



LEAN SALES & AFTER-SALES



BACKGROUND

In sales & after-sales there is one common way to increase sales being applied all over the world and across all industries. This is often referred to as “The law of large numbers”. It states that in order to increase sales the most effective method is to increase sales activities throughout the sales process. This might in fact result in more sales, but gives little or no attention to how efficient the processes are.

CHALLENGES

In sales & after-sales information is key to better serve your customers. Product/service characteristics, i.e. information, change frequently and rapidly. As a result, decisions are often based on old information, which eventually leads to mistakes and/or process inefficiencies. Another major challenge is that waste in these processes is rarely directly visible. Add to that the high number of organisational interfaces, often with unclear roles and responsibilities, dealt with on a daily basis. There are also many companies giving incentives to their sales people to sell products and services without regard to how this type of sales activity affects the company’s value streams.

One of the main challenges in sales & after-sales is changing the role of sales from just selling to the role of customer management, balancing the true needs of the customer with the company’s actual operational capabilities.

FOCUS AREAS

Waste in sales & after-sales can be identified, classified and minimised thereby creating tremendous savings potential. Lean principles, Kaizen methods, and re-engineering approaches can be applied when making improvements to the sales & after-sales processes. Successful applications reduce the time spent to make a sale, improve the quality of the process, reduce the cost and ultimately result in increased customer satisfaction.

AREAS OF WASTE OFTEN IDENTIFIED IN SALES AND AFTER-SALES:

TRANSPORTATION & HANDLING

Travelling when making sales calls, excessive email attachments, multiple hand-offs, multiple approvals.

INVENTORY

Files and documents awaiting to be processed, excess promotional material sent to customers, batch processing of sales reports, stocked sales literature.

MOVEMENT

Looking for data and information, movement of people to/from fax to copying machine to central filing, lack of standards (e.g. looking for items because they do not have a defined place).

WAITING

Waiting to meet with customers, waiting for approvals, waiting for information (e.g. customer response on quotes).

OVER-PRODUCTION

Printing paperwork before it is really needed, making extra copies of reports or promotional material, writing proposals before they are required (e.g. unclear customer needs, just-in-case writing...), scheduling unnecessary sales calls/meetings.

OVER-PROCESSING

Re-entering data (e.g. due to using multiple computer systems), travel expense reporting, month-end closing activities, writing complicated proposals.

DEFECTS

Missed/cancelled sales calls/meetings, errors in proposal or information, extreme sales forecast inaccuracy, invoice errors, order entry errors.

LEAN SOLUTIONS

Improving information quality, reducing complexity, avoiding silo mentality and focusing on the customers will improve the sales & after-sales processes, which is key to increase sales and delight customers.

We implement Lean Solutions in sales & after-sales in a similar way to other functions. The solutions must fit the challenges.

PULL

- Enable FIFO at the batch level
- Reduce inventory levels throughout processes
- Avoid over-production
- Increase visibility of bottlenecks in the process

ONE PIECE FLOW

- Enable FIFO to a single product / service level
- Create transparency of the real process lead time
- Reduce lead time
- Reduce inventory levels throughout process
- Increase quality
- Reorganise the processes in the right sequence

TAKT

- Process transparency
- Balanced distribution of the workload across resources
- Process flexibility
- Ability to plan resource capacity and / or improve forecasting
- Optimal efficiency in resource utilisation

ZERO DEFECTS

- Enables problem root cause analysis and solving
- Prevents problems snowballing through the process
- Increases quality
- Enables an open culture of problem solving vs. finger pointing



TANGIBLE IMPROVEMENTS

LEAD TIME

- Lean route-to-market project reduced lead time from traditional grocery sales order taking to order delivery and invoicing by 60%

QUALITY

- Lean optimisation in FMCG sales processes' information flow improved forecast accuracy in S&OP+ by 25%

COST

- Optimised medical equipment maintenance engineer route planning process increased after sales maintenance visits by 34%
- New Lean process for standard inspection of medical equipment maintenance engineer increased after sales revenues by 27%
- Lean home products merchandising processes reduced back room storage area needed by 50%
- Working capital stock reduction programme via Lean application reduced USD 5.8 million p.a. worth of slow moving SKU's in sales vans and trucks
- Segmentation of trade for food distributor using Lean concepts reduced overall stock in trade by 53% while increasing sales by 39%



Should you be interested to know more about our Lean services regarding this topic, then please contact us:

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