



Pyramid Power and Automation?

by

Barry Trailer

Can automation help lift your customer relationships to a higher plane?

Last time, I briefly mentioned the Levels of Relationship (LOR) pyramid (see [“Sales Excellence vs. Excellent Sales”](#)). This is a model I’ve been using in my speaking and consulting work for more than 10 years. It has always been a helpful illustration and remains so as the sales automation picture develops.

Ask yourself this question: *What does it mean to sell?*

Depending on the audience, answers range from “identifying a need and filling it” to “telling buyers whatever they want to hear.” After recording the various responses from groups, I present the LOR pyramid. Incidentally, I’ve also seen this depicted as a linear spectrum or as a set of stair steps. I’ll explain why I favor this version after introducing it.





With these levels in mind, think about things that *increase* as you move up the pyramid. Typically included are: trust (credibility), communication, access to individuals, loyalty, knowledge of the buyer and the buyer's customers/business, total time invested, repeat business, referrals, margins/profitability, etc.

Similarly some things are *decreasing* as you move up through the levels: number of competitors, price sensitivity, time to close a specific opportunity, the significance of certain product/service features, barriers, to name just a few.

With these two lists before you, consider: Are the things increasing, and the others decreasing, good for my business? Clearly the answer is “yes!” And this in turn is, I believe, an appropriate definition of selling: establishing and elevating relationships over time – a corporate-wide responsibility.

Another way to view the pyramid is that the bottom of the pyramid represents *transactions*, while the upper levels represent *interactions*.

Transactional sales are characterized as being rapid, repetitive and routine. Interactional sales are more likely to be protracted, complex and creative. Neither end of the scale is good or bad, but each requires very different skill sets to be successful – and systems that support these requisite skills. Further, at every level, the market is asking the same question: What value do you (the seller/selling organization) add?

For example, buyers operating at the bottom of a pyramid are not looking for, and probably are not willing to pay for, special services. Similar to the most routine banking transactions we all do, these are more conveniently and economically conducted through an ATM, or on-line banking, than waiting in line for a teller.

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Vendor level transactions are – and increasingly will be – dominated by the Web, telesellers, on-line catalogs, electronic kiosks – in short, any technology-enabled cost and/or time reducing methods of exchange. This is the area of “unassisted buying” and a clear example of how technology will continue to erode direct selling models at the base of the pyramid.

Not incidentally, it should be noted that the bulk of the pyramid’s volume is in the bottom third. Similarly, the bulk of companies when they assess the level at which their sales reps operate today, rarely describe themselves above the Preferred Supplier level. This means the bulk of sales jobs will also be continually challenged and eroded by technology – it’s not just tellers who could be replaced by systems.

At the very same time, and using the exact same logic, if you look at the interaction upper half of the model, protracted-complex-creative are not things that computers do well. This is the stuff of human interactions, of more committed and loyal relationships. Again, this isn’t better selling work, but it is different and does provide rewarding and secure futures for those sellers able to “move up the food chain.”

This last point has proven compelling to sales reps interested in furthering their professional development. As a result, this can also contribute to having sales reps buy in to an automation project. How?

Just as systems and infrastructure are necessary to streamline and enable operating more efficiently at the bottom of the pyramid, technology can support and enable more efficient selling at the top of the pyramid. Customer or Enterprise Relationship Management Systems can capture and codify voluminous and diverse data points about a customer or account.

Personal preferences, customer service history, ordering and usage patterns, contact and opportunity management are just a few examples of what is needed to play at these higher levels. One of the challenges is to make the systems’ outputs timely and helpful. Today, companies are drowning in data, but little timely and insightful information is readily at hand. Again, the pyramid model can be applied to represent this condition of drowning in data while thirsting for knowledge.



Reporting capabilities are often among the weakest links in the automation/information chain. That is, users of systems - especially managers - are often frustrated trying to get customized reports that tell them what they truly want to know.



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There are two immediate reasons for this breakdown:

- 1) inconsistent data capture
- 2) lack of analysis

The first of these problems, consistently capturing and codifying data is the stuff of process.¹ Data integrity and timely reporting allows the second issue to be addressed, namely doing something with all this stuff. A serious problem is that companies have been collecting data for years – they just haven't been doing anything with it.

If you doubt this for a moment, check whether your company requires call reports, then ask yourself what they actually do with them. Typically the answer is “nothing.” It doesn't take reps long to figure out they're getting nothing in return, so the quality of the reporting goes rapidly downhill. Sales Force Automation (SFA) has exacerbated this condition by collecting tons of data points but not providing insightful analyses – this is what metrics are about.²

¹ *See Also*
[Do you Believe in Magic](#)
[And the Word was Process](#)
[Brain Surgery, Anyone](#)

² *See Also*
[How do you Measure Up](#)
[Moving Beyond Voodoo Forecasting](#)
[Driving by the Seat of their Pants](#)



Systems and tools are now available to address this pair of issues. Without them, the level of effort to capture and analyze the data is simply not practical. With such systems, SFA becomes the cornerstone to enabling and energizing your sales efforts at all levels.

One last way to look at the levels of relationship model is that it is *tactical* at the base, *strategic* in the center and *political* at the top. I prefer the pyramid model because, in addition to representing the levels, it also reflects the numeric distribution of reps, companies and systems playing at each level. Most are focused at the tactical level, which is why differentiation is so difficult.

A mainstay of almost every presentation regarding selling in today's environment is commentary about the difficulties facing sales reps: more and better competition, more sophisticated and demanding buyers, shorter product lifecycles and briefer windows of product-based advantage. All of these conspire to reflect and require intelligent systems at all levels.

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Barry Trailer has consulted with companies with complex B2B sales for the past twenty years. At FrontRange Solutions (formerly GoldMine Software Corporation) he served as VP of North American Sales, VP of Corporate Initiatives, and finally, acting as President of the GoldMine Division. In 2002 Barry interviewed hundreds of executives for the just released '*Sales & Marketing Excellence Challenge: Changing How the Game Is Played*,' available at www.csinsights.com