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Podcast Transcription

Implementing Lean Marketing Systems



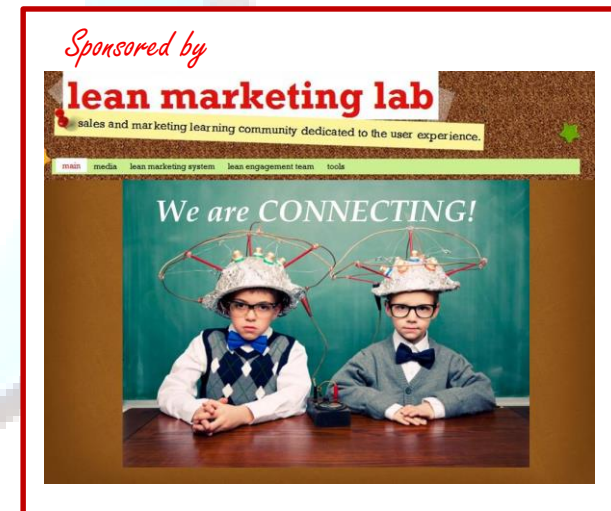
Using Design Thinking in Sales

Guest was Regis Lemmens

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Régis Lemmens is a partner at [Sales Cubes](#), a sales management consulting firm located in Belgium, specializing in sales and key accounts management. He is a firm advocate of design thinking in business and helps organizations to apply this approach to innovate and redesign their sales processes finding new ways to add value to their customers. His new book is, [From Selling to Co-Creating](#).

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Transcription of the Podcast

Régis Lemmens: I'm really honored to be here, really. It's fun. Just a question, Joseph. That's how I actually found you. I'm busy working on Agile and Lean and Key Account Management. Have you done anything with that?

Joe Dager: *As far as from an Account Manager's standpoint, everybody wants to implement all these marketing funnels, right?*

Régis Lemmens: Yes.

Joe Dager: *These processes which I think are getting to be more and more broken as time goes. You also elaborate on this in a couple sections of your book that I saw. You need a point of entry into an organization because nobody trusts anyone anymore. It's how*

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you take that point of entry and market to the rest of your organization because, after you find that point of entry, the next time you walk into the organization, there are six people in the meeting with all the different priorities. Does that scenario match up to what you're talking about?

Régis Lemmens: Yes. One of the things that I'm involved with, is using service design thinking for key account planning. We're checking that it's already great because you're right from a different perspective. Instead of looking at it from a more, forecasting, predictive perspective, we're looking at it much more from a plan from trying to develop insights. Then, itself is quite new for a lot of organizations and they quite enjoy it because they see the value of having a different approach where we still struggle with the implementation and the follow-up.

What I do find is, in a lot of organizations, I look at account plans like we do it once a year and then we have to do lists and then we go for the rest of the year. The reality is, very often, after a couple of weeks, once you get going with the customer, you go off plan, of course. Then, the plan disappears.

I'm looking at techniques such as Scrum and Agile to see how we can change the sales management approach of key account managers to a more Scrum way of thinking. What about saying, you're making a key account plan, making a to-do list for the next eight weeks and consider that a sprint. Then, within eight weeks, we'll see where we are and then we'll re-schedule the next eight weeks or we adapt key account plan if needed. But make something with more agile.

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Joe Dager: *Exactly. If you look at my website, I show a Scrum sprint layout on there. What I look at doing is developing a Kanban board where I pull that account management. You pull those people into that circle. You have a list of events and resources that you do within that block. Instead of having a prescriptive, step-by-step linear thing, you have resources that you can pull from but there's no prescription. Then, you run it like a sprint or you evaluate it weekly or monthly, depending upon how hot they are. It's like, these are my resources for next week, for this month that I'm going to use and draw upon to go after this group of clients or this individual client if it's big enough.*

Everybody is running, what I would say, in cycles and you step into the weeds (as I call it) and then you drop back and look at what you've accomplished in two weeks while you were in the weeds. It's very much the Scrum, or Agile thing.

Joe Dager: *Go to Marketo and scroll down. I'll send you a link after the podcast. What they're doing now is what we're talking about here. It's a nice validation for me. It's really interesting because they're basically doing a pre-purchase, purchase and a post-purchase type of thing. That's how I think of it or I think of it as I expect to see, like to see and love to see (if you go to the non-profit world). I take it and they're grouping people within that group and then moving them along in a scenario type. Here's a scenario for that person right now. Now, they've moved out of that scenario and moved to the next ones into the purchase cycle or stage (if you want to call it a stage).*

If you look at my Sprint diagram, I created that four or five years ago. My thoughts

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haven't changed in four or five years. In fact, they've become (not that I haven't modified it a great deal) very similar to that type of thinking where you're marketing, you're doing general marketing, you're blogging, and your social media and stuff. When that person signals to you that they're ready for more involvement, you take them to another set of resources or cycle and move them up. Certainly, you can earmark people. You can use it. It's not completely pull. Sometimes, if you want a client, you have to go after them if they're not just going to come to you.

Those are some of the mistakes, I think, a lot of people think that "Oh, it will qualify a client if they come to us and they interact with us. That's a signal for more work. Well, it certainly is. Sometimes, you do want a client so there's still a little push to this world. I don't know if that coincides with what you're thinking.

Joe Dager: In the meantime, let me introduce you real quick so we can get started. Welcome, everyone. This is Joe Dager, the host of the Business901 podcast. With me today is Régis Lemmens. He is the founder of Sales Cubes, a consulting firm which helps sales organizations to innovate and co-create value with their customers. He is a member of a team of experts at Impulse Brussels where he serves as a coach for start-ups to help them to develop and implement their commercial strategies.

Régis, I'd like to welcome you. I'm very excited about your new book. I'm waiting to get a copy of it when it goes to press. It's called *From Selling to Co-Creating*. Can you start out by correcting the introduction if it needs to be and tell me about when the book is going to be released?

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Régis Lemmens: Good morning, Joseph! Thank you very much for having me on your podcast.

The book is released. Amazon will release it in October for the U.S. Having said that, Barnes & Noble is already shipping the book in the U.S. For those who want to have an early copy, you can order it through Barnes & Noble.

Joe Dager: *I think I'll get off this podcast and do that.*

Régis Lemmens: It was discovered by accident, quite honestly. It's somebody who told me from the U.S. who said, "We just ordered it." I asked, "Where did you order it from?" They gave us the link. So, we didn't know it ourselves.

Joe Dager: *That's great. In researching your work and before the podcast started, we talked a little bit about some of our mutual past. I want to touch on something. You work with a lot of start-ups. Can you tell me how much of your business, in general terms, is more of the start-ups versus the established companies and the mixture of it a little bit?*

Régis Lemmens: Sure. Most of the businesses are established companies. I'm also a professor at several universities here in Doetinchem, Netherlands and in the U.K. on sales and sales management for which we also run a couple of research projects. The research that's running is about future trends in sales. Those researches and those projects are done with big companies like big banks and big I.T. companies that participate.

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The start-ups, it's something that I like to do because I really enjoy it, to be quite honest. For everybody who worked with big companies in corporate, you know that they are very difficult to change. It takes a lot of effort. It takes a long amount of time. It's not always very visible to see the impact that you had on your customer's business. Whereas when you work with start-ups, it's incredibly rewarding because you see, very quickly, the impact that you had on them. Also because there's much less politics involved so you get quickly done to reap the business that you really want to work on with them. That's enjoyable. I really do this. The size is about 20% of our activities, to be honest. It's the 20% that I enjoy the most.

Joe Dager: *I have to agree with you because the energy of a start-up is so fun.*

Régis Lemmens: Yeah.

Joe Dager: *You're willing to try this. You're willing to do this. Whereas, in an established company, everybody steps back. There's just a different speed to everything, isn't there?*

Régis Lemmens: Exactly. You know what we're having now in Belgium's last two years, we have start-up weekends, and which is a concept coming from the States. We just had two this month here in Belgium and it's fantastic to see how these young people and these young entrepreneurs come. It's very, very difficult on a Monday when you go back to your corporate company to see how slow everything goes and how non-creative they are in comparison with these youngsters, which you've see on a weekend, creating fantastic things.

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Joe Dager: *Let me start here. I want to frame the conversation a little bit for people of your companies' Sales Cubes and what you're about. It seems that a lot of your work is based on that Service-Dominant Logic perspective. Would you agree on that?*

Régis Lemmens: Absolutely. I absolutely agree with that.

A lot of the work that we do and the way we work is we help organizations to look into the future. What happened with your organization in the last couple of years in terms of sales? How do you see the future? How can we shape the future in the next three to four years in your organization?

That's something that I do using the research that we do academically. We draw in some of the findings, which are also described from the book. Then, the real consulting when we start with Sales Cubes, starts afterwards when we have to implement the change and start saying, "*How can we move from where we are today to where we need to be tomorrow?*" Which, is very often a bit less selling and a bit more co-creating value and then we're fully in the service-dominant logic; changing from that good dominant logic to a service-dominant one.

Joe Dager: *I think that's so true. That's moving from one of the things that you talk about in the book. It's about moving from that value-based selling to the value co-creating. That, in essence, is what the book is about?*

Régis Lemmens: That's what the book is about. Yes. It's about variations in sales and

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what you do see because when we interviewed over a hundred companies, what you do see is that is most companies are making that move. They are noticing that their products are becoming more and more commodities and it's becoming very, very difficult to make a change.

What's quite funny is, now that the book is out, a lot of companies asked me what I think of making a two-day training course on co-creation. Thinking that it's some sort of a tips and tricks that you can teach to sales people and within two days, they can apply them. What we're saying in the book is, I think we've run to the end of the tips and tricks of sales. What we need now is seriously re-thinking of how you look at sales in your organization. That's exactly what service-dominant logic is. It's a re-think of marketing and sales. That's what organizations need these days. That's how they can make the next step. We already see that a lot of large system integrators have already engaged that new approach.

Joe Dager: *I think you're so right because when I sit there and try to even find CRMs anymore to fit to a client or to work with a client, they really seem broken to me.*

Régis Lemmens: Oh, yeah. It's funny. I'm just talking now with a bank in Norway and they're developing a new customer strategy. Their initial reaction was to look at CRM systems. They said, "Well, no. That has been our approach for the last couple of years and we need to see if we re-think how we look at marketing and sales." Now, they've re-shaped the project into a new sales culture or new mindset of how they can actually co-create value with their clients. So, CRMs completely out of the picture.

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Joe Dager: *When I look at these, are these pipeline measurements and sales funnels? Are they still something that work?*

Régis Lemmens: That's a good question. They're kind of broken. When it comes to having pipelines and having conversion ratios and then deduct whether your ratio is better or less good than another in benchmarking people, that, what we see, it doesn't work anymore. I think customers are really different. Just by drawing up on one case and then comparing it with the other, doesn't really work.

What we do see, of course, are these pipelines. They are a good source of information to have a coaching session. But they're only a basis upon which you can have a conversation. They are not the truth by themselves. So what we're seeing is, more and more sales processes are unique. Every customer is different. Therefore, pipelines don't represent the complexity of the process that most sales people encounter.

Joe Dager: *One of the things I think about is, here we are and we're talking about this co-creation, co-innovation and all this adaptability and agility and everything. How does the sales guy fit into that? How does he go out there and can he sell that? Can he drive someone's interest there? Is that a re-definition of the sales guys happening? What's happening there?*

Régis Lemmens: We call it a re-definition of sales, absolutely. We see sales to become much more a strategic function in an organization; where marketing used to define the

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strategy, sales executes it and was more operational. Well, we're seeing more and more organizations today, where sales is way too expensive to keep a dozen operational tools.

They're using sales people now to, basically, develop relationships with key accounts and using those relationships to innovate and to develop new products with those key accounts.

This is interesting because where marketing used to be the ones with focus groups or developing new products with customers, it's actually the key account managers who are doing that. Now, you see marketing drawn more and more into the operational side saying, *"Whatever we've developed with those key accounts, have a look at it and see if you can market it to a larger market using call centers, the internet and any other form."* We actually see change. Sales is becoming way more strategic; marketing is becoming way more operational; in terms of how organizations look at them.

Joe Dager: *I think that's a great description. I always put it that it's sales and marketing's job has transformed from getting the message out to getting the message in. You're explaining that and defining that moving sales from working through marketing but more moving towards working with operations. Marketing is still doing a little push. It's not all a pull but what they're certainly doing is developing strategies out of what's being created.*

Régis Lemmens: Yeah. That's also why we use the word... we haven't used it a lot in the book (that's perhaps one regret I have) is the word "innovation". Actually, one of the main tasks of sales is to innovate. When we look at all of the companies that we talked to today,

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we're talking about innovation and how sales can actually drive the innovation in the organization.

Joe Dager: *Now, how do you pay sales commission? They're always closing the order whether sales guys don't close any order anymore? Product development kind of is. How does that work now? Is that broken?*

Régis Lemmens: That is broken. Yeah. At least in Europe, it's really broken. Most companies we interview, what we do see is commission is hardly used anymore. What we do see is bonus systems. These bonuses are basically paid based on teamwork. What we have is a beautiful example of a large multi-national company that is a steel manufacturer. They have, in their targets that every sales person must at least collaborate together with marketing and production to the innovation of new products. So, that's part of the targets. Reaching those targets, they'll get a bonus.

Salary is not linked to how much you sell but what you've done and what you've accomplished for the company and how much you worked as a team. Team-based targets are what most companies are using these days over here.

Joe Dager: *I think we're still seeing that but there's still a lot of "to motivate someone, you need to pay them a commission." There's still a lot of that thinking.*

Régis Lemmens: That's old thinking and that's a good dominant thinking. That's not the service-dominant one.

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Joe Dager: Right. Well, service-dominant logic has played so much a bigger part in Europe than it has in the States. It's really in its infancy in the States.

Régis Lemmens: Yeah. I think a difference that we have versus the States is we do not have one big market where everybody speaks the same language. We can't apply the same approaches that you can in the U.S. Every market is different. We speak so many different languages so that gives us much less opportunity to play on big funnels and big opportunities in big sales teams. We can't do that over here. That's also with the fact that, culturally, we are a bit more socially oriented. We're not going to motivate people with money. We pay way too much taxes over here to keep any of that money anyways. It does motivate the government though but not the sales people.

Joe Dager: You bring the lean start-up into talking about key customers, which I think is very intriguing. I think I used a modified type lean start-up approach in that approach. Is that something that the sales guys bring in and now, marketing goes out and tries to discover product customer fit or service customer fit out there?

Régis Lemmens: I think even sales does it. I think even sales is involved in that. The sales of tomorrow, as we see it, is more an entrepreneur and he will do the lean start-up. He will be involved in the customer validation and product validation. That's pretty much the role of sales.

To tell you an anecdote in the Netherlands, a big technology research organization and consultancy, I was given a workshop on my book. I addressed a hundred and fifty sales

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people and I called them sales people. Believe me, they were heavily offended. By the second time I did that that day, they made it very clear that they did not want to be called sales people. Yet, officially they were but they were business developers. That was because they see the task, differently. They see it as being an entrepreneur. They go in, find new opportunities, develop them with the customer, validate it with the client; and that's how they see themselves. They don't like to be even seen as a sales person because that's too linked to the old ways of selling products door to door.

Joe Dager: *You work with a lot of start-ups and do the start-up weekends. One of the things I think of, are investors leery of this approach? Do they want someone with this real defined product structure and business plan out there? Can investors see this unfolding and willing to wait to see what happens?*

Régis Lemmens: It depends on which investors. To be honest, a lot of the companies that I coach, they end up going to the U.S. to find money. I have to be honest here. But are investors happy to... yeah. The lean start-up has made an impact and investors do see the bigger picture. There is a change there. Absolutely. They rely less on big business plans although they still want to see something, of course, on paper because they want to know what they're getting into. The idea of the lean start-up and you're investing more on the potential than in the business plan is absolutely true.

Joe Dager: *What happens when you present this type of thinking to established companies? Does part of them get it? Do you meet resistance?*

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Régis Lemmens: Yeah. It's a tough call. It's a tough call. They really like it. They want to do it.

I was meeting a bank and it was funny because they wanted to meet with me because they were going to do a project. It was about innovating together with their clients. It was about co-creating. It was all the right terms. When you start scraping them a little bit, basically, they wanted to sell more of the same products. It was all about acting like but still being in the mindset of the good dominant logic. There's a cultural change. Just to give you an example. That company was asking whether I could go and interview their client and validate what it means for their clients; which wouldn't shock you, but then again, I find that weird that a bank would hire external companies to go and talk to their own customers.

So, the question I asked them was, *"Why aren't your sales people talking to them? Why don't you train your own sales people to go and talk to their own customers and find out what they want? Why do you hire external companies to do that?"* That is really, really the old way of marketing. Doing focus groups.

Joe Dager: *Then again, I see that often because people don't really know how to walk through discovery process. A sales guy is out there and that old A-B-C, always be closing, is in the back of his mind. He's judged that way. It's like, "What am I bringing to the table? Or afterwards you will be asked, did you tell him about this?" The whole sales conversation is constructed about features and benefits rather than discovery.*

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Régis Lemmens: What we do see is that, those companies here in Europe are really struggling today. I see more and more companies calling upon us to engage with us because they realize that customers don't accept meetings anymore.

I was doing a presentation yesterday to a big European industrial company and they were really struggling to have appointments because that's the sort of talk that customers are not interested in. They want to have a discussion much more about innovation, about partnership, and about working together.

To give you an anecdote, I happened to have developed a very nice case. I'm not going to name them because I'm going to tell you something which is not written in the book. It's a very nice case about a systematic logic and how they co-create real value with their clients. What was really funny to see was when I was writing up the case, in that whole process, the traditional sales people are no longer involved. Worse, they're no longer allowed anymore in the process. The reason is they have this mentality of "always be closing". One of the executives told me, *"What happens is, whenever we involve a salesperson in this process, the clients feel that this is not about co-creating. This is about selling and they immediately stop sharing and the process stops."*

It shows how this is a change of culture.

Joe Dager: *I think it very much is. Is there something about the book that you would like to mention that maybe I didn't ask about and your services?*

Régis Lemmens: There is something that I really like about the book about the research that we did. Whenever we found a beautiful example of a company that was co-creating

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value with the clients, it was always about one or two particular individuals who were doing that. When we ask, *"What about all the other sales people?"* They say, *"Well, no. No, no. They don't do that."*

What we found out when we looked through all the cases is that, to co-create with the client requires a lot of effort. It requires a specific motivation and we have a whole part in the book because we went to look into what motivates people to really do this. It's about how you look at your job. We describe it in the book as "You can look at your work as a job; I do it because I need to earn a living; as a career because I want to move up or as a calling because I really like what I'm doing."

What we noticed is that those sales people are going to co-create and are successful. They look at their job as a calling. This is actually a sort of wakeup call for us. We can win back our clients and say, *"Well, we need to look at how we motivate sales people. What motivates them?"*

We're not working on several projects. While we're looking several things like job crafting – which is a fantastic methodology which is developed in the U.S. in the University of Michigan – to actually help people find their calling in their work. We're applying that more and more now within sales organizations and helping sales people to really find the calling in their work. Sometimes, they don't find the calling and that's also when I find myself saying, *"Perhaps you should do something else."*

That's something that we think for the future. We should think about entrepreneurs. Why do they do that? Why do they start a company? It's not for the money. Most of them do it

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because that's their calling. They really want to do that. I think that's also what we need to look into sales people in the future.

Joe Dager: *I think that's great advice. What's the best way to learn more about the book and contact you?*

Régis Lemmens: The best way, of course, is to read the book and through the website. All my contact details are on there. I invite everybody to contact me. I am always looking into new material, new cases and examples of organizations with sales people who have co-created with their customers and are willing to share their stories.

The book was finished in October, last year and then went to printing and distribution.

Since then, I've been working with a lot of new cases and I'm still looking for new cases.

I'm trying to SlideShare to share them as much as I can with everyone.

So have them look on SlideShare. There are some presentations there and I'll be posting more during the holiday period about all the new cases which didn't make it into the book because we got them afterwards. If you want to share cases, please contact us.

Joe Dager: *I appreciate your time, Régis. I look forward to reading the book. I reached out because so much of it coincides with my thinking and you expressed it very well. It's in my shopping cart right now o I'll hang up and see if I can expedite delivery to myself. I'll do that.*

I want to thank you very much and this podcast will be available on the Business901 iTunes store and the Business901 blog site. So, thanks again.

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Régis Lemmens: Thank you very much for the opportunity, Joseph.

Joe Dager: Okay. I'll cut it there and put the music in.

Régis Lemmens: Thank you. Joseph, why don't you give me an email with your details of your address. Where you live and we'll ship you a book in the evening.

Joe Dager: Oh! Well, thank you.

Régis Lemmens: I thought you had one already. Now I know you don't, we'll ship it to you. No problem.

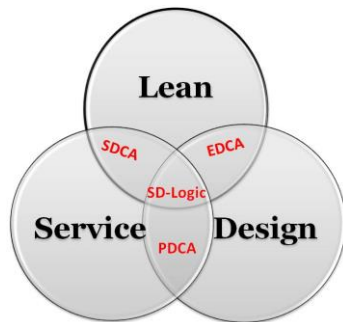
Joe Dager: Sure.

Régis Lemmens: Big pleasure. Thank you very much.

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Joe Dager is president of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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