

The HAPPY BABY PHASE

You think your entire sales and marketing operation might be in the **HAPPY BABY phase** of development? Let's see some ideas to improve it.

The **HAPPY BABY phase** is characterized by blossoming **efficiency**. This stage means you just got organized for the first time, and you are using that untapped potential of a formal structure. You are happy, your team is happy, and therefore, I presume that your customer is happy. **Happy times :)**

This stage usually indicates a really high level of commitment and motivation from everybody on the team. There is a general feeling that everyone and everything has their own place, and **people are highly functional and innovative.**

The main challenge is to keep this type of environment while managing growth. I suspect you are doing well in terms of sales and leads, and you have hopes to grow. Amazing and congratulations! You are doing something right!

By growing, soon you will enter in the **CRAZY TEENAGER phase**, and you want to be prepared for that, trust me on this :)

WHAT TO DO:

This is the perfect time to set back and dream big. Even bigger. You have the luxury and the perfect mindset to think outside of the box.

Most companies at this stage have already lead management, clients, and a motivated workforce. Depending on your company's goals and the industry you are in, set up priorities to examine closely your marketing and sales operation.

There are no recipes at this stage with what to focus on first but look at the following projects that might bring you value at this stage.

- Establish your Lead to Cash Process
- Optimize your Lead Management
- Create a yearly, fun Promotional Calendar
- Create a Performance Management System
- Establish a flexible Client Management System
- Define your Customer Profile
- Brand your entire Customer Experience
- Introduce Individual Coaching program for yourself and your people

These are all great projects, but to maintain a laser focus, I would suggest the following three priorities:

- **Establish your Lead to Cash Process**
- **Create a Performance Management System**
- **Establish a flexible Client Management System**

Let me quickly walk you through these three projects.

The Lead to Cash Process maps out the detailed itinerary of the customer journey throughout the buying process.

If you are not familiar with the word “lead”, **lead means to have the contact information of someone that COULD become your customer.**

If, for example, you are selling kids bikes, a great list of leads would be the email addresses of parents of kids between 5 and 9 years old. Or if you are selling security systems, leads could be the list of emails of every person that this year is building a house in the area that your business operates.

But I suspect you already knew that.

The **Lead to Cash process will help you see your entire sales and marketing operation, but mostly from a client perspective.** You will start with where your lead might hear from you, then what happens after the first contact until the sale happens.

To map out your Lead to Cash Process, take a bunch of colorful post it notes and on a big wall start tracing each step of your customer from the moment that it is just a lead to the moment they become a client. **The trick is to write down the responsible, the timeframe that they will finish that step and use different colors to make a difference between email, phone, automated or in person contact with the customer.**

I suggest you get **the help of an outsider** that already has done this before because they will ask the right questions and make sure you follow every single step. If you cannot find anyone to lead this process, do it yourself with 3-4 members of your team. Just jump into it, I promise it will be not only fun, but your best trick ever.

You will be amazed that in one single hour how many ideas you will have to optimize your entire sales process. I have done this at many companies and, trust me, **it is every company's secret weapon.**

Whether at Nestle, a small boutique IT company, mid-sized company dealing with laboratory equipment they all had **"AHA moments"** going through this process.

Do this periodically - I would suggest around 8 months - and always have a clear action plan and deadlines after the mapping for the changes that you want to see implemented.

The Performance Management System means to establish certain relevant indicators that measure your performance in an actionable way.

Every decision that we make is a subjective decision. We can kid ourselves that we make rational choices, but if we dig deep, we realize **our choices are deeply rooted in our past experiences, the lenses through which we interpret our present and our hypothesis about the future.**

To create a business where everyone understands the modus operandi and understands the expectations and how success is determined we have to use numbers. **Numbers are the closest way toward more rational choices.**

I guess **you are already using key performance indicators.** Probably you have a mathematical way to determine success and measure performance, because you cannot optimize what you don't measure. Is that simple.

You might already use indicators, but it is **always a good idea to examine your entire performance management system to make rational choices based on numbers and create clear expectations from everyone that you work with.**

There are four pillars of the Performance Management System:

1. **Sales Management**
2. **Product Management**
3. **Client Management**
4. **Financial Management.**

A complex Performance Management System focuses on Channel management, Territory management, Sales compensation - bonus system, Sales Training, Portfolio Management, Product Profitability, Product Life Cycles, Positioning and Branded Customer focus, Client segmentation and targeting, Client Profitability, Client types (new, lost, etc), Cash Flow Management and Receivables Management.

I know it seems like a long list, but it is crucial to examine and re-examine your **Performance Dashboard.**

There are a few major problems with Dashboards:

1. **Getting information from the accountant is not a Performance management system** – it sounds like a performance indicator; it looks like a performance indicator, but it might not act like a key performance indicator. Of course, overall profit, balance sheet and cash flow are important, but they are not actionable. They show the general health of a company, but they will not help you define an action plan. You need to deconstruct your operation into smaller actionable parts, so you can use these indicators to formulate a detailed plan.
2. **There are too many indicators** - if your indicators cannot fit on one page you should really examine your system. I remember when I started working with one of the biggest multinationals and I received Monday morning 20 pages of data for the “performance meeting”. No way that anyone used those 20 pages efficiently. My rule is one page.
3. **There are not enough or not actionable indicators** - if you use only profit margin as THE indicator of your business, that is not enough, because that will not tell you what is not performant. It is not actionable. You need more.

You need to find simple and relevant indicators for your business. If you cannot build it with your team, you might use the expertise of an outside business consultant.

I would suggest for each pillar to choose no more than 6 indicators that can be printed out on a paper. And keep re-examine your Dashboard, as you and your business change, so it will change your Dashboard.

Trust me, it is easier than baking a cake. You cannot burn it. 😊

The Client Management System is an analytical process that focuses on increasing the efficiency of the relationship with the existing clientele.

When it comes to Lead management, I always say **your best leads are your happy customers.**
This trick has its own paragraph.

Sometimes we tend to forget that **the easiest way to sell is to sell to those clients that already gifted us with their trust** by experiencing our quality products and services. They will be more likely to return and buy from us and to recommend us - if they have had a positive experience.

Analyzing the client portfolio in a structured way will reveal many opportunities to grow our business. What you need to know is simple: have a big excel file and start categorizing your clients by them

- Types (active, lost, return to active)
- Profitability
- The basket they buy
- The frequency of their buy
- Volume per transaction
- Transaction type
- Cost
- Sales for a specific period
- Etc.

I am sure you will find information that will give ideas to optimize.

I have just worked with a small accounting company, and they found more than 10 ways to grow their bottom line. How awesome is that? This is the power of a detailed client list.

I remember working for an oil company and realizing that 70% of the **transactions** at our gas stations are between 15 and 20 liters of gas. I could not understand the reason for this behavior, but I immediately jumped on the opportunity. I was wondering if I could just convince these people to buy 5 more liters of gas at each transaction that would have a real impact on our top and bottom line. The idea was to implement a series of promotions rewarding customers fueling their car with a minimum of 20 liters of gas. The results were spectacular, having a real impact on our profit with very small investment.

Trust me, **analyzing your transactions will reveal multiple opportunities to grow.**

This Happy Baby phase is such a great phase to be! Keep the energy up but take time dreaming up a structure that makes sense to you. This is the right time to get organized for future growth.

WHAT TO EXPECT:

In this stage, every improvement should bring you joy and financial results.

Remember that **any formal structure will receive some resistance.** When introducing change, focus 70% of your energy to create a sense of urgency for change. It will be relatively easy, since you have a great team to begin with.

In the case of the **Lead to Cash process**, you will be spotting some non-value-added steps that you might cut out or even reconsider some business value-added steps to optimize while they are not adding customer value. You might see parts of the process that bring real value to your customers, and you might focus on those parts in your next brainstorming session.

Analyzing your client **portfolio** with a new methodology could help you to redefine your customer profile, new promotional ideas, untapped partnerships to create more customer benefits, or even the optimization of your communication strategy.

Refining your **Performance Management System** will shift the conversation from WHAT to HOW. Trust me, that will bring immediate results.

You have amazing people and energy, therefore if they feel the need for improvement, the vision and implementation will be a piece of cake! Giggle on!

Here is an approximate timeline to implement these three projects based on my experience:

Projects	Set- up Time	Implementation and Evaluation
Lead to Cash Process	Max 3 hours process mapping	2-3 months
Performance Management System	1-2 weeks	1-2 months
Client Management System	1-2 weeks	1-2 months

In my online course, at the Alternative School of Business, I dig deeper into each of these aspects of the sales and marketing operations with case studies, examples, and a more visual way to implement them with an easy step by step process.

Have fun growing,
Katalin