Sales Scrum @ bintec elmeg GmbH

Part 1: How Sales Scrum helped the company's sales force to get ready for new products, new customers and new ways of selling

A completely new product, which may still be unfinished by the time it hits the market. A totally different value proposition for partners and end customers as the company's product focus moves from hardware to Cloud-based software solutions. The need to acquire new partners and customers while the company had long relied on its installed base of partners and customers.

How can these challenges be resolved without neglecting on-going business and existing relationships?

bintec elmeg GmbH is a medium-sized German business with approximately 100 employees and forms part of the Spanish Teldat Group. The company has been selling phone systems, routers, WLAN equipment and other telecommunications solutions for many years mainly via channel partners. Most of the company's Account Managers work with systems integrators while a few of them cover large direct accounts such as Telecommunications providers.

Customers ask for new solutions

With customers asking for increasing levels of flexibility in the way they set up and manage their networks, Cloud-based management of network equipment has become the dominating trend in the industry. While telecommunications hardware is becoming more or less interchangeable, software-based solutions to provide maximum flexibility whilst minimizing the effort for configuring and managing the network are now the means of choice to create a competitive edge amongst vendors.

The solution to satisfy customers' requirements is in the make – but how to get it on the road?

Teldat Group and bintec elmeg GmbH have the solution to customers' changed requirements. However, there were a few challenges lingering on the road to market for this solution on the outset of this project:

1. The majority of the company's salespeople had no or little experience with selling software-based solutions. Neither did many of the company's existing channel partners. Training alone wouldn't do the job; experience and exchange are the key words in this context.
2. The company wanted to go to market with the new solution in closer co-operation with partners and customers than it used to.
3. The product was not available yet, but salespeople already had to position it with partners and customers in order not to lose out in the fast-moving competitive environment. Hence, they were tasked with selling a concept instead of a readily available product.
4. Some partners would not be willing or able to make the necessary changes – which means new partners would need to be acquired.
5. The same goes for a significant number of the company's customers.
6. The company's salespeople and strategy had been focused on retention while future success would require significantly more acquisition skills and tactics.
7. Hardly any supporting materials and processes were available at that stage.

"Becoming more agile" made sense but specific requirements had to be taken into account

bintec elmeg's management shared a general understanding that the sales force and sales approach would need to be more agile than ever to tackle these challenges. Analyzing the situation with experts from NewLeaf Partners and the Sales Scrum Club, some specific requirements emerged:

1. Whatever had to be done to get the sales force ready for selling the new solution – it should be done **fast** and in a **pragmatic** way. Learning and doing should happen at the same time.
2. Due to the comparatively small size of bintec elmeg GmbH's sales force an approach was necessary that **kept room for salespeople's on-going sales** and relationship management **tasks**.
3. Salespeople with less experience in selling software-based solutions should have an opportunity to learn **"on the go"** from those with more experience in this domain.
4. Salespeople should **have a say** in the development of any supporting materials and processes. Historically, Product Development and Marketing had worked rather independently from Sales. The proverbial organizational "siloes" were to finally be overcome.
5. The company wanted to **build Sales Scrum capabilities** whilst executing the project.

Sales Scrum is different from Scrum

The advantages and track record of Scrum convinced bintec elmeg GmbH that this leading agile framework could help the company to fulfill on above requirements.

The company set up two Scrum teams: One focusing on the company's few large solutions partner business, the other one dealing with bintec elmeg's channel business. Each team consisted of five to eight salespeople. Two Scrum Master "trainees" were assigned to each team. While the initial meetings and other Scrum Master duties were fulfilled by an experienced Scrum Master provided by the Sales Scrum Club, the Scrum Master "trainees" were learning "on the go", having received two initial half-day training sessions. Two of the "trainees" came from the sales team, two of them came from Sales Engineering and had a more technical background. Two of the four Scrum Master "trainees" had received no Scrum Master training in their past lives.

The whole sales force participated in an initial half-day session in which they got introduced to the project and to Sales Scrum as agile framework. After that, the two Scrum teams were formed and, together with the Product Owner, they immediately brainstormed what areas the backlog for the project should cover.

Following the company's intention to build Sales Scrum capabilities "on the go", each team was assigned a Product Owner and a Deputy Product Owner. They received initial training together with the Scrum Masters and were coached by Sales Scrum Club resources in the course of the project.

Sprints were set to last two weeks each. Backlog Planning, Sprint Planning, Review and Retrospective sessions were initially conducted face-to-face at the company's corporate offices and subsequently shifted more and more to virtual meetings. Daily Standup Meetings were held virtually from the beginning.

And this is the first point in which Sales Scrum is different from Scrum in its pure form:

1. **The Agile Manifesto and Scrum "purists" ask for all meetings to be held face-to-face. Sales Scrum accepts virtual meetings as a legitimate meeting format.** With most salespeople being on the road most of the time and reporting to two different regional offices, holding all meetings face-to-face is not an option for most salesforces. Meetings during the first two to three Sprints, though, and all Retrospectives are recommended to be held face-to-face-though.

Planning salespeople's availability for the different meetings and even for the team's internal work sessions turned out to be a challenge. Containing approximately 20 Account Managers, bintec elmeg GmbH's salesforce is comparatively small. Having dedicated Scrum Team members may be an option for companies with bigger sales forces. However, for smaller sales forces and, even for bigger salesforces in certain contexts (e.g. using Scrum for day-to-day account management), a dedicated Scrum team is usually not an option. Neither was it for bintec elmeg GmbH, which profited from the adaptability of Sales Scrum as described in recommendation no. 2:

2. Sales Scrum Team members do not need to be fully dedicated to the Scrum Team. Many Scrum "purists" would argue that they do, but due to the specific requirements of sales organizations, this is not possible.

Consequently,

3. Sales Scrum doesn't expect Scrum Team members to be exclusively dedicated to the Sprint. Again, this is what many "purists" demand. But due to on-going relationship management tasks, a team whose members are 100% dedicated to the current Sprint is nothing that most sales organizations can shoulder.

At bintec elmeg GmbH, we introduced a mandatory step right at the beginning of every Sprint Planning meeting: Even before the team talked about the backlog items, each member gave account of their availability during the next Sprint. Based on that, dedicated time slots were defined for the different Scrum meetings as well as for the team's internal work sessions. Of course, additional spontaneous internal work sessions were allowed and welcome. Scrum lives to a great extent from team members working *together* on their tasks. Consequently, dedicated timeslots within a given Sprint period help to ensure that the team can work jointly together as a team.

In Scrum, the individual tasks that the team must fulfill are defined in the Product Backlog. The "products" that the team is supposed to produce over the course of the project is usually rather tangible – a specific functionality, a certain user interface, and so on. But what if the "product" is "a happy customer" or "a partner who is thrilled to sell our solution"? The fourth big difference between scrum and Sales scrum that had to be taken into account during this project is:

4. The definition of "what is the product of our project" is much more complex than in areas such as software development.

At bintec elmeg GmbH, the "product" of this project was defined as follows: *"A salesforce that is perfectly prepared for selling the new solution once it has been launched."*

Stage one of this agile project has been completed with the sales force being prepared for the launch of a new product

It took several iterations of refining the above described "product" and the objectives that had to be reached in order to deliver it. Amongst other, the following constituents of this "product" emerged as items in the Product Backlog:

- A Sales-qualified value proposition for partners and their customers with regards to the new solution.
- Selection criteria for new partners.
- A qualified list of potential new partners.
- A "friendly user" list for existing partners.
- A Sales-qualified info pack for existing and potential new partners and customers. This required more depth and a more business-oriented view as compared than the traditional Marketing collaterals.
- A defined number of completed partner and customer interviews/meetings to get feedback from them and get them prepared for the new solution once it is available.
- All existing partners' interest (or lack thereof) in a beta test verified.
- Call scripts and meeting guidelines for these calls / meetings.
- A variety of input from Sales to other corporate functions to prepare the launch.

At the end of this first phase of the project, the Scrum Teams had completed these points in their entirety. According to the team and management from other parts of the company, the sales team has never been as well prepared for the launch of a new solution as this time. The jury is still out, though, on how the team will perform once the solution is out and ready to be sold. The numbers will tell. Remarkable already now is how the team developed during the three months that it worked together as a "Scrum Team."

The Sales Scrum effect

The whole project was set up to minimize theoretical input and get the teams going on their backlogs as quickly as possible. Management and team were amazed by the dynamics that this setup sparked.

Not being kept in long theoretical trainings but being able to learn by doing – under the supervision and with the support of management and Sales Scrum Club experts – focused the team on content and progress. The resulting speed with which the deliverables were produced amazed not only bystanders but also the team itself.

Some Account Managers had been leading the life of the "lone wolf" in their sales territories for more than a decade. Exchanging thoughts, status and experiences with the team on a daily basis lead to a level of engagement on their side that other team members had not thought possible.

While some sales team members had initially been skeptical about Scrum, they clearly appreciated the opportunity to have a say in what Product Marketing, Marketing and other departments were to deliver.

Scrum Masters time-boxed the meetings effectively; team members saw the value that the frequent but short exchanges brought. When the Head of Sales suggested that the Daily Standups on the phone be suspended for a few weeks as all deliverables had been completed, the team insisted on continuing the calls.

Lessons learnt

Of course, there were some lessons learnt in the course of the project.

The initial Scrum teams, for example, were soon found to be too big. Instead of five to ten participants, Scrum teams were reduced to a size of three to five participants for a given Sprint. This increased the teams' efficiency and effectiveness even more. In addition, this reduction in size reduced the tendency to split out the work amongst individual team members instead of working jointly on them as a team.

The setup with two Scrum Masters and two Product Owners per Scrum team had the benefit that these resources could be trained in their roles "on the go". However, in some meetings it led to an overwhelming presence of "non-productive" participants versus team members who were supposed to deliver the work. Consequently, Scrum Masters and Product Owners alternated from Sprint to Sprint, which lead to a more balanced combination of resources in team meetings.

Product Owners were regular members of the sales team, which in some situations lead to conflicts of interest and authority. The Product Owner role was found to be a full-time role, which put a significant strain on the sales team members who fulfilled it due to their daily business obligations. In the future, one Product Owner may cover several Scrum teams. However, Product Owner will always be a full-time role during the time of the project. Resource choice will be viewed in light of potential conflicts of interest and/or authority.

The sales organization and those resources from other corporate areas that had been involved in the project were very well informed and understood what "Scrum" meant and required. However, employees in other parts of the organization required a lot of information and handholding from Product Owners and Scrum Masters. We recommend intense information and communication across the whole organization for similar projects and even if they focus only on the sales organization.

Salespeople are fully ready and energized now that they have been working as a Scrum team; however, the bespoke solution is still not available from a technical point of view. Future projects of this type are therefore likely span the whole the whole group, turning the Sales Scrum project into an integrated product development project – with a focus on sales.

Next steps

Once the new solution is ready, the sales force is ready to tackle the next challenge: Go out and acquire new partners and customers in a series of Acquisition Sprints. In this context also see the Sales Scrum Blog article on customer acquisition.

As partners play a critical part in the company's sales architecture even for this new solution, Sales Scrum tactics may be used to quickly and effectively co-create a joint go-to-market approach with them. Partners may be surprised by the dynamics and results that such an approach unleashes as were bintec elmeg GmbH's salespeople.

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