The Global Sales Science Institute Conference 2022

A case study of the birth, adaptation and evolution of the global standard sales process management "The Model"

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Abstract（1）

- "The Model," proposed by salesforce.com, is the global standard sales process management concept.
- Its unique feature is that it divides the sales process into marketing, inside sales, field sales, and customer success, and manages them in a division of labor.
- In the background of its birth, there was a Japanese businessperson, and his contribution has led to its evolution.

Abstract（2）

- In this paper, we use a case study approach to clarify how the global standard model was born and evolved by combining local and global ideas.
- It also discusses the issues and measures that salesforce.com Japan is currently facing in adapting "The Model" to the Japanese market, which has become the global standard.

Key words

- Salesforce
- sales process management
- global standard
- local adaptation

1. Introduction

- There are many examples of products and services that are currently offered as global standards that evolved while adapting to local issues when they were first developed and launched.
- In the case of sales process management, "The Model" provided by salesforce.com may be a case in point. In this study, we will clarify the birth and evolution of the global standard model based on a case study.

2. Background 1 ：About Salesforce.com （1）

- In 1999, four founders working in a small apartment in San Francisco created the Salesforce.com Customer Relationship Management (CRM) system, whereby all software and critical customer data was delivered over the Internet and made available as a subscription service.

2. Background 1 ：About Salesforce.com （2）

- This pioneering "Software as a Service" (SaaS) model quickly spread throughout the technology industry. The company is committed to four core values: Trust, Customer Success, Innovation, and Quality.

3. Background 2 ：About “The Model”（1）

- "The Model" is a sales process model. It has been utilized by salesforce.com, and has recently become more commonly known with the rise of SaaS and subscription models.
- The Model is one of the major factors supporting the growth of salesforce.com, which provides a number of business tools centered on SFA, CRM, and MA.

3. Background 2 ：About “The Model”（2）

- Salesforce.com has positioned "The Model" as "a mechanism to expand sales along with customer success," and has established a system in which each department works together to provide consistent customer support, from marketing to negotiations to post-contract customer success.

3. Background 2 ：About “The Model”（3）

- Specifically, the sales process is divided into marketing, inside sales, field sales, and customer success, and is known as a method of continuous improvement based on target value.

4. Review of Prior Research（1）

- In the context of sales research, mainly in the U.S., the conventional wisdom has been that strategy is thought of by management and marketing, while sales department is the execution unit.
- As a result, it is generally believed that sales and marketing have different worldviews of the market and often have an adversarial relationship.

4. Review of Prior Research（2）

- Hartmann et al. (2018) clearly state that the role of sales no longer refers to a unilateral approach to persuading buyers to exchange products or services.
- Hughes et al. (2020) describe the evolution of the role of professional selling and They argue that an integrated state of service and sales should be achieved.

4. Review of Prior Research（3）

- There are also a number of case studies that deal with the growth process of salesforce.com. Among them, Merlin et al. (2020) is representative.

5. The research question

- What is the process of birth, evolution, and adaptation of salesforce.com "The Model", the global standard sales process management concept?
- In particular, it will be clarified in relation to the Japanese market.

6. The research methods

- To answer the research questions, I will conduct a case study through literature review and interviews.
- Particular attention will be paid to salesforce.com's current sales activities in the Japanese market, customer evaluations of "The Model," sales challenges, and the company's efforts to adapt to the local market while using global standard processes.

7. Case Study (1) Literature survey（1）

- Yasutaka Fukuda is a Japanese businessperson born in 1972. After graduating from university, he joined Oracle Corporation of Japan.
- In 2001, he was transferred to Oracle's headquarters in the United States, and in 2004, he moved to salesforce.com in the United States.

7. Case Study (1) Literature survey（2）

- The following year, he moved to the company's Japanese subsidiary, where he has been leading the company's growth in the Japanese market for the past nine years.
- In January 2020, he was appointed as a Partner of Japan Cloud and Representative Director of Japan Cloud Consulting.

7. Case Study (1) Literature survey（3）

- What Fukuda recognized as a challenge was that new leads would not continue to grow forever.
- In the beginning, all lead acquisitions, such as seminars, exhibitions, and conversions from websites, are all new leads.
- However, as the number of seminars increases, the percentage of people who have attended before increases. The same goes for websites.

7. Case Study (1) Literature survey（4）

- With each passing day, the percentage of pure new leads is decreasing.
- What he focused on was the number of leads that did not lead to business negotiations, lost orders, and unfollowed up existing customers.
- He thought that if he could create a flow to recycle these leads back into the negotiation process and turn them into potential customers again, it would have a dramatic effect.

7. Case Study (1) Literature survey（5）

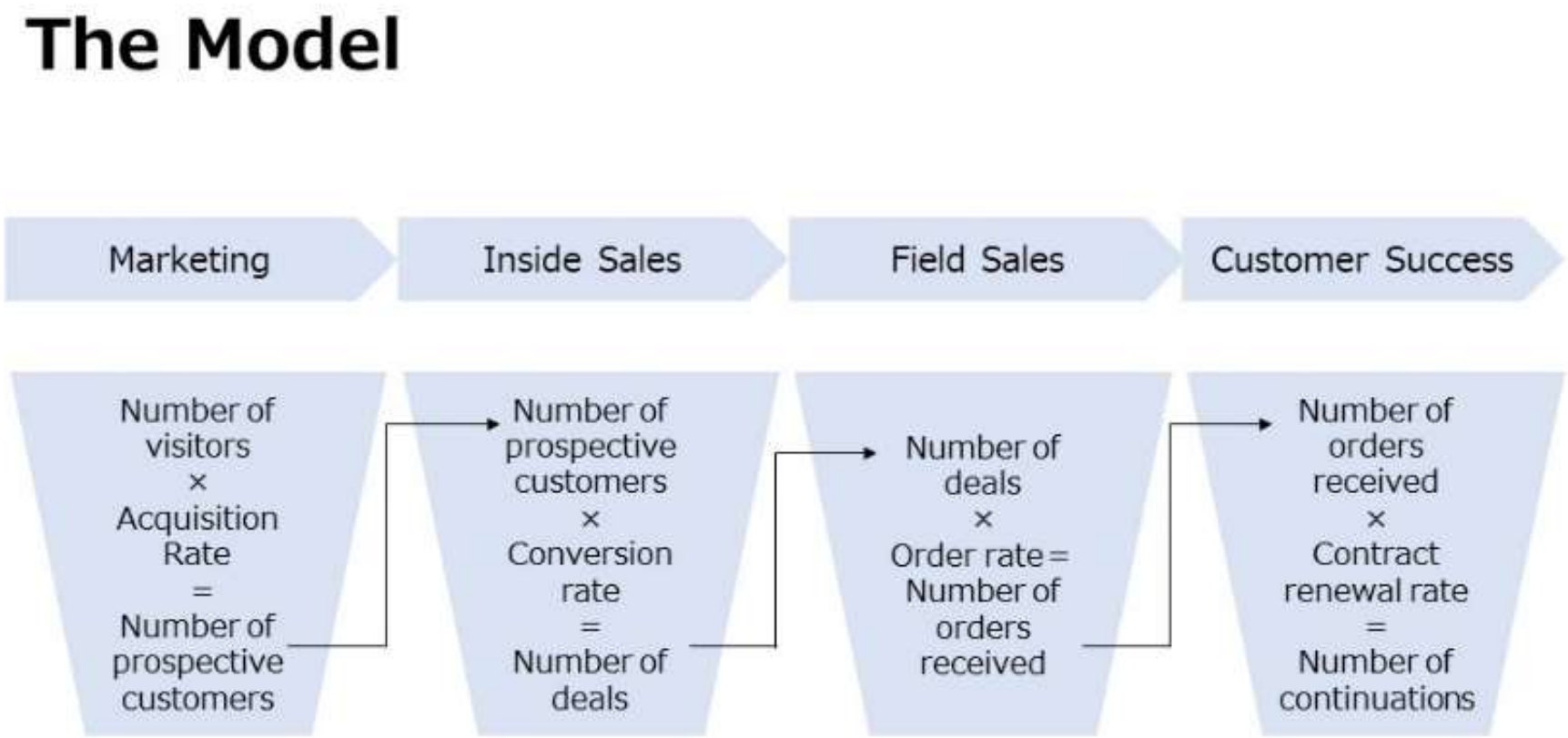
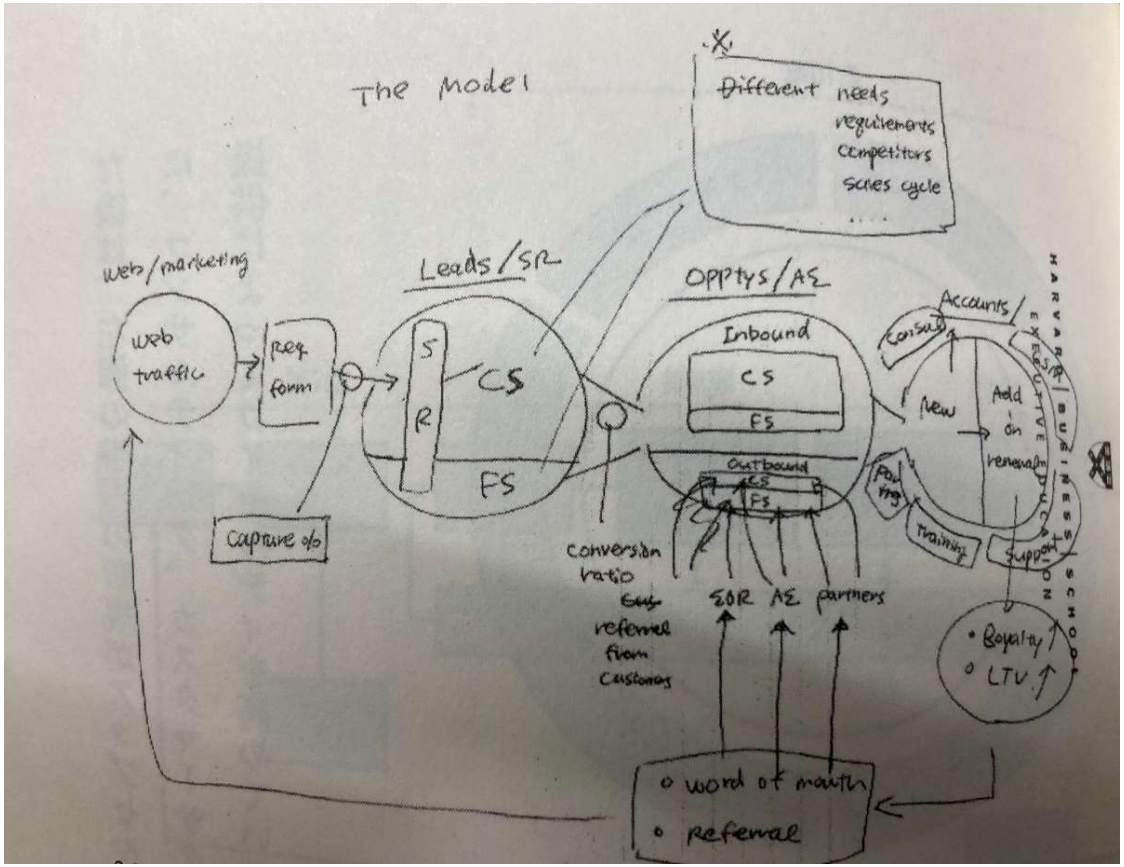


Figure 1: "The Model" as a global standard

(Source: Prepared by the author based on the salesforce.com website)

7. Case Study　(1) Literature survey（6）



Picture 1: "The Model" as written by Fukuda in 2004.

(Source: Fukuda (2019))

7. Case Study (1) Literature survey（7）

Revenue Model

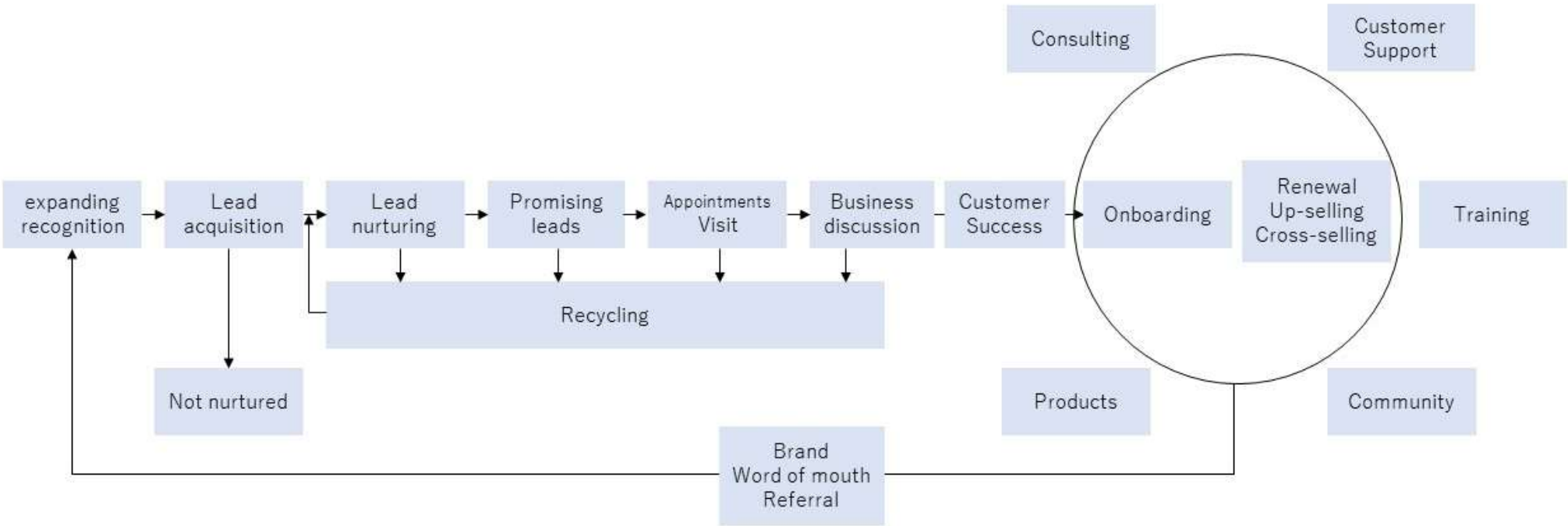


Figure 2: Fukuda's evolving "Revenue Model" for 2018.

(Source: Fukuda (2019))

7. Case Study (1) Literature survey（8）

- In his Twitter feed (January 25, 2022), Fukuda said the following:
- "THE MODEL" is a book I wrote around 2017 with the intention of "sounding the alarm" because I met a lot of people who wanted to do as shown in this diagram, but in reality it is often thought of as a book explaining this diagram (Figure 1).
- As a result, I think I was able to ring some alarm bells, though.

7. Case Study (1) Literature survey（9）

- What Fukuda is advocating is that we should aim to create The Model for our own company.
- In other words, Fukuda himself, who developed and evolved the original model, encourages adaptation and evolution in local and even individual companies, rather than homogeneous management as a global standard.
- At the same time, Fukuda advocates the importance of co-operative, rather than division of labor.

7. Case Study (1) Literature survey (10)

- Humans are creatures that tend to turn against each other as soon as they are divided into groups.
- In order to improve the relationship between two groups that tend to be antagonistic, it is effective not only to improve the content of communication, but also to have common goals that can be achieved by working together.

7. Case Study (2) Interview survey（1）

- On April 15, 2022, I interviewed one inside sales person and one field sales person from Salesforce Japan.
- First of all, the interviewees indicated their understanding that "the basic concept is the same" regarding the difference between what Mr. Fukuda wrote and "The Model," which is used as a global standard.
- They also stated that the indicators used to measure results have been changing based on hypotheses and tests.

7. Case Study (2) Interview survey（2）

- In recent years, the company has been focusing not only on the number of orders received, but also on qualitative aspects such as quality appointments that are likely to lead to business negotiations.
- Currently, the company's Japanese subsidiary generates about 30% of its sales from lost orders.

7. Case Study (2) Interview survey（3）

- While they acknowledge that the model cannot be established if marketing to acquire prospective customers is weak, it is not a one-way street, and the cycle like the model depicted by Fukuda is evident that it is emphasized in the sales practice on site.

7. Case Study (2) Interview survey（4）

- Salesforce's group-wide global vision, values, and methods are designed by the founder and CEO, Marc Russell Benioff, according to the company.
- Although there are differences in the products that can be handled in each country, the company is developing a standardized business globally based on common metrics.

7. Case Study (2) Interview survey（5）

- Among these, sales in Japan are growing significantly, and the company has constructed its first Salesforce Tower (its own building) in Asia.
- The case studies of which products are selling well in Japan and what kind of sales methods are used behind the sales are shared globally as needed.

7. Case Study (2) Interview survey（6）

- Finally, I also asked about the impact of COVID-19.
- First of all, he said that employees are now working completely from home, and online business negotiations are becoming more common.

7. Case Study (2) Interview survey（7）

- In addition, while the number of initial inquiries has increased significantly, many of them are at the information gathering level, and there are issues in improving the accuracy of the information to lead to business negotiations, and marketing automation and inside sales are mainly responsible for this part.

8. Considerations（1）

- The case study demonstrates a situation in which salesforce.com has adapted its sales process in each region while unifying its products to a global standard.
- My initial hypothesis was that there was a dilemma between the global standard sales process and local adaptation.

8. Considerations（2）

- However, the company, which provides a sales process management system as a service, has repeatedly improved its products and services through the implementation of its own sales process.
- Therefore, the current "The Model" is naturally not in its final form.
- Even today, the adaptation and evolution of the model is being carried out by the salespeople on the frontlines.

9. Discussion

- How is the usability of "The Model" in each country and in each company?
- For example, we would like to discuss the differences between B to B and B to C, manufacturing and service industries, as well as differences in cultural backgrounds.

10. Contributions and limitations of this research and future research topics（1）

- The contribution of this study is that the case study of the process of birth, adaptation, and evolution of the salesforce.com "The Model," a global standard sales process management concept, revealed the critical importance of crossing local and global ideas.

10. Contributions and limitations of this research and future research topics（2）

- The limitation of this study is that the target company was only salesforce.com, and we were not able to compare the process of development, adaptation, and evolution of other SFA tools.
- In addition, we have not been able to examine usability in depth; we have only been able to understand the sales process and its negotiation challenges in the context of remote work, which rapidly became commonplace in COVID-19, and only in Japan.

10. Contributions and limitations of this research and future research topics（3）

- Our future research agenda is to address the above issues by establishing a global research network.

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