Opportunity Management With Sales Kanban

A Binary System to Simplify the Opportunity Management Process

B2B buying is tough. There are more people than ever involved in B2B purchasing decisions. Customers are paralyzed by information overload and uncertainty. And no single buyer is able to grasp the whole scope and complexity of a purchasing project.

Opportunity management is tough, too. Opportunity size is never right and always controversial. Closure date and probability often have nothing to do with reality and are continuously subject to manipulation. Opportunity status sometimes seems to jump erratically without reason.

Traditional systems pretend to control complexity

Typical sales processes and CRM systems pretend to control the complexity of buying and selling by structuring and simplifying the sales process. They fail: Firstly, because they look at what salespeople should do and not what the customer must do to move the deal forward. Secondly, because they pretend to be precise and reliable where they are not at all. Thirdly, because they think they can reduce complexity where they can't.

Binary systems break down complexity into manageable tasks

Binary systems are simple. They have one of only two status': "on" or "off", "one" or "zero", "all" or "nothing". Computers, for example, are binary systems. They break down complex numbers and operations into two clear and simple factors. By doing that they are precise. There is no room for interpretation; there is no room for fuzziness. Something either is; or it isn't.

Agile frameworks and methods are designed to keep things simple and realistic. They break down "User Stories" into a manageable backlog of tasks. They use "Story Points" to estimate and prioritize without pretending to be precise. And they use a binary system – the Kanban Board – to manage the work that needs to be done.

The Sales Kanban Board is binary system for sales teams

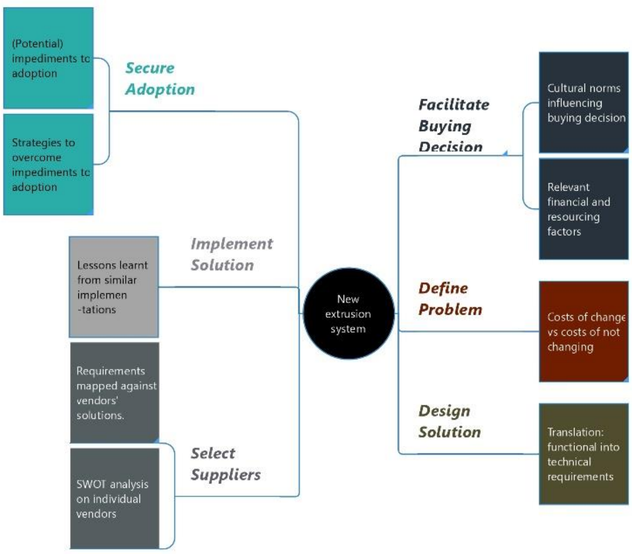
The sales team assesses each individual item on the Sales Kanban Board's "Work in Progress" column and whether it can be considered "completed" or not. Instead of focusing on prospective closure dates and probabilities or on the exact value of the opportunity, the team focuses on the tasks that the customer has to complete in order to move the deal forward and on the activities with which the sales team can support the customer in completing his or her tasks. The question to ask – in a perfectly binary way – is simple: "Has this task been completed or not?" In this way, all the politics that are typically accompanying sales teams' opportunity assessments and planning meetings are eliminated.

Of course, there are many other questions asked with regards to each task, for example: "What has prevented us from completing this task?" But the assessment of the task's status knows only two options: Completed or not completed.

The Sales Kanban Board starts with the tasks that the customer must complete

The Sales Kanban Board is fed with tasks from the Sales Backlog – the so-called "Backlog Items". They describe what specific activities need to be completed in the context of a specific opportunity. Customers must complete a broad range of tasks in the course of their buying journey. For example, they need to continuously verify whether they are working on the right problem; define what the outcome of the purchase should be; agree how a successful purchase is defined; get various internal stakeholders' buy-in; ensure that the "solution" is used by employees and the investment is secured. We call this part of the backlog "Customer Backlog".

Step 1: Brainstorm buyer's tasks that the customer must complete

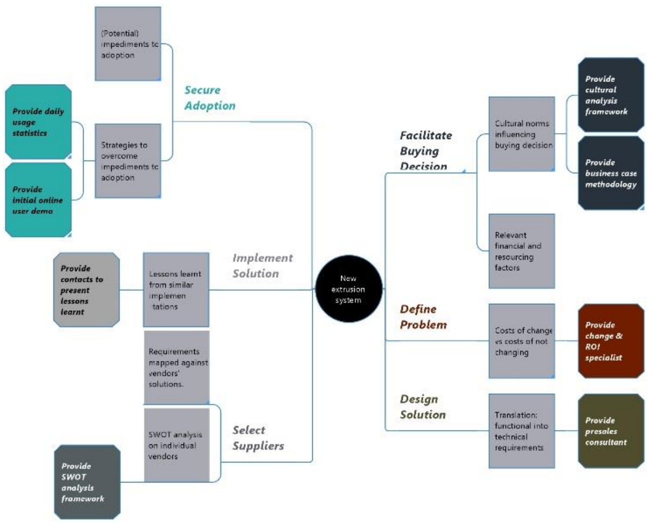


According to recent studies vendors' salespeople are effective when they help customers complete their buying tasks. The activities with which the vendor's salespeople support their customers in their buying tasks are the other part of the backlog. We call this part of the backlog "Vendor Backlog". Tasks in the Vendor Backlog should be mapped against the tasks in the Customer Backlog that they support.

There are multiple ways of organizing opportunity management with a Sales Kanban Board

The amount of work "in progress" on the Sales Kanban board is mainly driven by the team's current capacity and the complexity of each backlog item. The backlog on the Sales Kanban Board can be sliced and diced in different ways. Some teams organize their tasks by opportunity. Others set up sales campaigns to cover multiple opportunities and manage the individual tasks within these campaigns on the Sales Kanban Board. In the latter case, they run a second Sales Kanban Board in parallel that is more high-level and shows the status of each opportunity. A third option is to organize the tasks on the board by team in a multi-team setting.

Step 2: Map seller tasks to buyer's tasks



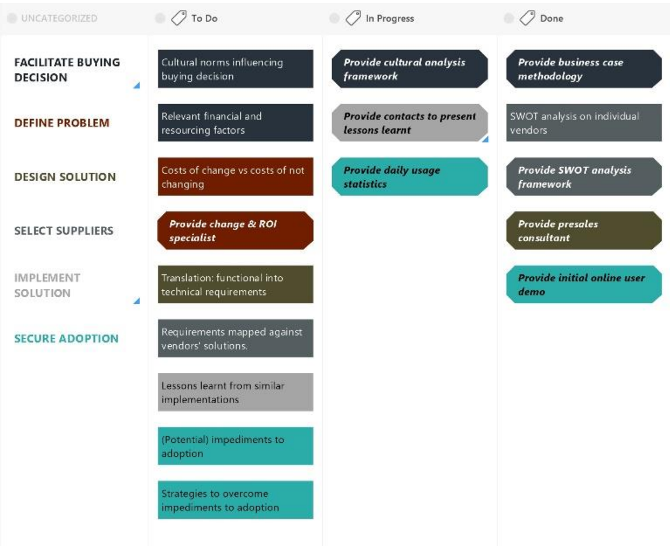
Observing a few things will make the Sales Kanban Board a very effective tool

Working with a Sales Kanban Board in opportunity management can be very rewarding when sales teams observe the following advice:

- If possible, involve the customer in the standup meetings at the Sales Kanban Board.
- Start with the customer's tasks. Only after they have been defined and agreed start thinking about the salesforce's tasks.

- Agree on a clear definition of "completed" with all stakeholders – particularly with the customer.
- Timebox the discussion about each item on the board. The discussion at the Sales Kanban Board is not to resolve issues. It is to assess the status and identify issues to be resolved in separate sessions.
- Provide as much detail on the Sales Kanban Board as necessary and as little information as necessary. Too much detail can kill productivity as much as the lack of information can.

Step 3: Managing buyer and vendor tasks with the Sales Kanban Board



The Sales Kanban Board does not replace forecasting – it replaces ineffective sales meetings

With the team focusing on individual tasks and their progress, most sales teams will now ask: "How can we now forecast our pipeline?" The answer is: You still can (and probably will have to) do that – but in a different context. The Kanban Board focuses on moving deals forward and requires regular but short meetings. These "standup" meetings are usually not longer than 15 minutes but should be held on a daily basis – or at least every other day. In most companies the size, value and shape of the pipeline will not change on a daily basis. They will require a less frequent assessment – maybe every two weeks or once a month or even once a quarter, depending on company requirements and their business context.

The important point is that these two types of meetings – standups vs forecast meetings – are held separately and not mixed up. Otherwise you will end with what many companies experience in their dreadful weekly sales meetings: A few people quarreling about numbers while most people are doing their emails and nobody is talking about what really matters: how to move the deal forward.

Conclusion

The Sales Kanban Board is a very effective tool for moving deals forward. Used in the right way it can help to avoid lengthy and unproductive sales meetings to focus the team on what really matters: Supporting customers in their buying tasks.

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