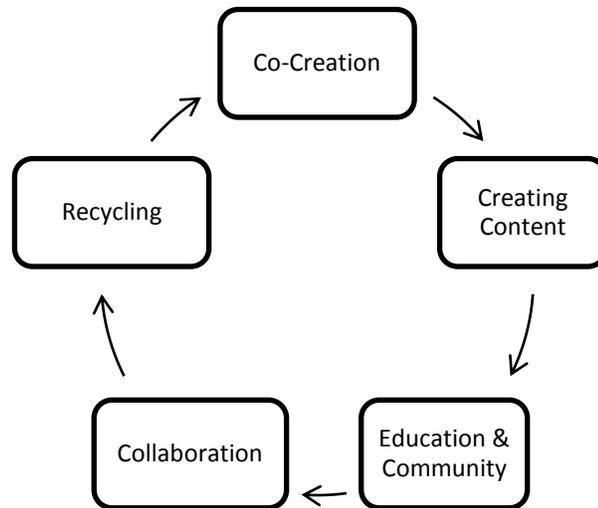
Companies are also partnering with others to create additional income streams and to maintain better customer “control”. For example, these companies may offer the ability to take and/or dispose of trade-ins. Or, additional service contracts, product attachments or aftermarket products may be possible.

What are the really successful companies doing?

The really successful companies are not improving but looking at a totally different lifecycle. They realize that the value of product has diminished. There may even be little value place in the cost of ownership. The value is derived from the use of the product not in owning the product. So, they are looking at how to create value throughout the entire lifecycle.

1. **Innovation & Engineering:** Using Design Thinking Process, we focus on delivering to the customer Rapid Prototypes or Minimum Viable Products to garner their acceptance.
2. **Manufacturing:** These processes are becoming practically secondary in nature. This is not where you make your money but where you continue your journey of development. No longer is software delivered in a box, it is in the cloud. You sell iPads, iPhones and iPods or even cars but the value is in what this enables the customer to do.

3. **Sale & Distribution:** It is an entry point through a community and a joint-education process with the customer.



4. **Maintenance & Repair:** Maintenance and repair is practically non-existent. This is where we maximize the value for the customer and extend his ability to do business better.

5. **Disposal & Recycling:** Since there was little if any original value, there is little if any disposal or it is just a matter of returning it to you.

Think of what Amazon does.

1. **Innovation & Engineering:** They have created Kindle and made a unique shopping experience that few match.
2. **Creating Content:** They package, publish and inventory books.
3. **Educations and Community:** Over 50% of the books sold on Amazon are electronic. This has now created a one-time fee of \$150 for the Kindle, the cost of an eBook and instant delivery at the point of sale has made the purchase a minimal part of the experience. The price is relatively not an issue in most cases. Just as often it is a decision based on the time you have. They educate you about product and though it may be a stretch since they have been around so long, were introduced through a community or eWOM.
4. **Maintenance & Repair:** How often do you visit Amazon, just for a book purchase? They make a book purchase an adventure. You are

updated, notified, asked for opinions, receive recommendations and watch your package travel to the destination. It is a journey with numerous touch-points that extend to your next purchase.

5. **Disposal & Recycling:** Accept used book returns and allows you to loan certain books on Kindle.

As you develop your product lifecycle to an outside-in-approach it creates more touch points and more opportunities to interact with the customer. It also allows you greater opportunity to add value to your customer's experience. That value will become an integral part of the way they do business. The strongest differentiator you can have.

Lean Engagement Tools

Think of all the changes and improvements in the manufacturing world in the last 20 years. We manufacture from floors cleaner than many tables that we eat off. You open a box, turn a key, or press a button and it works. Even the batteries are included! Most product manuals and operating instructions are never used. In fact, we seldom include them anymore. Our machines are so smart that they are completely intuitive to work for the entire population. Products have come a long way! More specifically, quality has been an amazing success story and manufacturers have led the way.

What about sales and marketing? Is your sales and marketing that much better? Has it advanced at the same rate of improvement that your manufacturing has? Why not?

What are some of the improvement methods? In the marketplace, these are some of the good “marketing” ideas:

1. A blog headline said, Use Value-Added Sales to Boost Your Profit Margin. The blog post recommended extended warranties or guarantees, free shipping, consulting and more. I don't know where value-added came into this. They are all delayed costs in my mind. I can go on but I felt the advice was like telling someone not to pay cash but put it on your credit card. That way you don't have to pay for it, NOW!
2. Accelerate innovation and broaden your product line. You add more features and more products but seldom does that add or equate to more benefits that a customer wants.
3. Create better websites, SEO, Social Media and send out more e-mails. There are so many things that you can do on the web that you need a marketing technologist (nice word for a geek) to keep up. Many

manufacturers are still struggling using the internet and more specifically social media in any way besides as a more sophisticated and sometime animated tool to deliver the same old marketing material, just in a little greener way.

Most of us start our quality processes through the tool set of the methodology. I know that everyone likes to talk about Lean culture and that tools are secondary and they are. But how many of us did not start there? The reason that sales and marketing has never become “Lean” is that they lack the proper tool set. I know the traditionalist Lean people will roll over with the comments forthcoming but bear with me.

With few exceptions, every time Lean was introduced to sales and marketing, it was through Value Stream Mapping with the sole purpose of removing waste in the process. Salespeople had every right to scream and ignore the conversation because all they were ever told to do was gather data. Then they were told what that data meant and as a result what they should stop doing. This resulted in neither an increase in sales nor an increase in value-added time with the customer.

The toolset that is available is the one that has evolved from the Lean software world of Agile and the world of Design Thinking. These worlds developed entirely from a different Lean format than the one found in U.S. manufacturing which is based on removing non-value added activities and waste. Lean Sales and Marketing needs to be based on customer value and PDCA (from a knowledge-building platform). Both worlds of thought still reference the Toyota Production System and Lean Thinking by Womack and Jones as their basic guides.

The reason, I believe, that these worlds are still so disconnected is how they think about customer value. Customer value cannot be an internal control point. It must be determined at the point of consumption. Only customers

and non-customers (customer defined as the user of the product) determine value when addressing markets. Agile and Design Thinkers understand that value is not derived till the product is put into use and their efforts are not realized till that point. It puts an entirely different slant on looking at Lean and looking at the customer. Look at how the tools of Lean need to be presented to Sales and Marketing:

1. Don't think Value Stream Mapping, think Journey Mapping
2. Don't think Future State, think Concept Development
3. Don't think Build and Deliver, think Prototype and Test
4. Don't think Product Benefits, think Value in Use.
5. Don't think A3, think Business Model Generation
6. Don't think Product Launch, think Learning Launch

This is a short list of the tools required for the Lean Sales and Marketing process. But it gives you an idea of the changing emphasis on customer interaction and the importance of embracing uncertainty in your organization. How do you embrace uncertainty?

In an interview in the [MIT Sloan Management Review with Michael Schrage on Value-Creation, Experiments and Why IT does Matter](#), he answered to the question, "**Can you summarize the three things you think companies need to get good at?**":

The most important thing I would urge companies to do would be to experiment, by crafting good business hypotheses. I can now look executives in the eye and say, "The cost of experimentation is now the same or less than the cost of analysis. You can get more value for time, more value for dollar, more value for euro, by doing a quick experiment than from doing a sophisticated analysis. In fact, your quick experiment can make your sophisticated analysis better."

The second is to promote greater collaboration, interaction, and diversity—not politically-correct diversity, but diversity of skills and points of view.

And the third is to think more clearly about innovation. It's no longer about creating new features and functionality. We have to move away from the notion of innovation being about greater creation of choice. Instead, it's about greater value from use.

To paraphrase from the book, Everything Is Obvious: Once You Know the Answer:

*Most of us (marketers) have more data than we know what to do with. The real problem that exists is what we are doing **causing** increased sales or what we are measuring is the **correlation** between the two. Differentiation between correlation and causation can be extremely difficult. The authors recommend running an experiment. Without an experiment they conclude that it's actually close to impossible to ascertain cause and effect, and as a result measure real return. They view experiments not as a one-time exercise that either yields the answer or doesn't, but rather as part of an ongoing learning process that is built into the process.*

An interesting note is that the authors went on to reference a certain MIT professor, Michael Schrage (small world!)

Iterative Cycles seems to be the buzz word these days. New books and methodologies such as the Lean Startup, Little Bets, Adapt, Service Design,

Agile and even the latest Toyota Way book all seem to be focusing on iterations but they are fundamentally just PDCA (Plan–Do–Check–Act). Test a hypothesis, improve on it and test it again.

These cycles are best handled by the interaction through the team concept. Decisions made in isolation seldom have a chance of success. And isolation means within your organization, not an individual. But to do all this, the team must be empowered and schooled with the new toolset. Some of the subjects that incorporate their own set of tools are: Design Thinking, Cynefin, Value Networks, Lean Startup, Service-Dominant Logic, Q-Storming, Game Storming, and Kanban. All of these are firmly rooted in maybe not a full cycle of PDCA thinking but certainly in a half-cycle version of Inspect and Adapt (IA).

The tools used in sales and marketing are certainly changing. Gone are the days of being trained in cold-calling and the art of closing and in are the days of co-creation and collaboration.

The subject of Design Thinking and Service Design has become more and more prevalent in my thought process recently and many find those words somewhat fuzzy type thinking. But it is really targeted at people that want to become more humanistic in their way of thinking and from my viewpoint their sales and marketing process.

A recent podcast guest of mine, Tim Ogilvie, CEO of innovation strategy consultancy Peer Insight and co-author of a new book [Designing for Growth: A Design Thinking Toolkit for Managers](#) when asked how to define Design Thinking said:

“I’m trained as an engineer, and I grew up in the quality movement in the late ’80s and early ’90s. In the quality movement we use a method of thinking I would refer to as analytical thinking. You have a data set to work

from and you reduce that data set to a series of insights, and you build potential new answers based on that. Design thinking is another problem solving approach that is a complement to analytic thinking.

Design thinking is perfect for situations where we're looking at a future that doesn't exist yet. Joe, if we're trying to figure out a future that may or may not come into existence, we don't have any source of data. And so, the analytic tools break down very quickly. Then as a practicing manager you think, "Well, I don't have tools for that."

Design thinking is the tools for that, to say, hey, we can actually prototype alternative futures. Rather than creating data for them, we can simply have target users experience those prototypes. We can observe from behaviors and preferences which ones are working better than others.

The core of what's in a design thinking approach is extreme focus on the user and their experience; visualizing multiple options, testing those in the hands of the users, and iterating very quickly from less appealing options to more appealing options. It just relies on experimentation which analytic problem solving processes don't need to rely on those as much because, in the world of analytics, we have source data from which to work."

I think you must be careful in defining an exact science to Design Thinking as it needs to remain very humanistic. However the iterative steps of exploration, creation, reflection and implementation are a very basic approach. There are other frameworks mentioned in the book, [This is Service Design Thinking](#) that include; identify- build -measure (Engine, 2009), insight-idea-prototyping-delivery (live work, 2009), discovering-concepting-designing-building-implementing (Designthinkers,2009), to mention just a few. Recently, I have came across [IR4TD](#) which has a cycle of idea generation-proof of concept-prototyping-commercialization.

As I reviewed these to put them into practice, I found myself going back the Lean principle of PDCA. [Graham Hill](#) had mentioned the concept of EDCA (Explore-Do-Check-Act). Graham was the head of CRM at Toyota Financial Services. He stated that:

“Marketing in highly competitive markets is about exploring new propositions on the innovation fitness landscape. The environment determines where to start and complex marketing environments need EDCA. Marketing Operations is all about moving along the EDCA>PDCA>SDCA (EDCA = Explore, PDCA = Plan, SDCA = Standardize) pathway.”

The concepts of Design Thinking, Service Design and Lean Marketing have very close resemblance and ties to each other. The acronyms at some point become meaningless. They are only important to the ones that compete on image and brand. The ones that compete in their customer arenas can probably call anything they want.

It's tough to implement a philosophy. Most of us whether we care to admit it or not were introduced to Lean, Six Sigma and even Design Thinking through a set of tools.

I encourage manufacturing organizations that if they could learn the Seven Basic Quality they could go a long way in their improvement efforts. These tools were first emphasized by Kaoru Ishikawa, a professor of engineering at Tokyo University and the father of “quality circles.” The seven tools are:

1. **Cause-and-effect diagram** (also called Ishikawa or fishbone chart): Identifies many possible causes for an effect or problem and sorts ideas into useful categories.

2. **Check sheet:** A structured, prepared form for collecting and analyzing data; a generic tool that can be adapted for a wide variety of purposes.
3. **Control charts:** Graphs used to study how a process changes over time.
4. **Histogram:** The most commonly used graph for showing frequency distributions, or how often each different value in a set of data occurs.
5. **Pareto chart:** Shows on a bar graph which factors are more significant.
6. **Scatter diagram:** Graphs pairs of numerical data, one variable on each axis, to look for a relationship.
7. **Stratification:** A technique that separates data gathered from a variety of sources so that patterns can be seen (some lists replace "stratification" with "flowchart" or "run chart").

Excerpted from [Seven Basic Quality Tools](#) by ASQ Quality Press

In 1976, the Union of Japanese Scientists and Engineers (JUSE) saw the need for tools to promote innovation, communicate information and successfully plan major projects. A team researched and developed the seven new quality control tools, often called the seven management and planning (MP) tools, or simply the seven management tools. Not all the tools were new, but their collection and promotion were. The seven MP tools, listed in an order that moves from abstract analysis to detailed planning, are:

1. **Affinity diagram:** organizes a large number of ideas into their natural relationships.
2. **Relations diagram:** shows cause-and-effect relationships and helps you analyze the natural links between different aspects of a complex situation.

3. **Tree diagram:** breaks down broad categories into finer and finer levels of detail, helping you move your thinking step by step from generalities to specifics.
4. **Matrix diagram:** shows the relationship between two, three or four groups of information and can give information about the relationship, such as its strength, the roles played by various individuals, or measurements.
5. **Matrix data analysis:** a complex mathematical technique for analyzing matrices, often replaced in this list by the similar prioritization matrix. One of the most rigorous, careful and time-consuming of decision-making tools, a prioritization matrix is an L-shaped matrix that uses pairwise comparisons of a list of options to a set of criteria in order to choose the best option(s).
6. **Arrow diagram:** shows the required order of tasks in a project or process, the best schedule for the entire project, and potential scheduling and resource problems and their solutions.
7. **Process decision program chart (PDPC):** systematically identifies what might go wrong in a plan under development.

Excerpted from Nancy R. Tague's [Quality Toolbox](#) ; Second Edition, ASQ Quality Press, 2004.

Today's world has introduced more and more uncertainty. As a result it has forced us to get closer and closer to our customers. This reduces reaction time and allows us to make better informed decisions. To do this, once again a new set of tools need to be utilized. This methodology has been introduced to us through the concepts of Design Thinking. This set of tools:

1. **Visualization:** using imagery to envision possible future conditions
2. **Journey Mapping:** assessing the existing experience through the customer's eyes

3. **Value Chain Analysis:** assessing the current value chain that supports the customer's journey
4. **Mind Mapping:** generating insights from exploration activities and using those to create design criteria
5. **Brainstorming:** generating new alternatives to the existing business model
6. **Concept Development:** assembling innovative elements into a coherent alternative solution that can be explored and evaluated
7. **Assumption Testing:** isolating and testing the key assumptions that will drive success or failure of a concept
8. **Rapid Prototyping:** expressing a new concept in a tangible form for exploration, testing, and refinement
9. **Customer Co-Creation:** enrolling customers to participate in creating the solution that best meets their needs
10. **Learning Launch:** creating an affordable experiment that lets customers experience the new solution over an extended period of time, so you can test key assumptions with market data

Excerpted from [Designing for Growth: A Design Thinking Toolkit for Managers \(Columbia Business School Publishing\)](#).

Along with these basic tools, I believe that Osterwalder's [Business Model Generation](#) Template, the Lean A3 thinking tool and Kanban are integral parts in today's marketing bag of tools. Notwithstanding there are other traditional marketing tools, but these are the tools of continuous improvement and quality. I think all 27 tools mentioned could be utilized under the correct circumstance. Many of them are already familiar to us and require a very small learning curve. I would have a tendency to work them backwards introducing the Design Thinking set first and then the Seven MP Tools and finally the Seven Basic Quality Tools. If you had limited knowledge

of them, this would allow the best way to grow into them. If you are knowledgeable about one set of them, by all means use them. For example, a checklist is a checklist.

It's tough to be a carpenter if you don't know when to use a rip saw versus a cross-cut. The mastery of these set of tools provide a solid foundation for implementing continuous improvement in your sales and marketing.

Prototype early and often

Agile Software, Product Development and in the Lean Startup you hear discussion of the Minimum Viable Product or MVP which is a strategy used for fast and quantitative market testing of a product or product feature.

A MVP is not a minimal product; it is a strategy and process directed toward making and selling a product to customers. It is an iterative process of idea generation, prototyping, presentation, data collection, analysis and learning. One seeks to minimize the total time spent on iteration. The process is iterated until a desirable product-market fit is obtained, or until the product is deemed to be non-viable (Wikipedia).

A prototype is just part of the MVP process but it may be the most critical. It can be defined as a sample or model built to test a concept or process or to act as a thing to be replicated or learned from . Prototyping does not necessarily have to happen at a certain stage but it does need to happen early and often. People get engage when things get tangible. One of the keys to successful prototyping is that you need to configure the prototype to learn not to test. Most people think of prototypes as a finished product or a working piece of software. I encourage you to step away from your product and use props, storyboards, videos, building blocks and sketches.

One of my favorite stories comes from the person that took the PDA to market. As luck goes, he was ill prepared to discuss with investors much of the details of the product. He was yearning for something to help them grasp the idea as he saw the glassy eyes developing around him. Half in jest and half in desperation, he tosses his wallet to the middle of the table. The story goes on but summarizing, he saw everyone start looking at it and then a few of them picked the wallet up while others waited for it to be passed to them. He had them!

Few of us will be that lucky to create a prototype on the fly but it serves as an example of how important it is to create that learnable moment. A story should be an integral part of the prototype and lead the group down the trial path. Create that moment of suspense such as a magician does before pulling the rabbit out of the hat. As a result, you will only make the prototype seem more real to everyone.

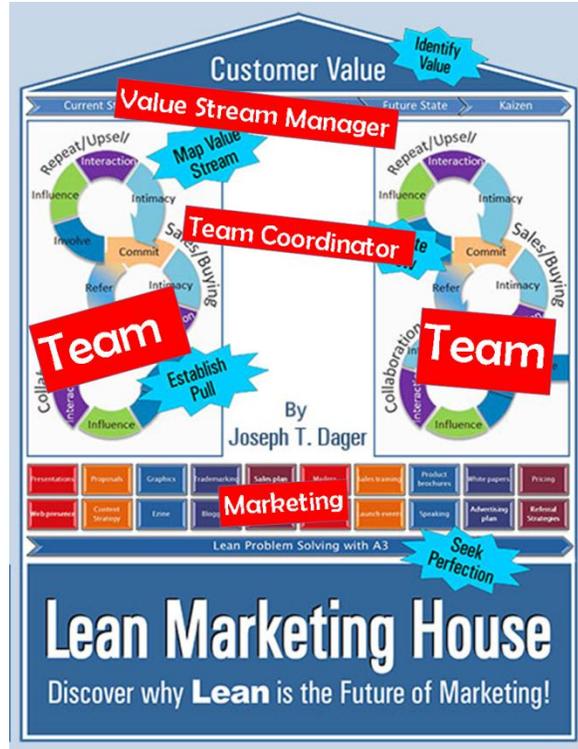
Allow everyone to move things around a bit and touch the product. I have seen interior designers use doll house furniture, engineers use cutouts from drawings and others use building blocks. Engagement in the process allows earlier buy-in and effective feedback. Creating that relaxing atmosphere goes a long way in gathering the information you need. But be careful to leave the customer validate the product or service, not you.

Lean Engagement Team

Team Roles:

- Value Stream Manager
- Team Coordinator
- Sales Team
- Marketing Communication

The implementation and deployment of Lean Sales and Marketing teams must include a clear definition of roles and matching needed talent to each Team. Every organization will deploy differently, there is no cookie cutter approach. Roles are an important part of this process



and the more definition provided the more effective the individual Teams will be. Organizations that consider these alignments as an integral part of their sales and marketing strategy create strategic advantages over the competition. Keeping a few factors in mind and having support for these from management will facilitate the transaction to teams:

1. Clear-cut business and/or divisional strategy and objectives.
2. Obtainable goal setting.
3. Understanding and agreement on the need for processes.
4. Willingness to train people.
5. Dedication to knowledge capture and sharing internally and externally.
6. Commitment to measurement.

While there is no one method for deploying Lean Sales and Marketing, what

is important is that within the organization the roles we define, the standards we use, the processes we employ and the metrics we use are relatively consistent across the organization to enable knowledge sharing and ensure we all move in the same direction.

Executives need to have established clear-cut business strategies and objectives for the organization. This goes without saying but without this in mind change will not be measurable in the marketplace. Proper adjustment to achieve the goals of the organization just simply will not happen. This definition and the acceptance of what customers and the marketplace tell you will determine the overall success.

This is not business as usual; if it were, it would have been done already. Establishing Lean and Lean Teams in Sales and Marketing is a journey that requires the best people in the organization to support and participate. Most of the time, this requires a different type of thinking on how the work is to be done. It is not a simple tweak and it involves breaking down some significant silos and strong personalities. Executive management must be actively involved and willing to lead the effort.

Organizational and Reporting Structure Overview

To become a Lean Sales and Marketing organization (As a side note, the rest of the organization does not have to already be Lean), it takes more than culture, tools, and knowledge. This leap needs people to make it happen.

Re-stating the key roles:

1. Executive Management: This leader or committee should provide the support needed from the top and typically is instrumental in the initial forming of the Team structure and even some of the Team leaders but

afterwards may only receive monthly updates on the progress. The Value Stream Manager should be a direct report.

2. Value Stream Manager: Similar to a Product Manager, this person is responsible for the Value Stream of a particular product/market.
3. The Team: The Team is created to mirror the decision making process of a particular Value Stream. This process will often require multiple teams that are created in a vertical, horizontal or a multiple of both structures. The team leader typically reports to the Value Stream Manager and works with the Team Coordinator.
4. Team Coordinator (TC): Similar to a Black Belt or a Scrum Master. During the individual sprints or iterations of the Team, the TC provides the support and additional expertise for the Team either directly or through others. He is the direct conduit to and from the Team. The TC also provides the needed expertise in the tools of Lean. The TC typically works with several teams and many times reports to multiple
5. Marketing Department: They provide support for program strategy and value stream. This department handles the marketing communications for the company. In the Lean Marketing House, they are responsible for the foundation of the house. The department head works closely with the VSMs while the individual group members of this department work with the TCs. In some structures the VSMs and TCs could report to this department head. This department head reports to Executive Management.

Implementation

The planning of implementing Lean Sales and Marketing teams follows the practices of PDCA and the fundamental Lean belief of “Learn by doing”. There is no exact formula or a certain amount of time that should be invested.

To put into motion, Lean Sales and Marketing is best deployed in waves. These waves could flow vertically or horizontally within a given value stream, from value stream to value stream, from cycle to cycle, or a combination. There is no prescribed formula for what the waves should look like, except that the use of waves allows us to learn and adjust the deployment approach.

I would attempt to establish a beachhead to work from by picking a well-understood value stream segment or sales channel. In most circumstances, I would not recommend picking the most important one because mistakes will be made. For example, you could lose your star salesperson jeopardizing key accounts along the way. Your selection has to be prudent and well thought out before proceeding. The value stream that typically makes the most amount of sense is one for an established product where you may be adding new features. This way you understand your customer, you have established relationships within the company and there is something new to talk about.

Team Structure: One of the biggest obstacles to effective performance of a sales and marketing team is the lack of a clear vision of responsibilities within the team. Understanding how the team operates helps clarify the individual team member roles to each other and more importantly externally and specifically to management. I relied heavily on the book Rapid Development as a guideline for the description of the different team models below and highly recommend the book for the depth of knowledge that it contains. This is not meant to be an all-encompassing list nor does it mean that you should utilize more than one team model. It should only be used to help identify your team model for yourself and others.

Business Team: The most common team structure is where there is one lead person and all other team members have equal status. They are differentiated by the technical, customer relationships and social abilities. The team leader is the link to management and often responsible for making final decisions on unresolved issues. The business team structure looks like a typical hierarchical structure. It is adaptable enough that it can work on all kinds of projects-problem resolution, creativity and tactical execution, but its generality is also its weakness, and in many cases a different structure can work better.

Sales Team: The Sales team takes advantage of the relationship that the salesperson has with the customer. In this concept, the salesperson is simply the superstar, much like the surgeon on a surgical team. Due to his intimate knowledge of the customer, this person is ultimately responsible for virtually all of the decisions on a project. With the salesperson handling the bulk of the customer interaction, other team members are free to specialize but only in a supportive role. This structure can work quite well in the short term from a tactical sense where you need to get a project done fast or from a creative sense where a certain idea has been mandated.

Skunk-works Team: A skunk-works team takes a group of talented, creative people, puts them in an area where they will be freed of the organization's normal bureaucratic restrictions, and turns them loose to develop and innovate. These teams are most appropriate for exploratory projects on which creativity is all-important. Skunk-works teams are rarely the most rapid structure when you need to solve a narrowly defined problem or when you need to execute a well-understood plan.

Feature Team: In the feature team approach, marketing people report to marketing managers, developers report to development manager, and so on. Layered on top of this traditional organization are teams that draw one or more members from each of these groups and that are given responsibility for a chunk of the sales cycle functionality. The team becomes accountable. They have access to all the people they need to make good decisions. Feature teams are appropriate for problem-resolution projects because they have empowerment and accountability needed to resolve issues expediently. They are also good for creativity projects because interdisciplinary team composition can stimulate ideas. The additional overhead incurred with feature teams will be wasted on tactical-execution projects-if all the tasks are clearly-defined, feature teams have little to contribute.

Search-and-Rescue Team: In the search-and-rescue team model, the team acts like a group of emergency medical technicians who go looking for missing mountain climbers. The search-and-rescue team focuses on solving a specific problem. It is most appropriate for teams that need to focus on problem resolution. It is too bottom-line orientated to support much creativity and too short-term oriented to support tactical execution.

SWAT Team: The SWAT team model is based on military or police SWAT teams, in which "SWAT" stands for "special weapon and tactics." The idea behind a SWAT team is to take a group of people who are highly skilled with a particular tool or practice and turn them loose on a problem that is well suited to being solved by that tool or practice. SWAT teams are especially appropriate on tactical-execution projects. Their job is not to be creative but to implement a solution within the limits of a tool or a practice that they know well. SWAT teams can also work well on problem-resolution projects.

Professional Athletic Team: The athletes are the stars of the baseball team, and the salespeople are the stars of this team. The team leader and support staff's role is to clear roadblocks and enable the salespeople to work efficiently. This specific model applies best to tactical-execution projects, which emphasize the highly specialized roles that individual players play. You can apply the model's general idea that management plays a supporting role to development to all kinds of projects.

Theater Team: The theater team is characterized by strong direction and a lot of negotiation about team roles. The central role on the project is occupied by the director, who maintains the vision of the team and signs people responsibility for individual areas. Individual contributors can shape their roles, their parts of the project, as their own artistic instincts move them. But they can't take their ideas so far that they clash with the director's vision. The theater model is particularly appropriate for teams that are dominated by strong personalities. If a role is important enough, and at a particular level that only one individual can play it, the director might decide that he or she is willing to put up with the prima-donna for the sake of the project. But if the rest of the cast is strong, the director might pass up a prima donna in order to have a smoother project.

Summary: Regardless of how the teams are organized, I think it is critical that there be a single person who is ultimately responsible for the product's conceptual integrity. That person can be cast as the architect, surgeon, director, or even sometimes the program manager, but there must be a person whose job it is to be sure that all the team's good local solutions add up to a good global solution.

Team Identification: When I use the SALES PDCA approach in Lean Marketing, I emphasize the use of sales and marketing teams. It is one of the underlying principles that is needed. Sales has operated for so many years based on the idea of the individual salesperson calling on “his” accounts and the organization reinforcing this structure through individual commissions that it is very difficult to consider another way even working



Lean Sales and Marketing Roles: In Lean marketing, there are three primary roles for the development and management of a Lean sales and marketing process. They are the Value Stream Manager (VSM), the Team and the Team Coordinator (TC). The roles and responsibilities are similar to the three roles used in Scrum, which are the Product Owner, the Team and the Scrum Master.

Quick overview of the Scrum roles:

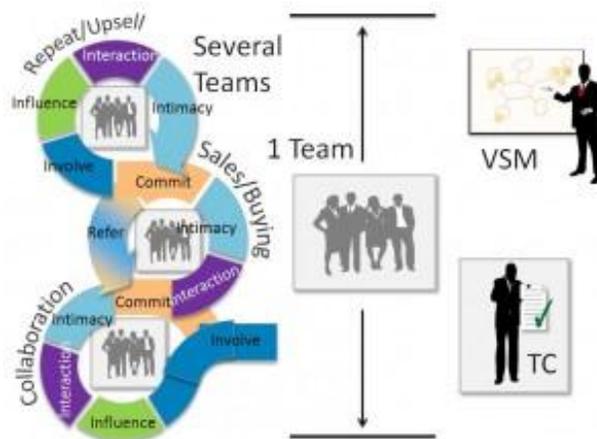
1. The **Product Owner** represents the stakeholders and the business.

2. The **Team** is a cross-functional group of about seven people who do the actual design, implementation, testing, etc.
3. The **Scrum Master** maintains the processes in lieu of a project manager.

Quick overview of the Lean sales and marketing system:

1. The **Value Stream Manager** (VSM) represents the product/service markets and the business.
2. The **Sales and Marketing Team** (Team) is a cross-functional group whose number and expertise are derived from the decision-making path of the customer. This Team does the actual sales, providing content, technical functions, trials, testing, etc.
3. The **Team Coordinator** (TC) maintains the integrity of the processes through coaching and predefined control points.

The **Value Stream Manager** is responsible for maximizing return on investment (ROI) through his particular value stream of customer identification, customer value, customer acquisition, customer retention and customer monitoring (Value Stream



Mapping Customer Value) He translates this value stream and assigns it in conjunction with the TC to particular teams similar to how a typical sales manager would to his salespeople. The VSM and the TC will routinely evaluate the outcomes to determine best fit. The VSM may work with

multiple teams for his value stream. The VSM has profit and loss responsibility for the product/service. The VSM represents the Voice of the Market, which may be thousands of individual clients, distributors, brokers and agents. As with Scrum's product owner, the VSM has the final authority.

The Sales and Marketing Team is first and foremost the listening post for the customer (prospect) that enables them to provide the customer with the information, technology, and support that is required. This is done through a PDCA/SDCA cycle that, depending on the complexity, may constitute an entire sales cycle or just a certain portion of the customer's decision-making process. The Team is cross-functional and includes the expertise required to fulfill the requirements of the customer through his decision-making process. It may include but is not limited to salespeople, marketing, IT, service, etc. It is self-managing with a very high degree of autonomy and accountability.

The Team decides what to do, what commitments to make and how best to accomplish it. Stable teams are important for internal productivity but also since they are in direct contact with the customer. When these teams only serve part of the decision-making process of the customer, the TC becomes directly involved during the handoffs from one team to another.

The Team Coordinator serves very similarly to the Scrum Master. The TC helps the Team learn and apply PDCA. The TC does whatever is in their power to help the Team be successful. The TC is not the manager of the Team but instead serves the Team, minimizing distractions, educating them on the iterative process of PDCA, knowledge creation and Agile methods. The TC and the VSM must be different people. As the TC runs interference for the Team, there may be some priority balancing that is required between the VSM and the TC. It is imperative that the TC creates and maintains a

manageable flow inside the Team. If the Team runs into an impediment, it is the TC's job to find the resources needed to remove it. The TC will also monitor the Team flow through the use of established control points created within the cycle.

Create your own sales Team by reviewing who responds to your customer's decision-making process. Start having a few meetings, similar to a daily standup meeting. I would recommend at first err in having the meeting too often, just cut them short. In a spirit of true collaboration, don't automatically exclude your customer from the Team. This concept really could increase face time and touch points with customers!

Value Stream Manager: The **Value Stream Manager** (VSM) is

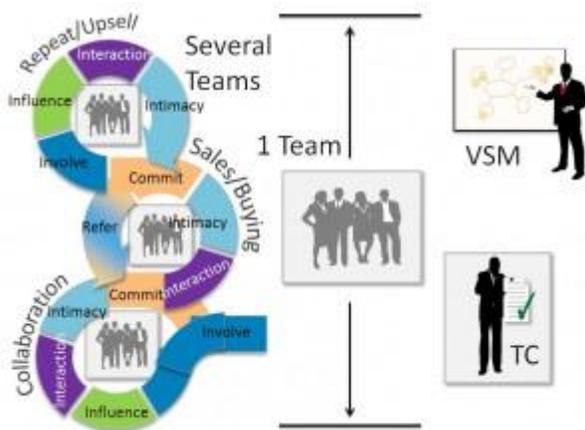
responsible for maximizing return on investment (ROI) through his particular value stream of customer identification, customer value, customer acquisition, customer retention customer monitoring (Value Stream Mapping Customer Value). He translates this value stream and assigns it in conjunction with the team coordinator to particular teams similar to a typical sales manager would to his

salespeople. The VSM and the Team Coordinator (TC) will routinely evaluate the outcomes to determine best fit. The VSM may work with multiple teams for his value stream. The VSM has profit and loss responsibility for the product/service. The VSM represents the Voice of the Market, which may be thousands of individual clients, distributors, brokers and agents. As with Scrum's product owner, the VSM has the final authority.



Again building on familiar ground, you may want to equate this position to the Product Owner in Scrum, the Champion in a Six Sigma project, Product Manager in marketing or the Value Stream Manager in Lean. The short summary of their responsibilities: They assume the business interest of the product, service or value stream. They are the product/service owners and are held accountable for the commercial success of the product/service. In Lean sales and marketing, the Value Stream Manager is held accountable for their value stream that is described in the 5Cs of Driving Market Share: Customer Identification, Customer Value, Customer Acquisition, Customer Retention and Customer Monitoring. In addition, the VSM has profit and loss responsibility for the product. Different than a Product Owner in Scrum, the VSM does represent the needs of the client in a project but is typically in contact with the client through the project team. The Lean sales team actually performs the activities with the customer.

The VSM interacts with the team offering the priorities and reviewing the results with the TC at each control point. It is important to note that as in Scrum there are two important principles. During iterations, the sales team has complete autonomy and should only be interacted with through the TC. The other similarity is that the VSM is the one and only person who has the final authority.



The VSM will prioritize the backlog or the iterations in the marketing value stream. These needs are best expressed or written in the form of user stories. Depending on the size and complexity of the organization, the sales team, the TC and the VSM may meet to discuss an iteration or

an entire marketing cycle. During the meeting the user stories are prioritized and discussed by all involved in the process. The sales team then takes these stories and breaks them down into activities and creates single or multiple iterations that may be completed in a linear or parallel fashion. When these stories are completed, a control gate review occurs where the results are accepted or rejected by the VSM. The VSM, the Team and the TC discuss improvements, the next stage and the coordination of a handoff to another Team. This process should have a very strong focus on where the customer is in their decision making process and what the best way is to support them at this time.

Whereas the team concerns itself around the Voice of the Customer (VOC), the VSM must look at both VOC and Voice of Market (VOM). Following the 5Cs of Driving Market Share outline, the VSM must:

1. Identify specific products/markets that offer organization best options for growth.
2. Create a value model for each of targeted product or market.
3. Clearly state the organization's competitive value proposition.
4. Identify the direction needed to enhance that value proposition.
5. Monitor competitive value proposition.

The VSM can be one person or an entire department. However, for the VSM to be effective, they have to have control over setting the priorities not only for the sales and marketing teams but many times for product development. Their decisions should be visible to the entire organization. As I like to put it, they hold the gold within the company: knowledge of both VOC and VOM. This visibility makes the role of VSM both demanding and very rewarding.

In most product-based companies the product manager, or in Lean terms it might be the Value Stream Manager, would be directly responsible for bringing this change about. There are a few challenges that face a VSM and one of them worth mentioning is the commodity trap. In the book *Open Service Innovation*, the author, Henry Chesbrough discusses the commodity trap. The trap is made up of:

1. Manufacturing and business process knowledge insights being widely distributed (It is getting hard to differentiate and sustain product advantages).
2. Manufacturing of products moving across the world with very low costs.
3. Product Life Cycles getting shorter and shorter.

Paraphrasing from the book:

Macroeconomics policies help to create conditions for growth to occur. There is really only one way out of all this. However, we must rediscover growth and innovation at the microeconomic level. They have to stop thinking like product manufacturers and think about an open service perspective to discover new ways to generate profitable growth.

Product-focused companies face another challenge in thinking beyond the product. For companies that already make products in an industry, services may represent a challenge to the traditional product-based business models employed in their industry. The role of the customer, the interaction between customer and supplier, and the design of the supply chain may have to change in a service-oriented business model. This shift toward services, which can be a saving grace from

commoditization, can also produce significant conflicts within the organization.

One example of these conflicts is how to charge for services versus how to charge for a product. When selling a product, a salesperson often bundles in some service items in order to complete the sale, and usually without changing the price of the product. A product might come bundled with a warranty for a specific period of time, or free installation and training. But when a company shifts to a services-based business model, these "freebies" that were bundled in now become separate items that have their own prices. Much more sales training is needed to sell these options to customers who were accustomed to getting them for free. More fundamental, a product is usually a lump-sum purchase, while a service is typically sold as something that is consumed over time, as with a subscription or some other ongoing revenue stream. This creates a need for a different kind of sales and distribution process and also different kinds of salespeople.

But how do we make that shift to Service-Dominant thinking? It is not an easy step because as stated in the above paragraph you must flip many so-called giveaways to revenue! The four components outlined in the Open Innovation book are:

1. Think of your business as a service business
2. Co-Creation
3. Open Innovation
4. Transform your business model

To implement these components the soundest strategy is based on one of the oldest methodologies, the one of scientific experimentation. I typically look at from the Deming/Shewart PDCA cycle but nevertheless it is hypothesis testing. When you think of PDCA, you typically think of it from the perspective of problem solving and on a much lesser scale than our discussion here. But the point is that you need to do this in a low risk way but with incremental improvements. You will fail and make mistakes and in an open innovation culture these mistakes are out there for everyone to see. You would prefer to get caught with a hose leaking versus a dam bursting.

Utilizing PDCA methodology with Alex Osterwalder's Business Model Generation (BMG) template would replace the Pragmatic Marketing Framework for the Product Manager. Can just a map turn you into a service company? Not at all, but what it does do is bring the business components needed to the forefront and provide a one-page visualization of the process. It also utilizes the components of Design Thinking that strengthen the connection with the customer for co-creation.

When typical product-based organizations think of co-creation, they think of their engineers working with customers to develop their products in a more customer-friendly way. That is one way, but the real advantage in co-creation is the development of sustainable services through the use of your product. An example of this is Xerox's managed print services that have won them long-term and profitable contracts with Sundstrand and Ingersoll Rand.

The Product Manager (VSM) is the person in the organization that can accomplish this transformation. He provides the thought leadership, product

knowledge and customer insights needed. The question you must ask is, is your Product Manager (VSM) up to this task?

Team Coordinator: The role of Team Coordinator (TC) is the key person in the Lean Sales and Marketing process.

They hold the key to a Lean transformation. This individual is not typically a manager but more of a facilitator and coach. The TC role can be looked at as similar to a Scrum Master or a Master Black Belt.



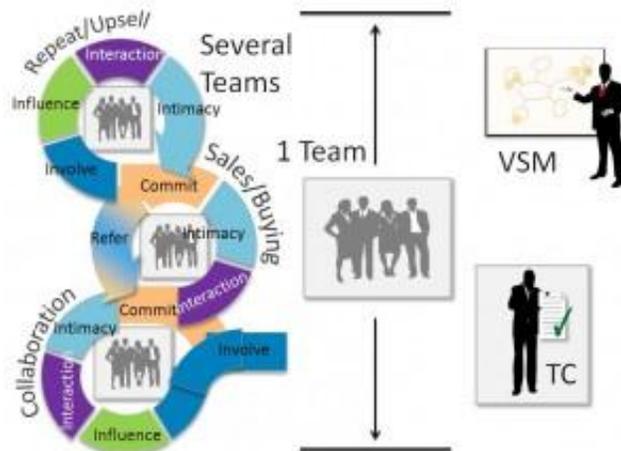
The TC helps the team learn and apply PDCA. The TC does whatever is in their power to help the team be successful. The TC is not the manager of the team but instead serves the team, minimizing distractions, educating them on the iterative process of PDCA, knowledge creation and agile methods.

The Team Coordinator's role is based on these four things:

1. Facilitating the team's progress toward their goal and more specifically the individual iteration they are working on.
2. Ensuring that the work being delivered is in tune with the customer's needs.
3. Mentoring the team on Lean processes and demonstrating their value. Leading the team's efforts in continuous improvement: This includes helping the team improve, helping the team take responsibility for their actions, and helping the team become problem solvers for themselves.
4. Acting as a buffer for outside interruptions and limiting team distractions. Many blocking issues will be beyond the team's authority or will require support from other teams. This role actively

addresses these issues so that the team can remain focused on achieving the objectives of the iteration.

Outside the Team, the Team Coordinator facilitates communication flow across the system. The TC is the point of contact for the Value Stream Manager (VSM) and others. The TC and the VSM should be different people. As the TC runs interference for the team, there may be some priority balancing that is required between the VSM and the TC. The TC protects the Team from outside political noise. This allows the team to remain focused on the job at hand, and if any issue is a priority, the TC and VSM will discuss it and priorities it.



With the Team, the TC validates the project practices, organizes meetings, updates items, and coordinates requirements changes. The TC participates and conducts daily standup meetings used to track the project on a day-to-day basis. TCs should be trained as team facilitators and should be constantly engaged in challenging the status quo. It is imperative that the TC creates and maintains a manageable flow inside the team. They may help the team break their work into small chunks that can be delivered quickly. The TC will also monitor the team flow through the use of established control points created within the cycle. If the team runs into an impediment, it is the TC's job to find the resources needed to remove it. The TC also helps the Team learn and apply Lean.

The Team Coordinator will typically serve several teams simultaneously. The TC may be organized in a vertical or horizontal fashion in accordance with the pillars of the Lean Marketing House. He could be even part of the team. However, this is the critical role that requires Lean experience in implementing Lean in your sales and marketing.

Lean Teams: There are some basic team development structures that need to be identified at the very beginning. One of these areas is the basic consideration of objectives. I prefer the method established way back in 1989 by Larson and LaFasto and later emphasized in the book, Rapid Development . They state that you first consider the kind of team needed: Problem Resolution, Creativity or Tactical execution.



Once you've established the objectives, you choose a team structure to match it. Without this process you may have creative teams working on tactical execution or on the other hand a problem-solving team working on a creative solution.

In the SALES PDCA framework we emphasize before starting the PDCA IMPROVEMENT LOOP, locate the people who understand the process. An abbreviated definition of that step is:

Locate the people who understand the process: One of the key considerations in developing a team is to determine the objective of the cycle. Is it primarily problem resolution, creativity, or tactical execution? Team structure needs to be considered as well as the participants. You will find a variety of structures will work for you but

the typical model in sales and marketing is one of a business team that has a team leader and all others are on equal footing. Many times the team leader is really just a participant but has the administrative work as an added responsibility.

Kinds of teams: Once you've identified the team's broadest objective—problem resolution, creativity, or tactical execution—then you set up a team structure that emphasizes the characteristic that is most important for that kind of team. For a problem-resolution team, you emphasize trust for a creativity team, autonomy, and for a tactical-execution team, clarity. Listed below is an outline identifying the team structures.

Adapted from Teamwork and the Rapid Development books:

Problem-resolution team:

1. Objective: Focuses on solving a complex, poorly defined problems.
2. Dominant Feature: Trust
3. Sales Process Example: Sales inquiry for proposal
4. Process emphasis: Focus on issues
5. Lifecycle Models: Try and Fix, spiral
6. Team Members: Intelligent, street-smart, people-sensitive, high integrity
7. Team Models: Business team, professional athletic team, search and rescue, SWAT

Creativity Team:

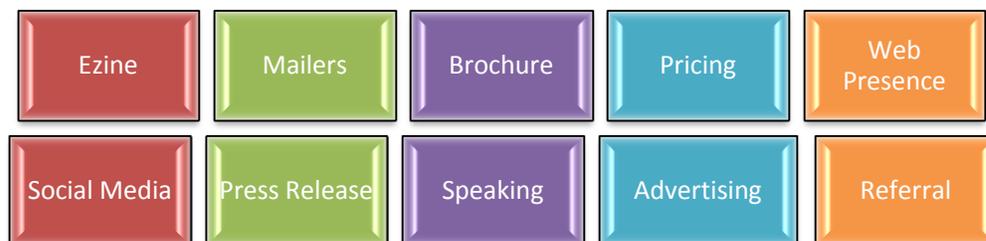
1. Objective: Explore possibilities and alternatives.
2. Dominant Feature: Autonomy
3. Sales Process Example: Creating a new advertising program

4. Process emphasis: Explore possibilities and alternatives
5. Lifecycle Models: Evolutionary prototyping, evolutionary delivery, staged delivery, spiral, design-to-schedule
6. Team Members: Cerebral, independent thinkers, self-starters, tenacious
7. Team Models: Business team, feature team, skunk-works team, theater team

Tactical-Execution Team

1. Objective: Focuses on carrying out a well-defined plan.
2. Dominant Feature: Clarity
3. Sales Process Example: Upgrade to an existing product
4. Process emphasis: Highly focused task with clear roles
5. Lifecycle Models: Waterfall, design to schedule, spiral, staged delivery
6. Team Members: Loyal, committed, action-orientated, sense of urgency, responsiveness
7. Team Models: Business team, feature team, SWAT

Marketing Communications: Many organizations focus on this portion as the core of their marketing process. In fact many companies seek a “marketing technologist” to guide them through the maze of new technology and “solutions.” This will cause you to focus on using tools to drive your desired results. A Lean approach is a much more holistic approach.



Don't get me wrong, we need graphic artist, designers, SEO, CRM and the other items that I depict in the blocks below. These technologists should be providing the tools not the message of your marketing efforts. Content, context, strategy and value need to be driven from one and only one place, the user and purchaser of your product.

Within the Lean Sales and Marketing house structure the Team Coordinator will be the typical go-between with Marketing Communication and enable the needed support and resources that they provide for the individual teams. In the monthly strategic meetings the communication group is typically represented but are seldom part of the weekly and daily tactical, unless an individual is assigned as part of a Lean Team.

Shifting Marketing

communications to support the sales and marketing efforts by taking a servant attitude is a difficult change as it removes the established hierarchy found in traditional organizations. It places the customer through the Lean Teams and the Value Stream Manager at the center of marketing communications.

The Marketing Communication team structure is very similar to traditional teams that exist in any marketing department. What typical changes is there is increased



the

collaboration, role changing to be part of different teams at different times and an internal spirit of co-creation that needs to be created.

Many marketing departments are event-driven and this is what may be the primary focus of change that occurs. In lieu of events, flow and pull are introduced many times through technology. No longer are we looking at communications through the lens of constraints of time, space and material rather as a resource of knowledge, on-demand and even self-creating. Think of marketing as establishing tools for customers to play with and interact with on a regular basis. A resource to stretch your thinking is Infinite Resources by Joe Pine and Kim Korn.

Marketing Gateway of EDCA, PDCA, SDCA

Paraphrased from a discussion I had with Michael Balle, the “Gemba Coach” at the Lean Enterprise Institute.

The tools are one thing but what makes Lean different is the system. It's the relationship between the tools and the vision of an ideal of what we want to do and a method of how to get there.

Lean gives you an ideal; it's a commitment to an ideal. This ideal is co-creation, shared learning, or joint improvement. We want to get there. Lean gives you exercises for you to get there in your own way. And these exercises are related. There are exercises on how to create measures, improve flow, to manage projects, and so on. The method will take you step by step towards this ideal. You do not find these other improvement methods. What is specific to Lean are the systematic methods that are grounded in standard work. It helps visualize the process and what to do, and how to do it and apply it quickly. The important word is visualize.

What people forget about Lean is that it is the change agent for an organization. In its simplest form, you first go and see the current state. Second, you visualize your process. You make your process steps visible. You visualize things in a way that reveals your problems, not in a way to hide problems. If you understand what standards are, how the process should work because it's very clear, then whenever we see a variation from the process we react immediately. This allows you to choose one problem from the other and just solves them one by one. This is incredibly powerful, this vision we have with lean systems of increasing our competency, increasing our training without having

to take people off line, without having to get to classrooms, but by building it into the way we work. It is this empowering aspect that is not easy. But it may be the only way an organization can master Lean.

Lean is all about problem solving but it understands problems in greater detail because, everybody thinks they're solving problems every day and closing sales. But the first thing we need to understand is there are work around which is in effect putting off the problem from day to day.

We introduce the tools early in the process as a form of self-study exercises to help understand processes better. The tools are essentially a way to look at problems. They never solve problems by themselves. Many people buy the latest software, the latest book or even the latest methodology to implement some sort of solution thinking it will make them better. What makes you better is using the tool rigorously, so you understand your problems and your own processes and then, with hard work, take the time to figure out how to solve your problems. It's this process, that empowers you and which leads you to create better performing processes.

SALES PDCA is the framework I use for the process that takes place in the customer sales and marketing cycle. It is a standard PDCA cycle except the SALES part of the framework is where the sales team gets its directions and coaching from the team coordinator and value stream manager. Within the actual PDCA stage the sales team is empowered to make their own choices and determine their own direction to accomplish the goals of that cycle. This framework is introduced in the [Marketing with PDCA](#) book.

It has been refined into three separate distinctive cycles of SALES EDCA, SALES PDCA, SALES SDCA. Viewing your value stream/marketing cycle in

this manner creates endless opportunities for improvement. It is also easier to handle the team concept of sales and marketing with this outline.

The Lean sales and marketing team is a cross-functional group whose number and expertise are derived from the decision-making path of the customer. You must first have established directives for a particular marketing cycle and a structure to match it. Are you looking for creativity (EDCA), problem resolution (PDCA), or tactical execution (SDCA)? Once you have established the objectives, you choose a team structure to match it. Without this process you may have creative teams working on tactical execution or on the other hand a problem-solving team working on a creative solution.

The question remained how do we make this knowledge explicit? Several years ago, I would have just framed this as an A3 report and placed the SALES on the left side and the ECA/PDCA/SDCA on the right side. However I have decided to use the terminology of a canvas versus an A3 following the concept developed in the [Business Model Generation](#) by **Alexander Osterwalder**. The BMG Canvas has its roots in Design Thinking which I believe is a better conduit for focusing outside the organization.

The amount of Standard Work that you decide for your teams will differ from organization to organization and from team to team. Standard Work should only encompass part of your time. Knowledge workers should have a fair amount of slack time built into their process, i.e. Google, 3M. On the other hand, just about every person wants some form of standard work. Most enjoy doing tasks that they are comfortable with and it gives them a sense of accomplishment when completed.

This daily action builds habits. I encourage the Lean Engagement Teams that I work with to create daily habits through their reports used at the daily

standup meeting. Going through their action plan and either answering a yes or no or maybe a number they start creating a daily plan something very simple. The secret is not to break the chain. After doing this for a while it becomes a habit and something you enjoy doing. It is like a checkmark on a checklist or moving the card on a Kanban to the "Done" Column.

The bigger picture is that Standard Work is what provides line of sight for your team. It enables support and provides opportunity for managers to serve you. Standardizing your work provides opportunity to spread it within your organization and make it easier for customers to go deeper into your organization for knowledge sharing. This provides a flood of new ideas for innovation and co-creation opportunities. But even more importantly it secures a vendor-customer relationship or partnership that is difficult for others to replicate.

Lean Sales and Marketing is essentially a knowledge transfer system and PDCA is an incredibly powerful tool for defining and closing knowledge gaps. Starting with the unknown, we start with EDCA. As we move along the marketing pathway we arrive at a known problem/knowledge gap and PDCA is utilized. Viewing sales and marketing from a knowledge versus a performance gap perspective, can make things a little fuzzy.

Refining the Marketing pathway into three separate distinctive cycles of SALES EDCA, SALES PDCA, SALES SDCA allows team roles to be defined and provides clarity to the process. In my blog post [Practical Approach to Innovation used by Disney](#), a video demonstrates an approach developed by Walt Disney and based on the roles of Dreamer, Realist and Critic. However, instead of thinking of the Dreamer think EDCA, Realist think PDCA and Critic think SDCA. This serves as a great analogy on when to use the three disciplines and how they interact with each other.

A complete set of presentations for incorporating the Marketing Gateway of EDCA, PDCA, SDCA is available at the Lean Marketing Lab (<http://leanmarketinglab.com>) for download.

They include the SALES Framework over each gateway of EDCA, PDCA, SDCA and how standard work applies to this process. You must be a member of the site to receive the download but it is free to join. Just mention the word LET and you will be approved.

Appendix

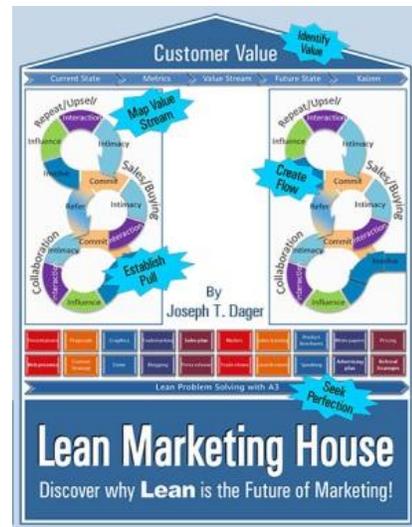
Lean Marketing House Overview

(Excerpt from the Lean Marketing House)

The "TPS house" diagram has become one of the most recognized symbols in modern manufacturing. A house is used because it is strong only if the roof, pillars, and foundations are strong. A weak link weakens the whole system. I took the liberty of rebuilding the Toyota Lean house to what I believe is the proper structure for today's marketing.

When building a house, you follow the same steps and principles as building a Lean organization. The first step in building the structure is to create a strong foundation. Many organizations look at marketing from just a tactical sense and start the foundation first with the campaigns, websites, and advertising.

However, to build a strong house you need to know what you are supporting to make a strong foundation. Understanding the value that you create for the customer is the starting point in the Lean Marketing House and will determine the rest of the structure.



Below the roof of the house lays the substructure of a five-step Lean process. Lean is a system focused on and driven by customers. Optimizing the value stream from their eyes and in an efficient manner takes your processes to a level not experienced before. Review your past sales and processes that are performing well. Determine why and what may be different about them.

It really is like starting on a journey without knowing where you are. Your metrics play such an important part. How are you going to measure success? What in the short term will allow you to survive and in the long

term build a business? Measuring simply by results is just not enough in today's world. Using Lean metrics measured by drivers are at the heart of making your plan effective. Mapping the future state is where we start seeing it all come together. This is the step everyone typically wants to jump to immediately. We make plans instead of having a sound basis. We use instincts and tools that are not focused and are often based on what I call "Tribal Knowledge." Kaizen is the Japanese word for continuous improvement. It is all about idea submission, not acceptance. Kaizen has three steps. First, create a standard. Second, follow it. Third, find a better way.

We will support this substructure with the pillars or the value stream of the Lean Marketing House. Each pillar represents a product (service)/market segment. It does not matter how many pillars you have, just that each product/market segment is well defined. Seldom does even the smallest company have only one pillar or value stream.

The Lean House's foundation that the pillars stand on is the work we do each day and is what insures the customer value proposition is implemented. In accordance with Lean House philosophy, it doesn't necessarily matter which tools the organization uses, but which tools are effective with the customer or the particular value stream segment, represented by the pillars. The number and depth of blocks will differ with each organization. What is important is that they are all considered and that the foundation is strong enough to support the pillars. Below the foundation is a substructure of A3 problem solving that will be the control practice that is implemented throughout the foundation. This allows us constant feedback and will alert us the foundation starts to weaken.

When we first hear the terms Lean and value stream, most of us think about manufacturing processes and waste. Putting the word marketing behind both of them is hardly creative or effective. Whether marketing meets Lean under this name or another, it will be very close to the Lean methodologies developed in software primarily under the Agile connotation.

This book is about bridging that gap. It may not bring all the pieces into place, but it is a starting point for creating true iterative marketing cycles based not only on Lean principles but, more importantly, on customer value. It scares many. It is not about being in a cozy facility or going to Gemba on the factory floor. It is about starting with your customer, not ending there. It is about creating sales teams that are made up of different departments, not other sales people. It is about using PDCA (Plan-Do-Check-Act) throughout the marketing cycle with constant feedback from customers that can only occur if they are part of the process. It is about creating value in your marketing, which a customer needs to enable him to make a better decision. It is about managing a value stream marketing process.

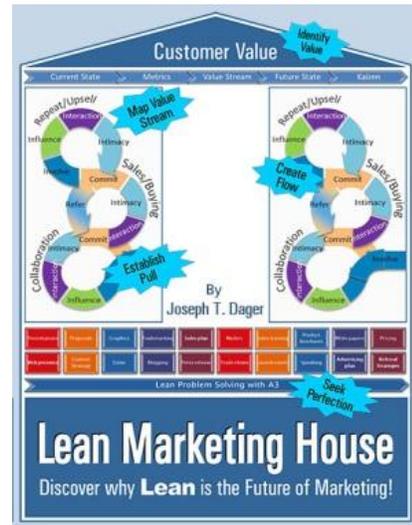
We use the Lean Marketing House as a way of introducing Lean. In Lean Thinking: Banish Waste and Create Wealth in Your Corporation, Revised and Updated by Womack and Jones, the authors introduced five core concepts:

1. Specify value from the standpoint of the end customer by product family.
2. Identify all the steps in the value stream for each product family, eliminating whenever possible those steps that do not create value.
3. Make the value-creating steps occur in tight sequence so the product will flow smoothly toward the customer.
4. As flow is introduced, let customers pull value from the next upstream activity.

- As value is specified, value streams are identified, wasted steps are removed, and flow and pull are introduced, begin the process again and continue it until a state of perfection is reached in which perfect value is created with no waste.

These five values are represented in the Lean Marketing House as

- Identify Value (Roof)
- Map Value Stream (Ceiling)
- Create Flow (Value Stream/Pillars
or Marketing with PDCA)
- Establish Pull (Foundation)
- Seek Perfection (Base)



It's a different concept that I believe is imperative to the future of marketing. Think of the touch points you have with a customer. Is each one creating value? When your customer moves from one stage to the next, is the move value-driven? In the truest form of the meaning, a Lean Marketing company should only have two components: an introduction to a new lead and the acceptance of an order. All other components would be considered wasteful and are candidates for elimination. If you consider each item that you deliver to a customer something of value that he is paying for, in essence he accepts an order each and every time. Do you create valuable enough content that your customer would pay for it?

Marketing has to address value and the content they are distributing. As important, they have to address the time or the stream of their marketing system. The acceleration or throughput is extremely important. Creating systems within our process that are efficient and propel customers through

the value stream is imperative. Our days of leaving non-responsive customers on our mailing list, online or offline, are ending. Creating advertising to the masses and expecting a reasonable return have already ended for small and even medium size businesses. These statements are not meant to say that we only market to someone for 90 or 120 days and that's it. It is more a belief that we have to create interactive platforms that allow our customers to interact at their leisure, their timing, and their discretion. A good description of pull marketing, but how do you manage it as a value stream?

You must understand your value stream well enough to have a throttle. You must know where your constraint is, maybe even on a seasonal basis. You must address indicators that are built into your process and not built into month-end reports. Do you have a monitoring system that lets you know? Do you adjust your marketing message accordingly? Are you improving your stream with better information to qualify yourself to the customer? If you are providing higher value information to the customer, does that propel you through their decision making process?

Most people think about the marketing process as a function of lead generation and follow-up. They envision the marketing funnel which creates an excellent visual image of collecting prospects and narrowing the field until you produce a customer at the bottom. This image is often a fair reflection of your marketing budget. You spend most of your money reaching out to the masses. It is an expensive proposition and seldom produces measurable results. However, you can't just cap the funnel because you never know where you will receive your next lead or sale.

The job of marketing is to increase prospects, create better odds in obtaining a customer, increase the number of customers and the dollars per customer. I believe marketing is also responsible for decreasing the dollars in obtaining

a customer. I think these five parts can be best served through Lean and, more specifically, using a value stream approach.

This is going to require re-thinking about the way you do business and the way you think about your markets. More importantly, the way you think about value. Value in terms of how your market defines it. Stop thinking about product or even product benefits. Your marketing systems must support the delivery of value to your customer at a much higher rate than your competitors. Targeting that value proposition through the methods described in this book will increase your ability to deliver more quickly and accurately than your competitor. It is a moving target and the principles of Lean and PDCA facilitate the journey to customer value.

Marketing with PDCA Overview

(Excerpt from Marketing with PDCA)

Value Stream Mapping your Sales Team

I have always been an advocate of seeking sales and marketing's response to each of the customer's decision steps. In most organizations, I have met with strong resistance to this concept. Most salespeople look at it as another silly initiative and most internal people see sales as a vehicle to customer data. As a result, sales resist and rightfully so, preventing themselves from becoming extended clerks. However, the approach really should be about how to increase face time and touch points with the customer, the enablers of increased sales.

Cellular manufacturing is one of the most powerful Lean tools. It will allow for smaller lot production, quality improvements, and shorter lead times and simplifies the implementation of pull. Typical manufacturing systems had the same machines all grouped together and as a result batch type manufacturing was developed. As manufacturers developed cellular systems, they found quality improved and smaller lot quantities could be efficiently handled. Many of the work cells were rearranged into U-shaped or L-shaped patterns. This allowed one worker to operate several machines, which improved productivity. The benefits have been very well documented and applied to many industries.



In most sales and marketing applications, you have marketing assigned by the duties they do and salespeople assigned to certain accounts. Instead of the typical arrangement, what would prevent an organization from assigning

the personnel and cross-training them within one of the marketing stages? This way they would become experts within the stage and be able to respond to the needs of a prospect better and more efficiently. Since they are handling the tools of the stage, that particular area would have a better chance of improving the methods utilized within it.

Map the decision-making process of your customer, breaking those stages down into manageable chunks. Within each of those chunks, organize the functional roles and technical expertise required to enable customer satisfaction or basically answer the customer's question. Remember, each member does not have to be at every meeting or every stage of the process but some continuity is required.

Another important aspect to consider is that every value stream, every customer, may not need their own sales team. Cluster can be developed and based on numerous factors. You may even use teams for all value streams for the awareness stage or till a prospect or customer develops a degree of interaction. Then he is handed off to a more specialized team.

In recent times, quality has suffered in sales and marketing. Many times, the customer seems to be more of an expert than the salesperson calling on them. Other times experts have to be brought in and duplication of manpower takes place. Many companies have a sales closer; maybe sometimes a sales manager that would come in and have the power to close a prospect when ready. If you were doing that during each stage, the likelihood of passing on better qualified and more prospects may occur. Another consideration that someone may find fault with in this type of thinking is geographic boundaries. However, I believe that excuse is seldom the case.

The key to your thinking should be in flow rather than function. Take each individual stage and think about creating a work cell by defining the operations that take place within that stage. The number of resources within that stage will have to correlate to the number of prospects within the stage. It must be recognized that numbers don't always work out perfectly or that certain talents may still have to be utilized in several different stages. But I believe that the quality of the interaction would increase with this type of system.

Where does a salesperson fit into a team concept? In my view the salesperson is still the key player. It is up to him to engage the team with the customer and orchestrate the necessary expertise between the organizations. Seldom at the beginning of this process or with a new customer do organizations talk the same language. The salesperson has to be that bridge of communication and facilitate that process at both ends. The difficulty of this role is that few salespeople are good facilitators and group leaders. They need to be the focal point of communication but there needs to be team leader within the structure to handle the day-to-day aspects. Later in the chapter, we describe the organizational roles that make up a Lean sales and marketing organization.

The real sticklers on the development of teams are performance measurements and compensation. Team performance measurements and compensation are subjects that go far beyond the scope of this book and I would encourage further research on these. There are several resources listed at the end of book.

Time is another important aspect that needs to be considered. You do not want to create a team if only half the participants can be there. Geographic,

psychographic, and all these types of parameters need to be considered, the same as you would do for any other type of project.

We are going toward structural change within the sales and marketing arena. It has moved into a world of shared experiences with the essence of teamwork and collaboration at the forefront. Building these teams from the silos that exist in your organization (no matter what size) is an extraordinary task. It will take special skills to meld these components together. One organization created their value network that consisted of sales, marketing, IT, engineering and accounting. An overview of that team:

1. Sales were an above-average performer who was extremely well-connected with his customer base but lacked technical and social media skills.
2. Marketing was well-connected in social media and graphic design but had little customer or analytical experience.
3. IT was very competent in troubleshooting and installation and application but had little interest in discussing benefits and spent more time downplaying the features.
4. Engineering was very technical and well-schooled and was very upbeat about the features and benefits offered on the product. Saw ways the product could fix a lot of things that the customer was having problems with.
5. Accounting's initial role in the team was for the customer financing.

Here was the customer's buying team:

1. The purchasing consisted of two people, one for fact finding, narrowing down the selection but not authorized to spend the amount of dollars

for the purchase. The final purchase had to be signed off by a senior buyer.

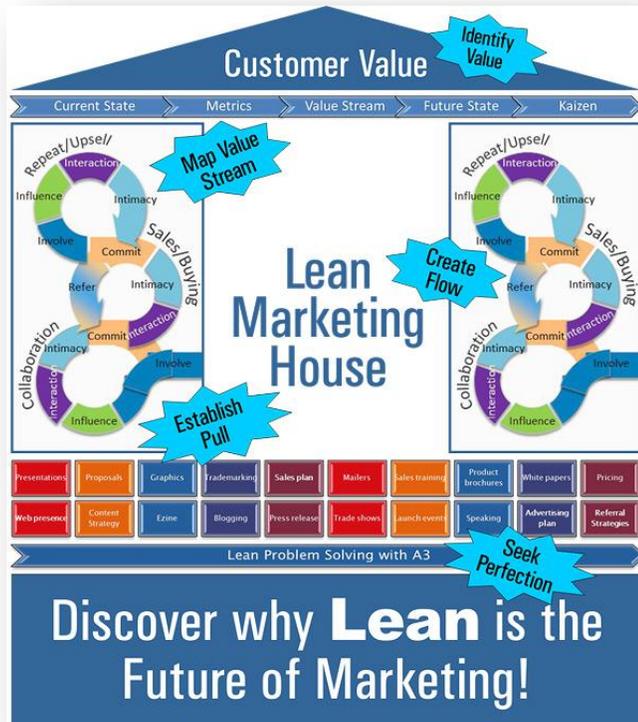
2. User Group: This product was to be used by two shifts with multiple operators. Supervisors and users were involved in the trial process.
3. IT department was involved to determine level of support and compatibility.
4. Accounting was involved to determine and evaluate finance and purchase terms.
5. VP of Operations ultimately had to approve purchase.

Create a value network within your own organization on the role that is played in the sales and marketing process. The awareness of the different perspectives that exist inside your organization can be insightful. Bring the team of decision makers from the customer's side of the equation into play and see how they match up. Does your customer's team look like your own or have many of the same dynamics?

The power within the team to make the decision may vary widely but most anyone can be a deal killer. So how do you go about bringing unity to this mix of players? I believe the only unifying agreement is in defining the value proposition you offer the customer. Without this clarification, mixed and inconsistent signals will be sent throughout both organizations. As you have heard me elaborate many times, the **lack of clarity not only prohibits flow** within your organization but it will also prevent your customer from making a decision. If your value proposition is well-stated and understood the chances are that the internal champion within your customer's four walls will be able to, well, champion your cause much more effectively.

SALES PDCA

In Lean sales and marketing the intention is not to change what you are doing but to improve on what you are doing. You already have a process intact. You may have not formalized the process but more than likely you have one. Documenting your process for the first time can be very difficult but it is a necessary step. However, the clarity and the performance gaps that result from this exercise are mind boggling. Your customer or product/market value stream has already been created.



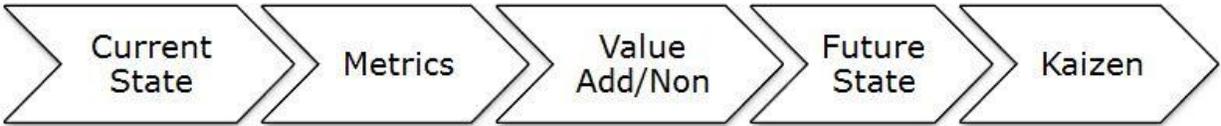
Marketing with PDCA process is where the communication with the customer takes place.

Overview of the Lean Marketing House: Only customers provide results. I think the smartest companies ask their customers what the requirements should be for the product or service and then work backwards. The not-so-smart designs a product/service and then figures out ways to market and sell it.

When considering the value they offer to the marketplace, most companies only consider the value that their customers or buyers receive. Your company's value proposition is actually a two-part function. One is how buyers evaluate your product/service and two, how non-buyers evaluate

your product/service offering. If you lack the understanding of how non-buyers rate your value, or expanding that thought to your competitor's value proposition, you are fooling yourself. The object of your focus should be the market, since this is where you compete.

The value stream below is how your typical Lean consultant or trainer would approach the sales and marketing perspective. They would apply it on a typical project-by-project basis to such marketing activities as sales, promotion and distribution, extending the waste and cost-cutting focus of Lean efforts to marketing in an attempt to make these activities more efficient. Everyone knows the undisciplined and creative activities that define marketing offer a rich treasure trove of cost savings when made more disciplined and structured.



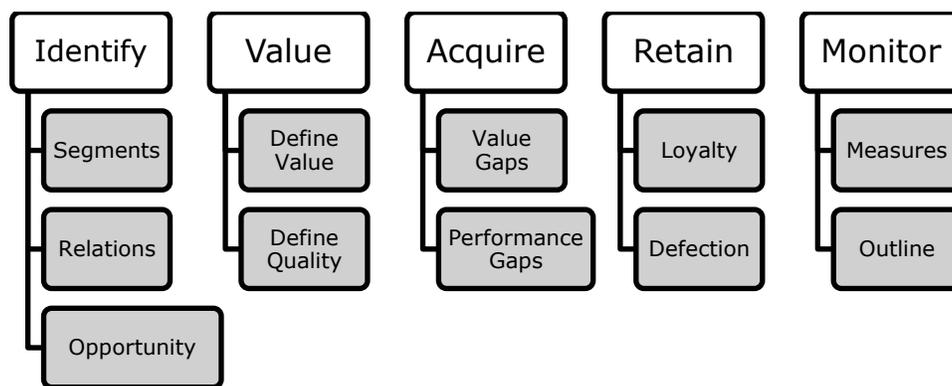
The value stream must be identified from the customer perspective. Its approach is driving market share in targeted areas by providing superior value. Its focus on value, products and market share is where it differs from the application of Lean to specific marketing activities.



This approach provides a user-friendly bridge for moving continuous improvement focus from the manufacturing floor to the marketplace. Your focus must shift from product orientation to market orientation, from an

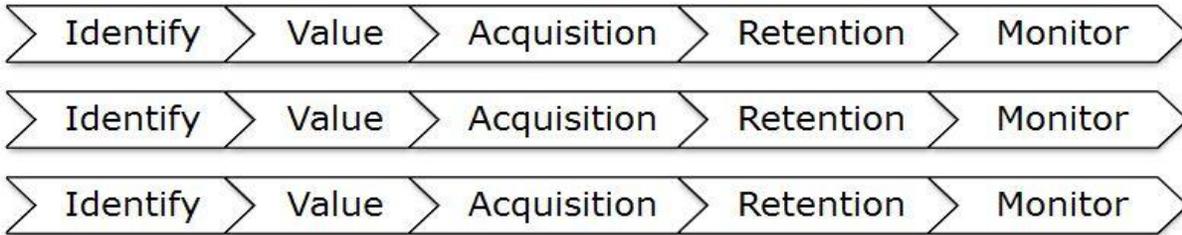
internal efficiency focus to an external focus. Successful companies will be those that can make this transformation and make it soon.

- Customer Identification pinpoints specific products/markets that offer the organization its best options for growth.
- Customer Value is the voice of the market (VOM) that drives all operational and strategic initiatives undertaken by the organization.
- Customer Acquisition will guide you through the delivery of value relative to that of your competitors. The buyer is asking a simple question: "Is this brand worth it?" By understanding your organization's competitive value proposition, leaders can make better decisions regarding market share growth.
- Customer Retention could also be called the Enhancement stage. This is when organizations need to enhance or improve their competitive value proposition in accordance with the directives of the market place.
- Customer Monitoring is where you learn how to put monitoring systems into place to ensure that their competitive value proposition accomplishes what is intended.

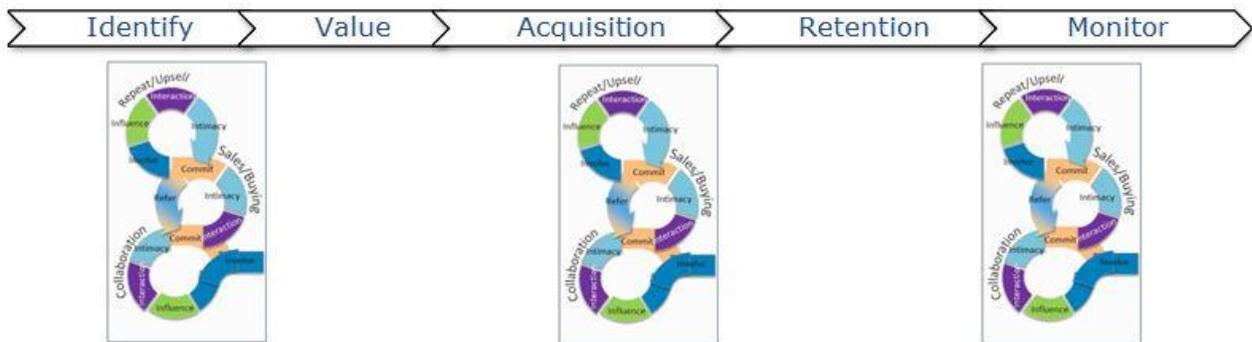


As you define your product/market groups, you may have just several or 100 or them. Seldom will a company have just one. Typically you will only have a few that are the majority of your business. As a result, you may

narrow 50 down to just five or six. Those are the ones you address. It is not that you ignore the others but you may not put your initial efforts towards them.

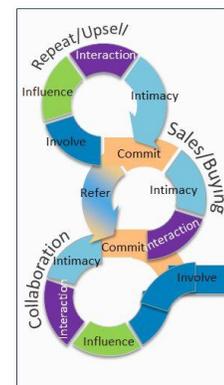


The product/market value stream may be broken down into several customer groups. One group may handle dealer interaction, another group may handle web sales and another direct sales.

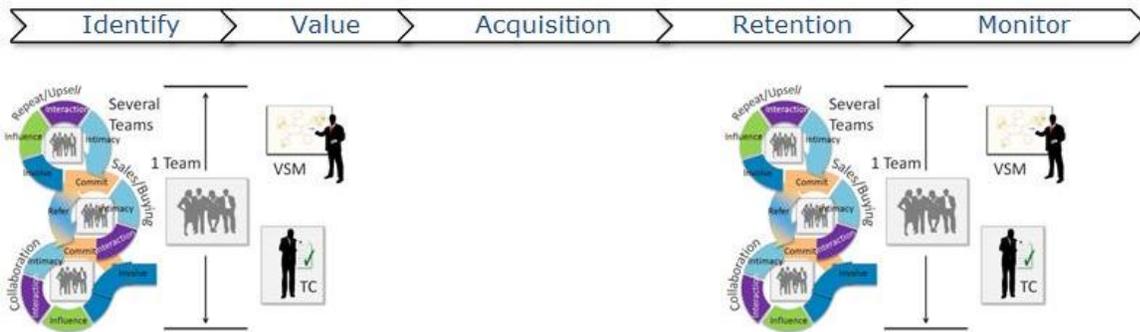


Note: The Groups are depicted under one individual value stream as a method of visualizing that they are supporting that value stream. Their placement under any particular block has no meaning.

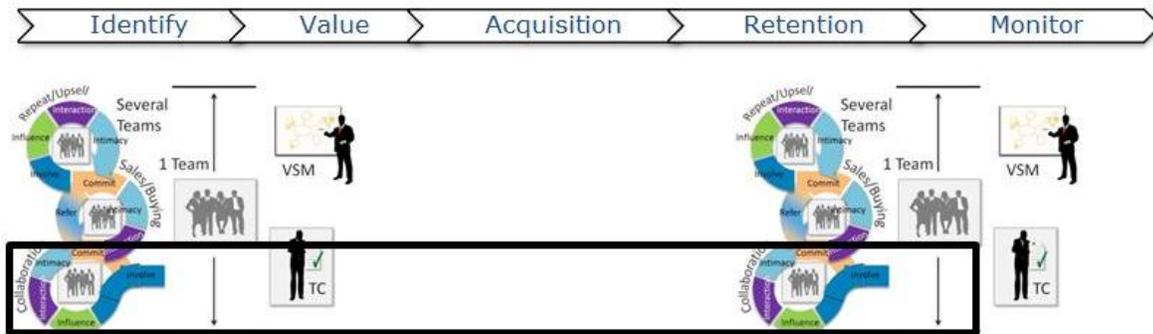
In a typical customer group, I have defined three stages or cycles of working with a customer: collaboration, sales/buying and repeat/upsell. There is nothing to say that there cannot be one stage or 12 stages. These stages were simple created for clarity and explanation of the process. The nomenclature within each cycle depicts what might be happening during that decision process.



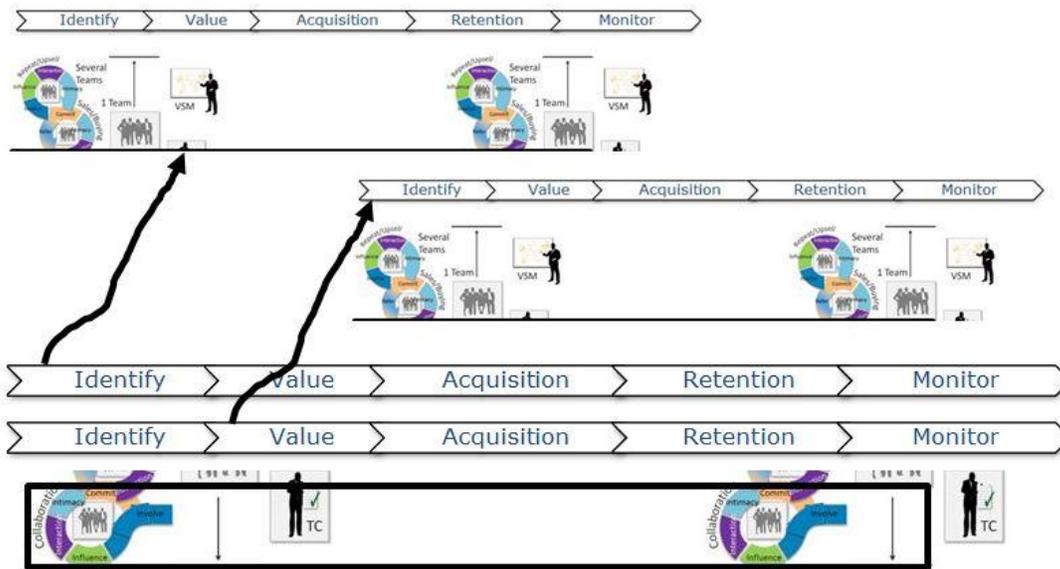
You may have different sales teams or the same sales teams working on each customer group.



Or, you could have groups working horizontally and vertically.



Or, you could have the collaboration section for multiple value streams being handled by one group and then being handed off to other groups in different value streams.



It is what makes sense for you and more importantly your customers. SALES PDCA is the framework I use for the process that takes place in the customer groups. It is nothing more than a standard PDCA cycle except the SALES part of the framework is where the sales team gets its directions and coaching from the team coordinator and value stream manager. Within the actual PDCA stage the sales team is empowered to make their own choices and determine their own direction to accomplish the goals of that cycle.

The following sections will explain in some detail the individual stages of the SALES - PDCA framework.

Select the initial problem perception

Analyze the current knowledge of the process

Locate the people who understand the process

Empower the team

Select the improvement that needs to take place

Plan the improvement that needs to take place and plan the change

Do it the new way, execute the plan.

Check the results of the plan to determine whether the plan worked.

Act on the results. If the plan worked, standardize the change. If it didn't work, readjust and go through the cycle again.

Select the initial problem perception:

There are two ways to initiate the SALES PDCA. One is that the interest of the customer is initiated from a handoff from another team. Except for the initial stage (which is the awareness or involvement stage in many funnels), this is a handoff that is being passed from one cycle to the next or to another team. For example, the collaboration sales group may turn over a lead to the sale/buying team when they need more technical knowledge or have sent a signal that they are ready for a higher degree of interaction.

The customers or the prospects perception should also be stated and can be as simple as, what is the problem to be solved and will this deliver value to the customer?

Analyze the current knowledge of the process

The analyze phase is a quick review of the critical-to-quality (CTQ) issues facing this value stream and how they may apply to this cycle. What should be involved in this step? Have customers' expectations and specifications been examined and documented? What are the points of concern? It is critical to have a clear understanding of the perspective of the customer or prospect.

Locate the people who understand the process

One of the key considerations in developing a team is to determine the objective of the cycle. Is it primarily problem-resolution, creativity, or tactical execution?

Team structure needs to be considered as well as the participants. You will find a variety of structures will work for you but the typical model in sales and marketing is one of a business team that has a team leader and all others are on equal footing. Many times the team leader is really just a participant but has the administrative work as an added responsibility.

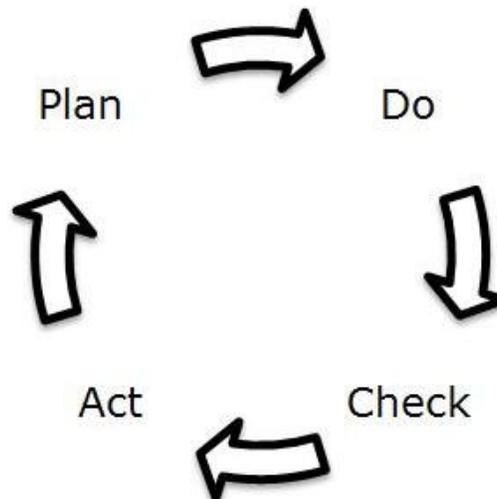
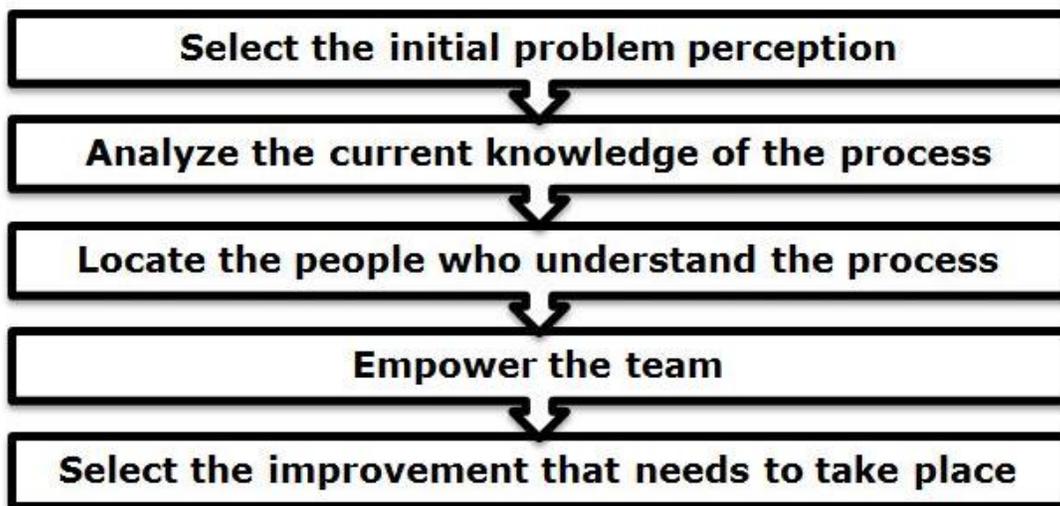
Empower the team

One of the major changes that a Lean process takes over a traditional sales engagement is the role of understanding how value is created. We need a certain degree of expertise to satisfy a customer's need but the engagement is as important as the expertise. Talking to your customer is an important part of the process and many new teams are unfamiliar with this role. The

salesperson is an integral part of the process to bridge that understanding initially. These experiences or touch points with customers are what solidifies the relationship between customer and vendor. Your team needs to have autonomy in these exchanges or the network will bog down and become unproductive.

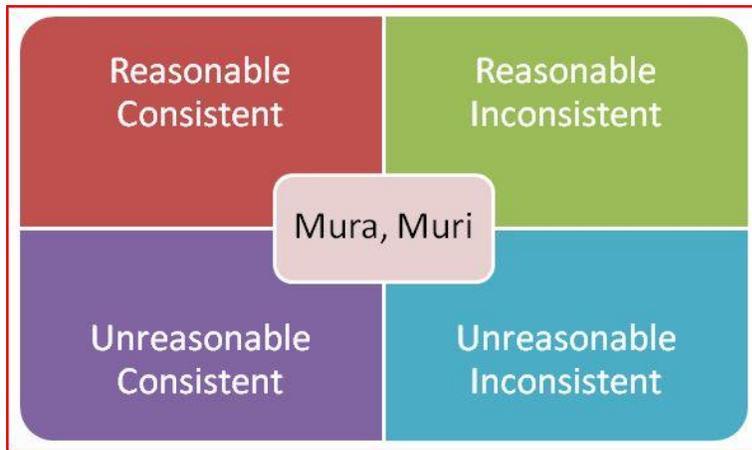
Select the improvement that needs to take place

Define the gap of the cycle. It is important that some data exist to support the customer need. It may even be necessary to develop some mechanism for specifically learning the extent of the problem. If this is not done, it may become difficult to show what improvement occurred.



I

Lean Marketing Concentrates on Mura and Muri



Most people that are familiar with Lean understand the term "Muda," which signifies waste. It has been popularized by the common use of the 5-S, which is used to create a clean,

ordered, and disciplined work environment. If you think you could use it, just look at your desk!

What I want to discuss are the other two M's that are often overlooked and somewhat unknown except to true Lean practitioners. The two terms are Mura and Muri. Mura is usually translated as "inconsistency," and Muri translates as "overburden." These two terms may be significant factors preventing us from "Just Being There."

Muri (overburden) could also be defined as "unreasonable" or "impossible." I would question people on how much they are asking out of their marketing.

Typically, people are event driven, and that is the main thrust of their marketing. Being in the community where their customers are may be a secondary function. They think that the better and more spectacular the event, the more they will get out of it. This thought process is getting more and more difficult to pull off. The bar has been significantly raised in recent times, as there have become fewer and fewer customers. **Being there is a better alternative.** I am not saying we should do away with the events; I

am saying create events that your typical day-in and day-out customers will appreciate. Don't only try to get new customers; grow your business from your existing traffic.

The other term is **Mura**, translated as "inconsistency." How consistent is your marketing? Does your e-zine go out regularly? Are you consistently sending out your direct mail or using other advertising? Do you have a consistent theme in your marketing that builds continuously on the last message? Are your online and offline presences integrated with each other so that a consistent message is used? I believe Mura may be the single biggest reason that marketing fails.

Looking at these two M's, you can see how quickly your marketing can be improved. Simple tactics, such as using a tool like a process matrix, can provide a quick evaluation of your marketing efforts. Try this: Isolate the consistent from the true inconsistent. Establish a routine process to do routine things in a routine way. Just be there. You may still have exceptions; just realize they exist and process them accordingly.

Marketing with A3 Overview

(Excerpt from Marketing with A3)

Gain team consensus on cause-and-effect reasoning.

Applying a systematic approach to any field is challenging, especially to sales and marketing. Gaining agreement on what and how to measure is a difficult process due to the variations seen in customer demand and expectations. With the influx of web analytics, statistical process controls, regression analysis, design of experiments, simulations, and other engineering tools, the management of data is becoming commonplace. Collection, understanding, and interpretation of this data requires that a systematic process to be followed.

As this becomes more commonplace the acceptance of terms and tools such as cause-and-effect, variability, constraints, problem solving, and bottlenecks has crept into the sales and marketing arena. We are seeing cross-functional teams being formed and systematic management of marketing funnels, projects, campaigns, and continuous improvement efforts coming to the forefront.

It's very important to gain consensus here; without it there is probably little reason to proceed. When decisions are made by one person, study after study shows that the effectiveness and the carrying-out of this decision are greatly minimized. If you want your efforts to be a success, gaining buy-in at critical junctures of the process is imperative. One juncture is when the problem is defined and the other is at the point when the root cause is determined. Eighty percent of your work should be involved in reaching this point.

Time is another important aspect that needs to be considered. You do not want to create a team if only half the participants can be there. Geographic, psychographic, and all these types of parameters need to be considered, the same as you would do for any other type of project.

Very few times in an initial read of a book have I ever stopped so early and reread an entire chapter. Here is a short excerpt from the book, [Innovate the Pixar Way: Business Lessons from the World's Most Creative Corporate Playground](#), the definitions of a set of proficiencies that Bill Nelson of Pixar looks for:

1. Depth – demonstrating mastery in a subject or a principal skill; having the discipline to chase dreams all the way to the finish line.
2. Breadth – possessing a vast array of experiences and interests; having empathy for others; having the ability to explore insights from many different perspectives; and being able to effectively generate new ideas by collaborating with the entire team.
3. Communications – focusing on the receiver; receiving feedback to ascertain whether the message sent was truly understood; realizing only the receiver can say, “I understand!”
4. Collaboration – bringing together the skills (depth, breadth, and communications), ideas, and personality styles of an entire team to achieve a shared vision; fostering an attitude to say, “Yes, and...”, rather than “No, this is better.”

Collaboration is critical to the process of generating ideas and problems in any organization. When you review the principles of Kaizen and Agile, your ability to succeed really comes down to how good a team you put together.

Taking a broader stroke may not be in the definition of the project; when you develop a current state, check back to see if you have all the team members you need to solve the problem. The A3 process does not demand that once your team is set it does not change. It may have to. However, the A3 is the glue. It is what keeps the team focused and allows others to pick up where they left off or pick up in the middle of the project.

The one concept that many fail to consider is indirect marketing or staying in touch with your customer base. I would like to challenge your thinking on how you can become involved in your customer's communities. Becoming active in these areas will not only increase your involvement with your customers and other prospects but there is nothing more effective in making your marketing more efficient. Understanding their needs, what they are looking for, and where they are being underserved is the single greatest marketing concept that I know of. So, if I ask this question: Where are your customers being underserved? Can you answer it? And/or, is that a market you have the ability to take care of or build a future alliance from?

Gain team consensus, select countermeasure(s) and document why.

You have all this data in front of you and you are ready to act. Acting as a team to move forward is imperative. Reach consensus and select which countermeasures to act on and give the business reason for doing so. There is no better way to reach consensus than for everyone to understand why you are doing it. At this point it should be obvious, and if it is, document it. If it is not, find out why it is not... It sounds really simple but ambiguity here when there is absolutely no reason for it will reduce the clarity needed to carry out and implement the plan.

Future State:

What does the customer really need?

Identifying the CTQs is very important to us, as is working on the items that provide value to the customer. If a customer does not value the action, why would you do it? Anytime it comes to prioritization, people will have a tendency to pick the low-hanging fruit. Why not prioritize by the importance the customer sees and by the most profitable segment of your business? This will make a greater impact in your efforts and achieve the greatest results.

From Wikipedia: "A minimum viable product (MVP) has just those features (and no more) that allow the product to be deployed. The product is typically deployed to a subset of possible customers, such as early adopters that are thought to be more forgiving, more likely to give feedback, and more able to grasp a product vision from an early prototype or marketing information. It is a strategy targeted at avoiding building products that customers do not want, that seeks to maximize the information learned about the customer per dollar spent. *"The minimum viable product is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort."*

The MVP is not a minimal product; it is a strategy and process directed toward making and selling a product to customers. It is an iterative process of idea generation, prototyping, presentation, data collection, analysis, and learning. One seeks to minimize the total time spent on iteration. The process is iterated until a desirable product-market fit is obtained, or until the product is deemed to be non-viable."

The MVP is a key term that I think should be considered more in the marketing world than it is. When I think about some of the best advertisements, they are all geared around one simple thought and message. Look at any Steve Jobs presentations, "The World's Thinnest Notebook" for example. Who can forget the notebook being slid into a manila folder? Getting rid of the hype and keeping it simple should be part of our marketing mantra.

What prompted me to re-visit the MVP was the book, [Rework](#) authored by the 37Signals team. 37Signals creates simple small-business software and their products include Ruby on the Rails and Backpack. Their motto is "Goodbye to Bloat" and they provide simple, focused software that does just what you need and nothing you don't. Rework is...

"Inspirational. REWORK is a minimalist manifesto that's profoundly practical. In a world where we all keep getting asked to do more with less, the authors show us how to do less and create more."

How often will we check our performance to customer needs?

What happens if before you complete this project your competitor comes out with a new gadget that makes yours obsolete? Will that cause you to change your way of thinking? Certainly! Set parameters on how often metrics need to be looked at. One of the ways to decide this is by determining how often you are going to use the data. If you are only going to react to it once a month, the collection could be continuous but continuous accessibility may not be needed.

Which steps create value and which steps are waste?

In a typical value stream it is important to understand value-added and non-value-added steps. It will help you prioritize the work and also, discovering

that you are working on a step that is not a priority or that a customer deems foolish is, well, not a good use of your time. However, some non-value-added steps from a customer perspective may add value to your organization. The question still might be "Why we are doing it?" but that probably is beyond the scope of your A3 at this point and time.

How can we flow work with fewer interruptions?

One item that we always need to consider is hand-offs, moving from one stage to the next. "The more hand-offs, the more room for errors" is a pretty good rule of thumb. "Continuous delivery, continuous work" used to be the old axiom for success. Seldom is that possible but the flow of work to the customer on a continuous state would be very good collaboration, so don't hesitate to consider looking for ways to do that.

How do we control work between interruptions, and how will work be triggered and prioritized?

Building a future state for work can be a tricky process. This work needs to be identified and prioritized. Work standing still is not a bad thing if it does not affect the overall flow of the project... This is where Kanban can be a very effective tool.

Implementation: Gain team consensus on execution plan (What, Who, Where, When);

Make an Excel spreadsheet and carry out the plan. Define your 4 Ws map and get on with it. If you leave blanks in this map, there probably will be blanks in the execution process of it.

I like to use the one-page project manager (1PPM) which is an excellent reporting form to use in conjunction with the A3. The author, Clarke Clifford,

has even written a book about using the 1PPM with A3s. I sometimes embed the 1PPM in the electronic A3 or print them out on an A3 sheet on the back of the A3 (I know that is cheating) so that the entire process can be shown.

Have task, timelines, owners, costs, and reports been assigned?

This is basic project management. If they have not been assigned individually or as part of a team effort, they will not get done and as a result may cause unneeded complications at a later date or even threaten completion of the project.

Have daily/weekly stand-up meetings been scheduled?

I love stand-up meetings even with my virtual clients when I use Skype. Just saying good morning and hearing what each of us will be working on today makes for great community and maintaining connections. You may not be included in each other's plans that day and you may say "the next time we need to talk it's on a certain day" but take advantage of it so that the relationship can be maintained. Without communication, projects wander off course and the urgency leaves.

Stealing from Scrum, just ask these questions...

Have control points been well-defined? Control points are touch points within your organization to determine how well things are going. They can help determine whether all the goals within a stage have been achieved successfully and whether the project can progress to the next stage.

A control point is similar to a tollgate. The gate comes down and you must pay the toll before continuing. Now, what makes this such a strong feature is how many times do you pay the toll without knowing where you are going?

Control point reviews help determine whether all the goals within each stage have been achieved successfully and whether the project can progress to the next stage. Many reviews fail due to lack of preparation. If you are going to have a control point review, prepare for it. This should include a minimum of a check sheet, a milestone list, deliverable documents, etc., for review. This could even be an automated process that the customer knowingly or even unknowingly completes.

Let the numbers be your guide: Spend time developing good metrics and methodologies for their capture. If you do control point reviews, the review process is simple: either you made the numbers or you did not. If you let metrics be general, like using the word "most" in lieu of a defined number, you will create an ineffective control point. Always finding exceptions to allow someone to pass through the point, defeats the purpose of the control point. Stopping the line will take some courage initially and must be part of the training that is received.

Follow-up

Was the activity/problem a success?

Sing your praise! One of the main purposes of using A3 in marketing is that we start providing quantified and measured data to others.

Was the gap closed according to the target metrics?

Demonstrate the difference in the gap that you identified. This is what the entire process was about. It may be fine to talk about everything else that may have resulted from the process, but the first topics addressed should be "Was the target metric used", "Did you close the gap", and "By how much?"

Did you standardize the new process or procedures?

This is particularly important if you are not closing the entire process out at this stage. If this process is going to be continued or if this process was improved, then it should be standardized so that it becomes part of the regular routine.

When you start a continuous improvement process such as Lean or Six Sigma, many times you will get that initial surge and after some additional hard work, you might feel that you have developed a good process for continuous improvement. You're happy and the employees are happy and things could not be better! Then it stops...why?

Our basic instinct is that we have a tendency to keep things as they are even if they aren't very good. We resist all change. If you have been doing something one way for 20 years, a 60-day improvement is minuscule in comparison. I was always taught when training bird dogs that once a habit is created it takes at least twice as long to break it. There are exceptions if a traumatic or an extraordinary circumstance takes place but for the most part it takes time.

If an organizational culture change incurs large resistance, it may be because it is a really terrible idea or a really good idea. Small incremental improvements meet the least amount of resistance and are a much easier way to gain acceptance. But can you afford to wait?

According to George Leonard, author of *the Mastery*, it is a universal experience.

Every one of us resists significant change, no matter whether it's for better or worse. Our body, brain, and behavior have the ability and the tendency to stay the same within rather narrow limits.

It is safe to assume that resistance to change, even the beginning of a change for the better, is interpreted as a threat. No need to count the ways that organizations and cultures resist change and backslide when change does occur. Just let it be said that the resistance here is proportionate to the size and speed of the change, not to whether the change is a favorable or unfavorable one.

Leonard also outlined five guidelines, which I have taken the liberty of changing slightly to fit this discussion:

1. **Expect resistance and backlash:** Realize that when the alarm bell starts ringing it doesn't necessarily mean you've made a bad decision on the journey for continuous improvement. In fact you might take these signals as an indication that your life is deftly changing just what you wanted. Of course it might be that you have started something that's not right for you: only you can decide. But in any case, don't panic and give up at the first sign of trouble. Expect resistance from coworkers and managers. You might figure that they should be overjoyed if things have improved but bear in mind that an entire system has to change when any part changes. So don't be surprised if some of the people start covertly or overtly undermining your self-improvement.
2. **Be willing to negotiate with your resistance to change:** So what you should do when you run into resistance is not back off and don't bully your way through. Negotiation is a ticket to successful long-term

change in everything and in particular to transforming your organization. The change-oriented manager keeps his or her eyes and ears open for signs of dissatisfaction and then plays the edge of discontent, the inevitable escort of a transformation. The fine art of playing the edge in this case involves a willingness to take one step back for every two forward, sometimes vice versa. It also demands a determination to keep pushing, but not without awareness. Simply turning off your awareness to the warnings deprives you of guidance and risks damaging the system. Simply pushing your way through despite the warning signals increases the chances for backsliding.

3. **Develop a support system:** You can do it alone but it helps a great deal to have other people with whom you can share the joys and perils of the change you are making. The best support system would involve people who have gone through or who are going through a similar process, people who can tell their own story of change and listen to yours, people who breach you up when you start to backslide and encourage you when you don't.
4. **Follow regular practice:** People embarking on any type of change can gain stability and comfort from practicing some worthwhile activity on a more or less regular basis, not so much for the sake of achieving an external goal as simply for its own sake. A traveler in the path of continuous improvement is again fortunate, for practice in this sense is the foundation of the path itself. If you already have particular practices in place, use them as the method for introducing change. Providing a stable base during the instability of change can significantly help the transition.
5. **Dedicate yourself to lifelong learning:** To learn is to change. Education and training play a pivotal role in any transformation process. Don't try to institute a continuous program without the

learning. I think what made Six Sigma so successful and sustainable at places like GE, Motorola, and Xerox is the training programs they instituted. The levels of knowledge created by the color of belts may be chastised by many but I thought it was a great internal mechanism provided by those organizations. On a broader perspective, the book *On the Mend* was about change and the authors illustrated the Five Stages of Change with a diagram that bears many similarities to the outline by George Leonard.

Did you reflect and note successes and failures of process chosen?

This is the time you improve on how you do the A3 process. This is not about the problem you solved but the process you used in solving the problem. Continuous improvement (CI) is also about improving the way you utilized A3 and what you must do to improve the way you manage the process of improvement. CI is an important part of all aspects of your business. Team improvement, team communications do not improve without an effort to improve them.

Marketing with Lean Program Series

Marketing with Lean Series

1. Lean Marketing House Overview
2. Driving Market Share
3. Marketing with PDCA
4. Marketing with A3
5. Marketing your Black Belt(Not Available)

Lean Marketing House Overview: When you first hear the terms Lean and value stream, most of you think about manufacturing processes and waste. Putting the word marketing behind both of them is hardly creative or effective. Whether marketing meets Lean under this name or another, it will be very close to the Lean methodologies developed in software primarily under the Agile connotation. This book is about bridging that gap. It may not bring all the pieces into place, but it is a starting point for creating true iterative marketing cycles based on not only Lean principles but more importantly on customer value. It scares many. It is not about being in a cozy facility or going to Gemba on the factory floor. It is about starting with collaboration with your customer and not ending there. It is about creating sales teams that are made up of different departments, not other sales people.

Driving Market Share: 5 Cs of Driving Market Share is a comprehensive program. It is not a project-by-project approach for reducing the costs of marketing activities, but rather an approach that seeks to enhance marketing's effectiveness and efficiency.

The 5 Cs approach provides a user friendly bridge for moving the quality focus from the manufacturing floor to the marketplace. Those seeking to

become best in market must shift their focus from a product orientation to a market orientation, from an internal efficiency focus to an external focus. Best in market companies will be those that can make this transformation and make it soon.

1. Customer Identification identifies specific products/markets that offer the organization its best options for growth.
2. Customer Value is the voice of the market (VOM) that drives all operational and strategic initiatives undertaken by the organization.
3. Customer Acquisition will guide you through the delivery of value relative to that of its competitors. The buyer is asking a simple question: "Is this brand worth it?" By understanding your organization's competitive value proposition, leaders can make better decisions regarding market share growth.
4. Customer Retention could also be called the Enhancement stage. This is when organizations need to enhance or improve their competitive value proposition in accordance with the directives of the market place.
- 5.** Customer Monitoring is where you learn how to put monitoring systems into place to ensure that their competitive value proposition accomplishes what is intended.

Marketing with PDCA: Value stream marketing is about using PDCA (Plan-Do-Check-Act) throughout the marketing cycle with constant feedback from customers, which can only occur if they are part of the process. It is about creating value in your marketing that a customer needs to enable him to make a better decision.

This book is about managing a value stream. Targeting that value proposition through the methods described in this book will increase your ability to deliver quicker and more accurately than your competitor. It is a

moving target and the principles of Lean and PDCA facilitate the journey to customer value.

This book also introduces the Kanban as a planning tool or, as I like to think about it, as an execution tool. Improving your marketing process does not have to constitute wholesale changes nor increased spending. Getting more customers into your Marketing Kanban may not solve anything at all.

Improving what you do and increasing the speed that you do it can result in an increase in sales and a decrease in expenses.

Marketing with A3: Using A3 in the marketing process will provide you a standard method of developing and creating your marketing programs. It will recap the thoughts, efforts, and actions that took place for a particular campaign, such as advertising or public relations or even a launch. This report can really highlight the value that marketing supplies.

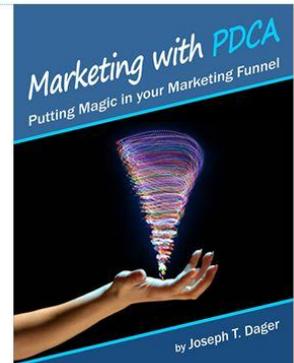
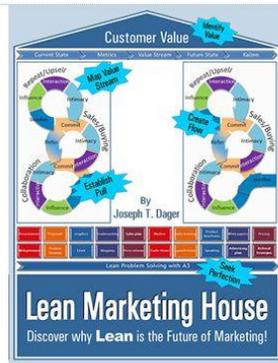
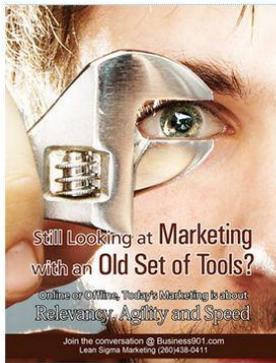
This book will also discuss how an A3 applies to the foundation of the Lean Marketing House™. The tools are explained and examples given. The important part is that you will learn how to format your A3 report in a way that most effectively communicates your story to your team and others.

Marketing your Black Belt: Marketing your Black Belt utilizes Lean principles in addressing marketing for the individual continuous improvement consultant. If you are a consultant that writes countless articles, speaks at numerous trade functions, and holds workshops and webinars, all with the intent of gaining customers but miss the real reason, BECOMING A RECOGNIZED EXPERT in your field, this book will be for you. It will also specifically address issues that you are facing as an individual consultant:

1. Customer Acquisition: The process of finding new customers is expensive.

2. Marketing: Advertising is expensive, and you may not have the specialized skills or time to create sophisticated websites or professional-looking marketing materials.
3. Customer Retention: It is hard to stretch limited resources in order to spend time with existing customers while trying to acquire new ones.
4. Communication & Collaboration: Your customers need to be able to stay in touch with you from anywhere.
5. Covering All Aspects Of Marketing: You don't have time to become an expert in every role required to market your business

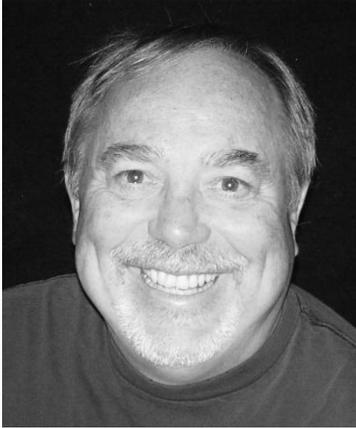
Business901 Books



Available on Amazon
or the Business901 Website

About the Author

Joe Dager takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing Concepts. He has owned and operated companies involved in retail, manufacturing and professional services that include several turnarounds and growth companies. Joe is president of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena.



"Joe Dager is a leading author on Lean Six Sigma and Marketing and frequent contributor to the Lean Six Sigma Group community. Joe Dager is an experienced transformational executive and Lean Six Sigma Black Belt with deep expertise in implementing value stream marketing systems that assist his clients in achieving rapid results in reaching their targeted customer markets. Joe is polished in the various online networking tools that enrich messaging in areas like podcasts, blogs, audio and video media, event marketing, and qualifying leads into prospects for rapid business development of opportunities. If you are in need of a professional lean six sigma consultant in sales and marketing processes, I recommend networking with Joe Dager, I am confident you will find his approach simple and results-focused." *February 8, 2011*

"In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." *May 21,*

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Business901 Websites

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Lean Engagement Team

The further we are from our customers' knowledge base the more effort has to be made to create a larger and larger supply of prospects. The ability to share and create knowledge with your customer is the strongest marketing tool possible. **Successful Sales and Marketing approaches are no longer trying to get their message out but developing strategies to get the message in.**

Sales and marketing can no longer operate in a vacuum within your organization. It has become a process output that intertwines across many of the departments within the organization. As companies have become flat, their decision making is increasingly being done by committee. As a supplier, you must mimic your customer decision-making path and as a result your sales and marketing will also be done by committee. Our highest priority is to deliver to the customer content that he deems valuable to his decision-making process. The Lean Engagement Team is your building block for developing a structure to continuously improve your organizations interaction with your customer and the associated market that he represents.

Marketing with Lean Program Series

