

The Customer-focused manufacturing organisation

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This paper is one of a series that expands some of the ideas, questions and techniques that arise in the author's delivery of the MJC Sales Strategy Service. The purpose is to inform and to stimulate interest, comment and debate.

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Most organisations will claim to be 'customer-focused' but in reality the focus for many diminishes rapidly once outside the sales group. This note examines some of the characteristics of a truly Customer-focused organisation as they affect the development and implementation of sales strategy.

Customer-focused organisations aim to fulfil their customers' needs better than their competition, while sustaining their profitability. They will therefore select with great care the products they make and develop, and the customers to whom they offer them, because once they have decided, they effectively put themselves in their customers' hands. They will therefore be very sure what products and services their chosen markets will need and value, and select only those they are confident they can manufacture, distribute and support profitably. They will also strive to work with those customers whose business is in alignment and who value what is offered.

Such organisations recognise that while the sales group has the primary responsibility to manage the selling effort, all other functions must directly or indirectly support it. To visualise what this means, it is helpful to depict a manufacturing company in its simplest form, obtaining raw materials and components from its suppliers, processing them into finished products in a production unit, and selling them to a variety of customers representing its share of the 'market-place'. (see the diagram on the next page).

Producing the finished products requires a number of supporting operations such as maintenance, quality assurance, and production planning, and likewise selling them requires supporting operations such as sales administration, technical service and product development. Supporting all these activities are general business functions such as Finance, HR, and Health and Safety.

It is dramatically clear that the sales force can do nothing in isolation. They rely on all those other functions to carry out their specialised tasks in support of the profitable sale of the organisation's products. In a customer-focused organisation, all these support functions will gear their activity to what supports the sales effort best.

All these functions come at a cost, of course. Obviously, their cost should be less than the value they bring, so logically the organisation will want to direct their efforts where they will bring the most value. The organisation will therefore strive to offer only the most profitable products, to the most receptive customers. Any product or customer which absorbs more output of a supporting function than it pays for will not only waste company resources, but divert them from products or customers which need and deserve them, and on which the organisation's future depends.

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The sales group therefore has a clear responsibility to identify and target the most appropriate customers and products. However, with the direct and indirect involvement of so many other support functions in the selling process, it is also clearly in the organisation's interest to involve them to gain their insights, understanding and commitment to the selling effort. This is directly reflected in the teams that develop and drive the implementation of the sales strategy.

