



# LEAN SELLING

Lean in sales, the wider business context and beyond.  
By best-selling author and leading authority on Lean,  
Professor Daniel T. Jones

Formed on the production lines at Toyota as a means of improving efficiency, Lean has evolved into a set of management principles, if not a philosophy. Lean permeates a broad spectrum of industries from software development to the public sector, and business functions from R&D to procurement. However, until now, Lean has not been applied to the disciplines of sales and business development despite, in the view of Steve Thurlow, Business Director for Manufacturing at Huthwaite International, the intuitive link between these disciplines and the principles of Lean. Namely, how to remove waste, continuously improve and add value.

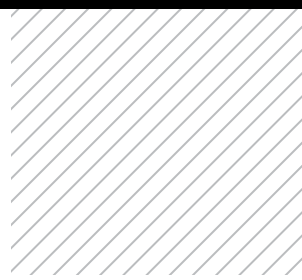
Many organisations are going Lean as well as green. Lean is a very different business system, pioneered by Toyota but now being taken up by leading firms like GE, Tesco and even the NHS.

The core insight of Lean is that while functions, careers and budgets are organised vertically, customer value on which every organisation depends, is created by horizontal processes, for which no one is responsible. Indeed few people in any organisation can see the whole sequence of steps a customer order goes through as it passes upstream to trigger many production and delivery steps. Everyone is focused on managing their bit of the process almost irrespective of the rest of the organisation. Toyota recognised the potential for eliminating all the

unnecessary steps, inventories and time in these hidden processes if they could be managed as an uninterrupted flow. Not only would it strip out lots of unnecessary costs but it would ensure that problems, delays and defects were surfaced and dealt with as they happened. This also makes it possible to trace the root causes to prevent them occurring time and time again.

The net result of streamlining these end-to-end processes is to dramatically cut the time involved and make it possible to respond much more quickly and accurately to customer demand.

Until end-to-end processes, which we call value streams, take maybe a few days rather than many months, and are able to hit every delivery on time and in full, there is little to





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Professor Daniel T. Jones, Chairman and founder of the Lean Enterprise Academy, is a management thought leader and adviser on applying Lean process thinking to every type of business across the world.

His influential, best-selling management books have triggered a worldwide movement of Lean practitioners, and the establishment of the Lean Global Network of Lean Institutes.

As a result, they have been the slowest function to wake up to the power of Lean.

Lean does not just relate to production and delivery processes, but equally to all the support activities in the office, from designing new products to hiring

services and knowledge about how to use them to solve their problems. Actually their focus is not on the products themselves but the use they get out of them over time, or their easy replenishment. Anything providers can do to help them assemble these solutions opens up new business opportunities.

## Lean offers the potential of saving customers time and hassle.

new employees or planning a new marketing campaign. So there is great potential for streamlining sales and marketing processes.

But this is just the beginning. Lean also changes the role of sales and marketing from finding customers for products made to forecast months ago, to building a dialogue with key customers to match the right products and services to go with them to customers' actual needs. This change in orientation from seeing customers as strangers doing deals, to partners who might share their plans with you to mutual benefit, is probably the hardest challenge.

We describe what pioneering organisations are already doing to make this change a reality in Lean solutions. For instance, transforming customer support helplines from embarrassing outsourced cost burdens to expert problem solvers, turning customer problems into new business opportunities. Or by simply calling customers ahead of time to diagnose the work to be done to enable them to streamline the car service and repair process into a while-you-wait service.

In a world where consumers have to make more choices and decisions about more things from a global supply base via the Internet, anything that saves them time and hassle becomes more attractive. Seen from the consumers' perspective, they spend a growing amount of their time managing increasingly complicated lives - sourcing and combining the right products,

Lean offers the potential of saving consumers time and hassle, and offering these complete solutions at no extra cost.

Tesco's Lean supply chain can replenish convenience stores at almost the same cost as its big supermarkets. Indeed, Tesco is building a whole new retailing operation in the USA around its Fresh and Easy convenience stores. Competitors like WalMart recognise this as a real threat as Tesco open three new stores a week.

So what begins as a focus on streamlining the processes that create value for customers that flow horizontally across the organisation and indeed across several organisations has far reaching implications. It makes us rethink all the processes in our department. It also makes us think about value from the customers' perspective. This in turn opens up new business models that can transform an industry in a way that competitors will find hard to follow.

The true significance of what Toyota has done is that it is a market disrupter in a mature industry. It has used its superior process capabilities to expand globally and to lead the industry in introducing new green technologies. Lean is not only good for customers, shareholders and employees but it is also good for society at large as well. Which is why Lean is a new business system and not just another management wave that will disappear in a few years time.