



## The importance of the relationship between Operations and Sales in the building products sector

**We recently asked sales professionals from within the building products/materials industry to express their opinion on the biggest obstacles that prevent them from achieving success in their jobs. The results show one of their main frustrations is poor operational support.**

We decided to look in more detail at the relationship between 'Operations and Sales' and provide useful insight to help those from both functions in their jobs.

To start with, let's look at this problem from the viewpoint of Operations and try to discover why there is division between the functions and how to establish a positive team relationship.

### **Understanding the function of Operations**

The crux of the division is perfectly illustrated by these statements, firstly from Sales: "Why can't you supply what we are selling?" and from Operations: "Why are you selling and promising what we can't supply?"

Who is and who isn't doing their job correctly? Like most things, it's not quite that simple. So, what is the main function of Operations at a manufacturer

of building products?

Operations is at the centre of a company and, although their jobs don't exist without an order, it's no good having an order if the products can't be made and to the correct standard and quantity. It is also equally pointless having an order if it cannot be dispatched to the customer when they need it.

Additionally, there are many wider company issues that need to be considered by the person in charge of Operations: manpower and recruitment, logistics and budgets; for example, a company may not be financially viable if stock value is too high or if processes are too costly or unreliable. These challenges normally sit firmly in the domain of Operations - Sales can be blissfully unaware that they have other things to do than assist them!

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However, this does work the other way round too, which demonstrates why 'understanding' is one of the first barriers that needs to be broken down if you want to create a true team relationship between Sales and Operations.

The role of Operations should be to ensure there is always the right stock of the right products at the right time, and within a system that provides flexibility for those inevitable emergencies.

There is, of course, the equally important requirement to ensure processes are efficient and accurate, to maximise margins and create a climate where growth is possible. This has to be achieved with the focus on the needs of the customer, which is often forgotten by Operations and, yes, Sales too!"

So far, this all sounds perfectly sensible: a Salesperson wants to sell a product and Operations want to make and dispatch the product. Both are seemingly doing their jobs and are working for the same company with the desire to make it a successful one by meeting customers' requirements profitably. However, things go wrong. Why?

### **What causes the issues between the functions?**

The problem in many companies is that the real needs of the customer are not at the centre of decision-making.

This is one of the main causes of the problem as self-interest, combined with a general lack of communication, understanding and process, results in everyone forgetting what is important: the customer.

Generally, a Salesperson only focuses on their quota. Once they make a sale, they move on. It is not their concern how orders are fulfilled. As soon as they have their order, any problems that may arise are an Operations problem. The key to resolving this line of thought is to drive home that a sale is not a sale until the customer is happy.

Operations tend to view Salespeople as an annoyance to their daily work. An Operations employee focuses on the many tasks involved in running a business. Although the obvious goal should be to drive sales, many don't look at it that way and will put a sale at the bottom of the pile...'I'll get to it when I get to it'.

So, rather than accuse, blame, defend and have an ensuing state of chaos, Operations and Sales need to focus on how the requirements of the customer can be met and how the company can operate

efficiently and effectively, leaving the competition to fight over the unwanted scraps.

### **The need to view Sales and Operations as one function**

Many companies are beginning to realise there is no dividing line between the two departments. Operations should be a function of Sales and Sales should be a function of Operations.

Unless both sides realise that the common goal is the customer, nothing will ever change. If the blame culture continues to be rife in your company, the customer will be the loser, which ultimately means everyone loses.

It is strongly recommended that the only way to move forward and stop having the same problems and issues is to create an environment where everyone is on the same side, acting with one voice and in one direction. So, rather than moan, find out the solution to the problems and issues and don't let them happen again, wherever the blame lies.

### **How do companies go about creating this change of approach?**

The following guidelines should be at the centre of any approach a company adopts:

- Understand the needs of the customer and focus your actions around them
- Understand the current limitations of the Operations and Sales departments and find a way to solve them - permanently and perpetually
- Create a climate of education and understanding of each other's role within the company
- Work together and communicate as one team, creating a happy working environment where people want to work for each other and take responsibility
- Be consistent but flexible in your approach
- Create a climate for growth and market-leading excellence, to give your company a competitive advantage

### **Implementing a new culture for sales and operations to thrive**

The best way to bring about this kind of culture and structure change, is to strip back and question everything in your current processes to find out where the problems are, then establish a system that makes your customers happy, your Sales department happy, your Operations team happy, your Finance team happy and your competitors livid!

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If we go back to that often-repeated accusation from Sales “Why can’t you supply what we are selling when we have promised it?” and dig a little deeper, you discover how few companies operate and communicate in unity.

Perhaps the Salesperson has a valid complaint to Operations and perhaps the Operations team has a valid reason to be frustrated at the demands from Sales. These problems are usually created due to lack of education, communication or effective planning.

In these instances, it is useful to look at on what basis the products have been promised. Are they realistic and in line with the agreed lead-times and guidelines that Sales have been advised they can promise customers without conferring with Operations? If they were, you should question the robustness and quality of your system and make changes accordingly. If they were not, as well as questioning why the customer has been told something that is not possible, you should also consider if what they are asking is feasible and necessary for the future and then ask: do we still need to question the robustness and quality of our system? That is a key point: always move forward and evaluate. However, it is equally important to address why the Salesperson has not acted as a team member by their actions.

It is clear that confused messages to customers and lack of consistency within companies can cause major problems, even resentment and division between people and departments and needs to be avoided.

### What should Operations be doing?

An Operations Manager/Director needs to make sure they are in control of what is being made and what is going out, rather than letting his team take total control, as otherwise the easy order will be picked by the Warehouse, rather than the larger one, the one that needs more time to prepare, or the one that is awkward to pick. This way an Operations Manager/Director is in control of what is going on and is able to react more quickly to emergencies, as well as knowing exactly what is coming off the production lines and out of the warehouse. However, this will slowly change over time, as it becomes more of a team environment.

Although you always need to be in control and aware, once the process of communication and education starts to become enshrined throughout the company, all members of your team begin to take responsibility and become true team players.

You are then able to rely on people to make decisions that are for the good of the company and the customer.

One of the keys to success in Operations is to have an effective Material Resources Planning System (MRP System) with its parameters established around a mixture of knowledge, facts and common sense.

### A guide to success

Below is a simple guide for an effective planning system to improve the relationship. Although this is aimed at Operations, it is exactly the sort of areas and points that Sales Directors, Business Development Managers and National Accounts Managers should be aware of, and embrace and encourage in their new closer relationship with Operations.

### Know the role of Sales and the needs of the customer and be involved



- Speak to your counterpart in Sales on a regular basis and ensure that relevant people from Operations are talking with Internal Sales
- Make sure you are involved/aware of new product launch plans and promotional activity or new business that might affect demand of any product
- Attend key sales meetings and gain a better understanding of the pressures and processes of the Sales team and vice versa
- Find out on what basis sales forecasts for production are being made and have an expert input at an early stage
- Ask yourself if you know what customers actually want in terms of service. If necessary meet your customers to enhance your understanding and process
- Make sure that you communicate to the customer any changes to the original



agreement. This should be done as early as possible and preferably via the Sales department (internal or external)

### Look at your systems

- Ask yourself if your company's lead times are realistic and evaluate on what basis they have been made and by whom. This is especially important when you move to a new company or position
- Look at your maximum/minimum stock and re-order levels and how often you check them for excessive demand and review the norm
- Know what you can actually achieve per day and how you can achieve it
- Know what you need to achieve on each individual trading day and how you are going to achieve it
- Strive to always deliver on time and in full
- Know (and evaluate) where and what the potential process hold-ups are in order to successfully achieve the company's goals
- Look at the robustness of the purchase order/supply trail and if delays and errors are created as a result

### Know your team, plan ahead and adapt

- Know and evaluate what everyone under your control does in their role and what their value is. This applies to your staff and suppliers
- If your team are making errors that cause problems to the customer, have a plan to prevent them happening again, e.g. picking errors, goods arriving damaged, goods being sent to the wrong place, substandard product being manufactured
- Evaluate if you have the right people, right machines and right processes in place and always consider if you need to recruit, make redundancies, change roles, or automate manufacturing/assembly, streamline operations, change packing materials and processes, evaluate transportation methods or improve IT
- If possible have an alternative in place in the event of machine breakdown or a supplier letting you down
- When required, consider if you need to employ more people or introduce overtime to meet demand

These points are geared towards meeting the customers' requirements now and in the future and should to be addressed on an on-going basis; otherwise you will soon be back to square one.

### Become a better Sales person by working with Operations

It is often not the fault of the Salesperson that unrealistic promises are being made to the customer. This is where communication, education and understanding are important.

The role of the Sales Director is vital to ensure that his or her team understands the new policies and procedures of the company, as well as the benefit of the increased communication with Operations. If they do not accept the new culture then it will fail, if they do the results will be very rewarding.

It also brings up the subject of recruitment and employing the right kind of person. If you can find the right team members who can adapt to this environment, then they will be very successful and reap the financial and personal benefits.

We have developed a list of requirements and attitudes, which we believe is a useful blueprint to ensure that Sales can benefit and maximise their relationship with Operations. If you really want to set yourself apart from other salespeople, this approach is essential reading.



### How to lead the way in Sales by enhancing your relationship with Operations

- Understand your route to market
- Understand what your company can achieve
- Feed back information from the customer to Sales/Operations about how you can improve on an on-going basis
- Know your customers well
- Communicate to all your customers and your colleagues
- Remember that your customer is not the only customer in the company
- Be a team player and respect other departments
- Realise that the Production and Warehouse

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staff are on your side and your relationship with them is important – build it and they will support you, destroy it and you will not be supported

- Understand what is involved in preparing an order, system difficulties and processes and ensure you are aware of manufacturing lead times, dispatch slots, packing time (including products that need to be assembled), transport implications and possible surcharge costs
- Considering spending some time working in the warehouse
- Be aware that the wrong kind of pressure can create errors (e.g. Warehouse staff pack without care) and more of a problem than you had in the first place
- Understand your standard lead-times and procedures and don't make decisions that you have no basis or authority to make
- Don't lie: ask, check and seek advice and then go back to the customer with an informed solution
- Good customers are long-term customers. Don't over-promise so that all the stops have to be pulled out on every occasion, it will only lead to letting them down. A customer wants a reliable and trustworthy partner that keeps their promises and meets their needs

### **The benefits of a having a close Sales and Operations team**

The perfect team is a Sales group who follows through until delivery, and an Operations group who supports the Sales group throughout the whole sales cycle. One team, one goal providing the following benefits:

- A company that customers view as 'reliable & trustworthy' and come back to
- A company which has everyone working in the same direction
- A company where people want to help and support each other and show loyalty
- A company which has fewer headaches and problems to deal with internally and can concentrate on selling and growing
- A company with quality and customer service at the heart of their culture
- A company with a structure and ethos in place that means the system will work even when people leave
- A company that knows their customers and communicates with them

The whole company needs to find out what the needs of the customer are and then deliver it to them to give you meaningful competitive advantage.

You can really flourish by bringing these key factors into your everyday approach, but everyone needs to support each other for short and long-term improvement. It is vital that you aim high and deliver even higher.

### **The challenges that Sales and Operations face need to be overcome by working together in order to meet customers' needs.**

#### **Who should drive this change?**

One person cannot make this change happen, but everyone will benefit when it does. Ideally the Managing Director should be recognising the necessity for such an approach, but we suggest that the best way is for the Head of Sales and the Head of Operations to get together and start the process rolling.

Taking that first step is the most difficult one, and it takes more than one person to implement the change. It is advised that if you are in Sales or in Operations then consider making the first step and approach your counterpart and start the process – it is better than continuing with mistrust, conflict, stress and unhappy customers.

You will soon start to get the support to implement the culture change.

*So ask not the question: 'What can your company do for you?' but 'What can you do for your company?' and the first part will fall into place. Think of others, improve for long-term and not short-term gain and you will meet customers' expectations and enjoy your jobs with less stress and more time to concentrate on your actual job.*

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### Credits

Thank you to Martyn Wilks for his time and expert opinion helping us with his views on this issue.

Martyn has worked in managerial and directorship positions for market-leading companies including: manufacturers of sprinkler bulbs used in fire protection systems; catering fit-out equipment for hotels, restaurants and commercial kitchens; commercial ventilation extraction units; and domestic plastic piping systems and accessories.

Martyn currently works for Day-Impex Ltd., manufacturers of sprinkler pulps for the building and construction industry.



[www.day-impex.co.uk](http://www.day-impex.co.uk)

### Further guidance

Pinnacle Consulting is a leading sales and marketing recruitment agency operating exclusively in the building products sector.

If you are an employer looking to recruit, please call us to discuss your requirements on 01480 405225 or us at email [recruit@pinnacleconsulting.co.uk](mailto:recruit@pinnacleconsulting.co.uk).

If you would like to discuss a sales or marketing career in the Building Products Industry, you may wish to attend one of our PinBuild Career Development Clinics or arrange a Skype consultation.



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