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Innovative ways to reach additional sales

A report on organisational support for additional sale to existing and new customers

Background

Agresso is a company that sells and provides business system. They name their business system a system with “no expiration date”. Agresso has in a short period of time grown from one hundred to four hundred employees in Sweden. Their chosen business strategy can be seen in the following areas:

a) They focus on targets groups in the medium and large-size companies (i.e. SME:s) in the private and public sector.

b) They have bought smaller software companies in order to get a more fuller range products and services

c) The company has also grown by selling products to many new companies in their priorities sectors.

d) Today the company therefore has a larger customer base and have also developed a marketing strategy their existing customer and markets. To be able to offer their customers a broad range of products Agresso have developed its portfolio of solutions that they offer their customers.

Today many of Agressos customers only use a few (i.e. one or two) of the products or the services. One of Agressos most important challenges are to get their existing customers to buy more of their products and services and therefore to be able to offer so called complete solutions for them.

Purpose

The report aims to answer the questions below. The purposes are divided into one main purpose and four sub purposes. The reports focus is in the following subjects.

Main purpose

• How can the Agresso organization support additional sales to customers?

Sub purposes

• How can Agresso use the organisational structure to actively support additional sale to customers; present and new?

• How could the responsibility, between and within the Agresso departments, be divided concerning Agressos different customers?

• How should the structure for marketing communication be organized within Agresso?
• How should Agressos system of incentives be organized in order to achieve the best sales organization?

Main Conclusions

The report contains a package of suggestions and measures for the organizational structure, sales, and responsibilities for customers, communications and system of incentives.

1. Organizational structure

The Swedish part of Agresso has during the last years grown to over four hundred employees. This has led to a change in organizational structure from a classic functional organizational structure based on the functions sale, consulting and support towards an organizational structure based instead on target groups (i.e. segments). These segments are divided into private and public sector.

Agresso has also chosen a “solution business approach” towards their customer’s base that includes a broad range of products and services. Because of this change in marketing Agresso needed to create an organization that was able to deliver these types of solutions to their customers.

The present organization of Agresso, works now well with their marketing strategy to focus on solutions, key customer segment and customer knowledge. Customer knowledge makes it possible to further develop products and services for different target groups. It’s also important to have knowledge in the organization about different new products as well as the classical needed functions in sales and consulting. In this latter area Agresso is required to make improvements because there have been some difficulties with the spread of internal information between and in the different departments.

This makes it important for Agresso to have a structure that encourages cooperation over the departments because much of the marketing sales are done over two or more departments. Structure for cooperation could make it easier for additional sales for the present customer base. Agresso needs to find innovating and supportive organizational structures for this that can be implemented in the organizational structure that exists today.

Agresso has put a demand on results from each department. To avoid sub optimizing between departments it’s important that the management of the company also have formulated goals that have main focus on the result of the whole company and not only on departments!

2. Sales

Agresso has also strong marketing focus on sales to new customers and this has led to high new sales of e.g. licenses and services. The backside of this offensive marketing strategy has led to that the present customers base have not got enough attention due to lack of human resources. To also increase the additional sales towards all their customers an emphasis must be on both new and present customers.

There is a need to develop the sales process to make it easier to sell broader solutions. As the company sells a broad selection of products and services that can be put together sometimes a lot of people with different competence are involved in the selling process. Today there is an
uncertainty among the different personnel responsibility in the sales process. Therefore the responsibility for the customers must be more strictly defined and communicated.

Agresso offer, as said, both products and services. Sales of services are different than sales of products. This should be in consideration when defining the sales process. When selling services the relation between customer and supplier is even more important than with selling of products. Today most of Agressos sales take place in the two largest departments public and private sector. Sales are also done in other departments which sometimes lead to conflicts of interest about what is most important to sell to a customer and who should have contact with the customer. The most important in the sales process is to make the responsibility for the customer clear in order to minimize conflicts and misunderstanding. This definition of the sales process should be defined by the management and communicated in the whole company.

It’s good for the relation between the customer and supplier when it’s the same person that has contact with the customer over time. But it’s important to realize the different in the sales process between selling to new vs. existing customers. Because of this, there should be different persons that work with sales to existing customers than those who work with new customers. To be able to succeed in the process of additional sales the relation to the customer must be very good, Agresso must be able to see the customers needs and the customer must be satisfied with earlier products and services that they bought from the company.

The different departments should be able to sell to their customers because if they aren’t allowed to sell then the requirements on results is hard for them to take full responsibility for. To have this to work the communication over the departments must be better so that the different departments in the company don’t work against each other.

3. Responsibilities for customers

When Agresso sells a solution often many different people and parts of the Agresso organization are involved. This makes it important to have articulated and communicated structures for dividing the customer responsibility. Today there are different people responsible for the sales process, delivery process and the support. The parts that need to be clearer are the transition between these processes and the responsibility for the customer as a whole.

It should be well defined which people who are involved around the customer. It is important for a customer to know who is responsible for them, therefore there should be documents defining responsibility for a specific customer and the different processes concerning them.

To be able to sell more to existing customers and to have a better communication with the customers the management needs to focus on this challenge and develop structures to encourage activities that lead to more sales to existing customers. The company needs a structure that makes it possible for different parts in the company to know what activities other parts of the company do with a specific customer.

It’s also important to have a clear structure on how to work with customers to improve the relationship with them. One way to get a clearer structure for working with different customers is to use KAM marketing working method: i.e. Key Account Management. Agresso has already started to divide their customers into four different groups depending on how important they are for Agresso. To be able to give the customers large solutions many
different people from Agresso needs to be involved around the customer and there should be a structure for this.

4. Communication

During the last years Agresso has been growing which has led to higher demands on the internal communication. When Agresso was smaller it was easy for the employees to keep track on which employee who knew products or services and who worked with different customers. This is not the case today. Agresso needs to find new ways for communication and spread of information.

Agresso needs to have information about their customers and their solutions. Agresso needs not only structures, but also tools that make it easier to share information. Today there is information in different places and there’s no structure that says which information that should be documented. It should be clear which information that should be written down about the customers, which employee that has the responsibility for the documentation and where the information should be found. Adding to the structure Agressos system of incentives must prioritize communication inside Agresso. It takes time to document and communicate around a customer or a project.

4. System of incentives; internal and external

There is a need of incentives that encourage thinking on the whole company and not only on the different parts. The seller’s salaries are based on how much they have been selling while the consultants have a fixed salary which primary is valued on how much they debit.

There is a need of a system of incentives that encounter customer happiness and internal information’s spread. This is important to make focus on results not only in the short-run but also in the long run.

It’s important to set focus on more things than debit for the consultants. By measuring other things than debiting makes room for relationship building with customers and transfer of knowledge.

There is a need to investigate the system of incentives for the sales persons in Agresso. To reach the goals that are set about additional sale the system of incentives needs to have goals and means that supports additional sales. This could be a goal for specific products and sales on different customers that focus on the areas where it’s strategic importance for Agresso to grow. If some sales person has a deeper customer relationship this also should be noticed in the system of incentives. Changes could be less of provision on sale and more focused on customer satisfaction.