

When it comes to making a sale, especially in the business-to-business (B2B) space, an effective salesperson needs three kinds of knowledge: knowledge of the skills necessary to sell; knowledge of the customer; and knowledge of the product or service they are selling. In this article, the authors draw on their own extensive experiences as KM practitioners working in sales environments, to offer guidance on how KM can deliver internal improvements and superior results for stakeholders.

# CLOSING THE DEAL WITH THE HELP OF KNOWLEDGE

An informed B2B salesforce is more productive and more successful

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Much has been written about KM in project and service delivery environments; take, for example, the KM classic, *Learning To Fly*. Far less, however, has been written about KM in sales environments, particularly in the business-to-business (B2B) space.

In this article, we aim to outline the specific issues faced by a KM practitioner working in a sales environment, so that they can understand that environment better and deliver superior results to stakeholders. Both authors of this article have worked with sales teams in Australia and overseas (and have sometimes been part of those teams).

Let's begin with four characteristics of salespeople. As a general rule, members of the salesforce are:

- **Focused on selling:** While not every salesperson operates on a commission basis, reward structures for salespeople are dependent on sales and revenue generated. If you don't "make your numbers" (annually, quarterly, monthly, weekly or even daily), you won't be around for long. Even where only a small percentage of salary is at risk, salespeople tend to be motivated by income. This can lead to a short-term focus on the part of both managers and salespeople.
- **Competitive:** If you operate a monopoly, you don't need salespeople, just order-takers. But outright monopolies are rare these days, so organizations (and hence their sales teams) must compete to win business. This competition is mostly with other organizations but it can also occur within a salesforce – especially if reward structures and executive role models reinforce

this behavior. It is usually when salespeople each have specific, assigned clients that the individual competitive drive can be given any team focus.

- **Relationship-oriented:** B2B selling is often about repeat business. Good salespeople are highly skilled at forming relationships with customers. These can range from the purely instrumental ("good for me, good for you") to the personal and lasting. One type is not necessarily better than the other. There is often a tension as to who owns the relationship – the sales organization as a whole or the individual salesperson. This can lead to salespeople guarding their customer contacts as a source of personal competitive advantage.
- **Reluctant to keep records:** Most salespeople don't like writing things down – their focus is closing the current deal and moving on to the next one, rather than recording what they have done in the past. Orders to document their work are often ignored.

Any KM program introduced into a sales environment will need to take these characteristics into account in order to succeed. We will now go onto discuss the kinds of knowledge such a program might need to deal with.

## The "Golden Triangle"

There are three broad areas of knowledge that an effective salesperson has to master. Each is equally important and each is dependent on the other two. They are: knowledge of the skills necessary to sell;

knowledge of the customer; and knowledge of the offering (be it a product or a service).

### Knowledge of the skills

The first area we will discuss are the skills necessary to sell. It is sometimes claimed that a good salesperson can sell anything to anyone. However, while the basics of good salesmanship in interpersonal skills and negotiation are universal enough to be widely taught, not all sales situations are the same.

Most organizations will have a sales method and a sales process. The two are linked but should not be confused. The sales process should take the customer and the salesperson from the point of initial interest (sales lead) to the close of the deal. This process will often be embedded in a customer relationship management (CRM) system, and may be described as the “sales funnel”. There will be stage gates in the process where the potential sale is qualified for likelihood of winning, size and therefore investment required.

The sales method, meanwhile, includes tools and techniques that can be used by the salesperson to develop and then close the deal with the customer. It will rarely be prescriptive but should provide a common framework and language for all the salespeople within an organization. New sales staff may be provided with “good practice examples” of the use of these tools and techniques when they start work with the company.

### Knowledge of the customer

The second area is customer knowledge. This can be generic information such as industry focus, size, location, performance and so on. But at another level, this will also include who in the customer organization the salesperson needs to initially approach; who is responsible for signing off on the deal; and who the influencers on the deal are. Information about previous buying patterns (whether with the salesperson’s own organization or competitors) is also crucial.

The most critical knowledge about a customer possessed by a sales organization will almost certainly not be written down, but instead will reside in the heads of the salesforce. This knowledge is often diffuse and may take many forms. In principle, this information should be documented in the CRM system, but due to the aversion that salespeople have to writing things down and inputting data, much of the information may be incomplete, inaccurate or out of date.

### Knowledge of the offering

The third and final area of knowledge concerns the

## KEYPOINTS

- There are three main areas of knowledge that an effective salesperson has to master: knowledge of the skills necessary to sell; knowledge of the customer; and knowledge of the offering (the product or service).
- A successful KM program can ensure that salespeople have reliable answers to prospective customers’ most common questions – and know who the expert is when a more unusual question comes up.
- The complexity of the deals in which a salesforce is involved is a key determinant of the kinds of knowledge it will need.
- Encouraging knowledge sharing and collaboration can be difficult in the highly competitive area of sales. Senior management buy-in will be critical.
- A wealth of tools are now available that can be extremely useful in supporting interactions and knowledge sharing between individual team members.

offering the salesperson wants the customer to buy, whether that is a product, service or a mix of the two. Depending on the complexity of the offering, there may be technical experts (often called “pre-sales” staff) to help them do this.

However, all salespeople must have some offering knowledge. The basics are often codified in the form of marketing material, but salespeople must be prepared for questions from customers that go beyond the information contained in standard brochures; customers may mention issues with the product that they have heard about from other customers, for example.

The amount of content required to inform salespeople on available offerings will vary, depending on the complexity of the offering. Techniques required to convey this knowledge to the salesforce may include formal training, communications media and document repositories.

Sales staff selling simpler offerings may access all the required knowledge via an automated scripted approach; more complex offerings will require more detail and access to subject matter experts, such as pre-sales staff or product managers.

### Facets of sales knowledge

There are many possible ways of articulating the knowledge a salesforce needs to close business, but a simple starting point is Rudyard Kipling’s “six honest serving men” – what, who, when, where, how and why. Figure 1 (see next page) summarizes many of the common questions that arise in selling.

A successful KM program will offer salespeople reliable answers to these questions. However, attempting to provide answers to all these questions at once is impractical.

One of the first tasks that a KM practitioner will face is identifying and focusing on the key pain points for a sales team and delivering promptly on those. It should also be noted that one system or approach will not meet all these needs. We will discuss a range of tools and techniques later in this article.



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Figure 1: Common questions that arise in the sales process

	Offering knowledge	Customer knowledge	Selling knowledge
What?	What are the offering's features and pricing? Do we have real-life case studies of the application of this offering?	What does the customer do? Have they bought our offerings before?	What are the sales skills required for these offerings & customers?
Who?	Who in our organization has deep offering knowledge? Who has sold this offering before? Who are our competitors? Do we have reference customers for this offering?	Who in the customer should I be talking to? Who do we already have a relationship with? Do they have a relationship with our competitors? Do we have references with similar customers?	Do we need to engage other staff (specialists, etc), channels, agents or dealers in the sale? Who in our organization can offer sales mentoring?
When	How long is the sales cycle for this offering?	When is the customer likely to buy this offering?	How long is the customer's buying cycle? Are there time limitations or special offer periods for this offering?
Where?	Is the offering available or deliverable in the relevant locations?	What are the regulatory issues for the relevant locations? Where is the customer located, and how are locations distributed?	Are there other sales or dealer locations that are needed for this customer or offering?
How?	How is this offering made available and delivered to the customer?	How will the customer make their buying decision (e.g. tender, direct purchase)?	What is our sales process and method?
Why?	What customer business need will this offering meet? What is the offering's value proposition?	What are the customer's goals & ambitions?	Why might one particular sales strategy be more relevant than others for this customer or offering?

Size matters

From telesales to mega-deals, one critical consideration to take into account is the complexity of the deals in which the salesforce is engaged. The simplest sales may actually be automated (for example, selling building materials from an e-commerce website).

Sales that require active pursuit and discussion with potential customers may be handled by a telesales team that is office-based and uses online systems. The knowledge needs of these telesales employees should not be overlooked. Like their call center customer support and telemarketing cousins, telesales has traditionally been viewed as low prestige and high turnover in terms of both products sold and staffing, although this is no longer true in some organizations.

From a KM perspective, this group tends to have clearly defined needs in terms of product and customer information. Telesales staff may offer a limited set of offerings to a defined customer or market segment, but the offerings and customers can change from time to time. They will usually need very rapid access to offering and customer information, often operating from an automated, scripted process.

Additionally, telesales activities are subject to rigorous productivity measurement – which means that KM can demonstrate the value of its interventions with more ease than in other situations. As such, telesales teams are often more

open to KM initiatives than other sales groups.

Tactical sales groups, by contrast, may deal with a specific group of customers (by industry or location) or a specific subset of offerings. These staff may be office-based, but often traveling to make face-to-face sales calls. Thus, they will need access to knowledge online and remotely.

The offerings they sell will typically be more complex than those sold through telesales and there may be inconsistent knowledge of the offerings (and how to sell them) across the field salesforce. There are also KM opportunities around new offering support and bringing new employees up to speed on offerings (or reducing time-to-competence).

Major deals (which can be worth tens of billions) involve many people in diverse locations over a lengthy period of time. Major deals should be treated like projects; the full disciplines of resourcing and scheduling should be applied, as well as techniques such as lessons learned, after-action reviews and peer assists.

A mega-deal team one of the authors worked with at a technology outsourcing company employed a full-time junior staff member to engage in document harvesting and lessons-learned activities. The company expected to sell similar offerings to other clients and the size of such deals made this investment reasonable.

The offerings involved in major deals will typically be more complex than in smaller sales,

**Figure 2: Tools available to support KM in the sales environment**

Offering knowledge	Customer knowledge	Selling knowledge
<ul style="list-style-type: none"> <li>• Document libraries (online), including internal and customer content on specific offerings</li> <li>• Offering update news service</li> <li>• eLearning systems</li> <li>• Training sessions and courses</li> <li>• Collaborative tools for developing customized offerings</li> <li>• Expertise location tools</li> <li>• Other knowledge transfer and sharing tools</li> </ul>	<ul style="list-style-type: none"> <li>• CRM systems</li> <li>• Industry and market and market information systems (e.g., IBIS, LexisNexis, Factiva, etc)</li> <li>• Collaborative tools for sharing customer and industry knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Documented sales method (e.g., SPIN, Target Account Selling, Consultative Selling, Account Management Process, etc)</li> <li>• Sales method training and coaching</li> <li>• Documented sales processes (may be different for different offerings or customers)</li> <li>• Sales process training sessions and courses</li> </ul>

and much deeper knowledge will be required on the offerings themselves, but also on how offerings can be customized, or combined with other offerings, to meet a broader set of customer requirements.

**Rewards, role models and demonstrating value**

It is important to gauge the collaborative culture of the organization before embarking on any sales-related KM program. And take note: this should be the actual culture of the organization, rather than the one it aspires to create. If you have the time and the inclination, you can do this with surveys or narrative-based techniques, but mostly, you can judge it by:

- Asking questions such as: “How often do you work with other sales teams?”, and, “How comfortable would you feel approaching another salesperson for help on this deal?”
- The reward systems in place: Are salespeople focused on individual achievement and competing with their colleagues, or are they rewarded for collective performance?
- Stated business policy and proclamations from senior management on the topic of knowledge-sharing and collaboration.

If the culture is non-collaborative, then do not expect the KM program to change that by itself. KM initiatives that rely on discretionary effort will fail in a highly competitive environment.

Instead, the focus should be on improving the personal KM capabilities of individual salespeople through improved personal information management and search tools for content and social networking tools.

If cultural change is the goal, then the full arsenal of change management techniques should be used. The key question to ask senior

stakeholders is: “Are you willing to change the way you reward your best performers under the current system to make this happen?”

If the culture is more collaborative, then the focus still has to be increasing sales revenue but techniques such as after-action reviews and communities of practice will have more chance of success.

Either way, the rationale for each tool or technique presented to the salesforce has to include: “How will this help me make my number?”

In effect, the KM practitioner will have to sell to the salesforce. Reference cases and examples are very powerful and should be collected and used at every opportunity.

As with any KM intervention, senior management buy-in is critical. However, sales managers, directors and VPs need to do more than just talk the talk – they need to model collaborative behavior and share knowledge in front of their staff. People believe what they see, not what they are told.

**Tools and techniques**

The tools required for making knowledge available to a salesforce will vary for Selling Knowledge, Customer Knowledge and Offering Knowledge. Sales staff need quick and easy access to everything required to make a sale. Some of the available tools to do this are as listed in Figure 2 (see above).

Content for these tools will be provided by a wide range of parties. Some are external to the organization, such as industry and market information systems, standardized sales methodologies and content/training on offerings provided (at least in part) from third-party suppliers.

Much of the remainder will be sourced from within the organization. CRM systems are usually

populated by sales and marketing staff, for example, and offering and sales process content will be developed by product managers, marketers or other specialists.

There are often hurdles to overcome in providing useful knowledge on offerings to the salesforce. The providers of this information are often technical specialists in their particular field and may not be qualified or experienced in imparting their knowledge to others; conversely, the skilled communicators and trainers in the organization will not necessarily have in-depth subject matter expertise in specific offerings.

One key element in ensuring that sales teams always have access to sales process and offering knowledge is to ensure that the provision of

relevant material is built into the offering development process from the start.

An offering should only be released to the market once the salesforce is appropriately informed and has ongoing access to relevant content and expertise.

One approach to this issue is the KM model introduced in Telstra Business & Government Sales in 2000. This approach focused on the needs of the target audience – the salesforce – and combined traditional content management, communications and learning techniques into a single, program-oriented process. A knowledge “toolkit” was developed, which included (at various times) the following elements:

- An online document library, containing template-based documents filled in by product managers and marketers. These included internal product information and process documents; external customer-focused presentations; brochures and proposal drafts; case studies; and lists of contact people and product experts. All documents were categorized on a number of indexes and a range of tools was provided to encourage document owners to keep their own content up to date.
- A weekly web-based newsletter, with a brief email of topics distributed with each edition, and links to relevant library documents.
- A weekly web and audio conference briefing session. The audio of these sessions was also recorded and edited, and provided on the document library, along with the presentation slide packs. As the document library also included a subscription service (providing a weekly list of new items), this was effectively a form of podcasting.
- Audio CDs for salespeople on the road to listen to between customer visits.
- An online, interactive quiz, particularly focused to test desk-based sales staff on their knowledge, offering the chance to win prizes.
- Short face-to-face interactive learning sessions, focused on knowledge reinforcement through role-play presentations or a quiz.
- Recorded video and audio briefing sessions.
- eLearning modules.
- Presentation tools.

A key element of this toolkit was to ensure that content providers were given both recognition and accountability for producing and maintaining their offering content.

CRM system providers such as Siebel made many promises in the late 1990s. They would provide, they said, a single, consolidated view of the

### Barriers to knowledge at a publishing company

Tim Kannegieter, previously a journalist in Australia with ten years' experience and now a KM consultant, relates a past experience at former employer:

“In the early 1990s, I was working for publishing company based out of Sydney that had about 80 magazines. I edited a magazine that was one of about 11 in the division that were all classed as industrial. Each magazine had one or two sales reps and one or two editorial staff.

“Here is the KM angle: Each of the sales reps was on commission and none of the editorial staff were. The sales reps relied on the journalist to let them know when there was a good story in the offering on a particular company (for example, a new process plant was opening with lots of new equipment, the suppliers of which could represent viable leads to the sales reps).

“So first, there was this ongoing resentment on the part of the journalists who would give the sales reps leads but get none of the commission. Why should they? Knowledge barrier number one.

“By far the bigger barrier, however, was that which existed between the sales reps on different magazines. Each advertiser usually only had a limited budget and so each sales rep jealously guarded their relationships with their advertisers. If some ‘angle’ (for example, a major product launch) was imminent that might provide an opportunity for a sales rep to persuade the advertiser to part with some dollars, did they tell the other sales reps on other magazines? No way. They would keep it to themselves so as to preserve more of the advertiser’s budget for their own publication.

“The company was aware of these issues and, from time to time, tried various schemes to encourage people to share their knowledge. But without giving journalists a cut of the commissions or removing the commission system altogether, there was always going to be this structural barrier to sharing knowledge. The company had all the usual CRM systems but their positive effect was never going to outweigh the negative effects of the commissions issue.”

customer across sales, marketing and customer support and all the information salespeople needed to close their deals would be available at the tips of their fingers.

The results of CRM projects were mixed, at best. They have mostly offered sales process automation, which has meant improved information for sales managers in areas such as forecasting and pipeline data. However, the quality of data in many CRM systems is unreliable. And the KM possibilities of CRM systems have largely gone unrealized; as noted earlier, salespeople do not record their experiences and most conversations occur outside the CRM system. However the prevalence of Software-As-A-Service (SAAS) tools such as salesforce.com has allowed even small-and-medium-sized businesses to use CRM systems for pipeline tracking.

### Integration with social media

CRM vendors are also starting to integrate with another, potentially more disruptive set of software tools that have been badged “web 2.0” or “social networking” tools. These include blogs, wikis, media-sharing sites such as YouTube or Flickr, bookmarking tools such as del.icio.us, and social networking sites such as Facebook and LinkedIn.

These tools allow both acquaintances and strangers to share digital media, to have conversations and to collaborate. They are based on two key underlying assumptions: trust and openness. These tools provide new platforms for businesses to interact with customers, and for individuals and groups within businesses to collaborate with each other. Given the relationship-focus of many salespeople, these tools will play an increasing (but unpredictable) role in the development of customer relationships.

While a number of technologies can be used for the dissemination of knowledge within an organization, and there have never been more mobile devices available to make that knowledge portable too, always remember that most knowledge sharing takes place as an interaction between people; the technology should be appropriate to support the interaction, but technology alone cannot provide the sharing.

Or, as KM expert David Snowden says, “Knowledge can only ever be volunteered; it cannot be conscripted.”

### Getting started

Once an executive in a sales organization has acknowledged that there is a need for improving the management of knowledge, there are two things to be done.

The first task is to identify the pain points being

experienced by sales staff in their day-to-day jobs. We would suggest that you go back to Figure 1 (page 16) and use those questions as a checklist for an environmental audit with salespeople and their managers. You should involve a range of sales staff across the organization from different customer and product segments, at different positions in the hierarchy and with differing levels of experience. Our list is not exhaustive, so be open to unexpected challenges that they may face. This surveying is also a good opportunity to build relationships with your internal client base.

Next, you should assess the existing culture within the sales organization. We have previously outlined some of the cultural issues to be understood. One powerful technique for assessing needs, culture and use of existing resources is to observe salespeople in action – even going out with them on customer calls if appropriate.

You should now know what needs to be done and what already exists. A crucial consideration in prioritizing your KM initiatives is the short time horizons typically found in sales organizations. If the most severe pain points will take years to fix, initially focus on results that you can deliver within the organization’s business cycle – which will typically be three months. A single solution will not be able to solve all the challenges the sales organization faces. You will need to deploy a selection of the tools and technologies provided in Figure 2, (page 17).

As with any KM program, you will need to show results, so you should think about measurement early. Build your measurement techniques into your initiatives. Where quantitative measurements are difficult to obtain, more qualitative methods (for example, surveys, interviews, anecdotes) can demonstrate value.

By making small interventions in the sales environment, you should begin to observe incremental improvements in salesforce effectiveness over time. Although the culture in a salesforce is a key factor in successfully implementing a KM program, many factors are similar to those in other parts of an organization. It will take time for new programs to impact sales effectiveness. Patience, persistence and the ability to develop new relationships and trust will gain the desired result.




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