INFAKT CASE STUDY: SCRUM IN SALES

About inFakt

InFakt (http://www.infakt.com/), is a company delivering an online accounting product. Established in 2008 it grew its business by automation and the simplification of accounting work so that Polish entrepreneurs could focus on their business. Of around 40 people 50% are responsible for software development, and the second half for other aspects of the business, including sales, marketing or customer support. After moving the whole IT department to Scrum in 2015 inFakt decided to start using Scrum in their Sales team to improve its effectiveness. We started with Scrum and finished with a new shape of the organization.

Changing the way we sell products

In 2016 inFakt was struggling with sales efficiency. Four people were making a huge number of calls every day but the results were not satisfactory. At first, managers considered growing the team by hiring more people, however they were not sure where the problem lied, so they decided to check how efficient their process was. inFakt was already familiar with Scrum, as it had been used for over a year by IT teams, so they decided to give it a try in their Sales team as well.

How to add more work to an already busy team?

In contrast to IT teams, Sales have a lot of repeatable activities. In the case of our group, these were mostly phone calls to either new customers that might decide to switch to paid plans, or to existing customers whose subscription was to expire soon.

To improve the process we had to plan experiments and to run them we had to have some free capacity. We started by writing down all the work that was expected to happen over next two weeks. Then we asked the team members to select only those items that really must happen. Every single task was added to the plan, leaving us with no capacity for experiments. We decided to go ahead, and our first iteration focused on transparency and execution of already planned items. In the meantime, we prepared some experiments for the next Sprints.

Running A/B testing

For the next iteration, we had improved our Backlog and added some experiments to run. The biggest problem we were facing was lack of free capacity. Therefore the assumption we wanted to test was whether all the calls were necessary. We'd designed A/B tests for some groups, assuming that we had a large number of customers who would buy whether we called them or not, and also that there are people who are not interested, no matter how many calls they received.

Over the next few iterations, we proved our assumptions were right. In many cases, we were able to identify customers who do not need to be called to make their decisions. In other words, the chance of buying product was not impacted by the calls done by the team. Other calls could be substituted by automation on the product side, for example in the form of automated mailing or better tutorials. As the results of these experiments, over the next four months, we were able to free three out of four people. These members were able to focus on selling a completely new product to a new customer group.

How to show results when there's no product

As opposed to software development, the Sales team had no physical product to show and get a feedback on at the end of an iteration. Therefore presenting the sales results was more difficult than demoing working software. The first Reviews were rather boring, when we tried to show our guesses from beginning of Sprint and the final sales figures. There was no interaction with the audience. Moreover, the Sale Team has limited impact on customers decisions and the new product was difficult to sell, so the data shown was not stunning either. The team felt under pressure and uncomfortable going to Reviews. Therefore in one of the Retrospectives we discussed what a successful Review would look like and planned the next Sprint accordingly. Team members identified and interviewed key stakeholders on their needs and prepared the next Review based on the feedback received. Since then, Reviews have become more of a storytelling, rather than just showing dry metrics. The team began sharing important conversations (including playing some recordings), quoting customers, showing discovered patterns or common needs. Sales Review have become a great input for IT development planning, giving a better understanding of what the customers are looking for and what they're struggling with.

Taking over product responsibility

One of the most important changes Scrum prompted was the taking over of responsibility by the team. Before our experiments, team members usually worked individually with their lead, receiving assignments and executing them. Refinement sessions invited them to the conversation about what is important, what should be done and when, and what should not be done at all. They were involved in designing a conversation flow, where the goal was to understand customer needs rather than to sell the product. They evolved from a sales team into more of a customer support group.

Moreover, biweekly Reviews let the team focus on results, not task execution. One significant moment was when the team decided all by themselves to abandon an experiment in the middle of the Sprint because there were no visible results. Instead of continuing calls which were not leading to achieving the Sprint goal, team members decided to change their approach to contacting customers and running the conversation in another way.

Changing the salary model

One of the side effects of our experiments was a change to salaries. As in many other companies, people doing sales were rewarded based on number of successful calls. Reducing the number of calls the team members were doing took away the low hanging fruits for the bonuses they could get. In other words, team members felt punished for experimenting. As we wanted to attack the problem quickly, we raised it during one of the Retrospectives, letting the team know that managers are aware of it. Together, we discussed potential salary formulas and what could be impacting their wages. Based on our findings, managers modified team members' salaries. However, it took over three months from the moment their income dropped to the implementation of the new model. As one might imagine, this did not impact morale positively. On the other hand, in retrospect, people appreciated management's openness to discuss the difficult problem of salaries with the team members. Moreover, as the team lead noticed, people were way more motivated by the results and ability to make decisions by themselves than by sales provisions.

Transparency everywhere

Visualization is really common in Agile teams. However, what was interesting in the case of the Sales team (and other non-IT teams we've been working with) is their natural ability to quickly pick up physical tools. We've met many software development teams that had a hard time giving up using electronic ticketing tools which reduce communication and limit transparency. So far, we have not observed this tendency in any non-IT teams. Use of post-it notes, flipcharts and whiteboards seems to come more naturally to them. The Sales team ended up with their Sprint Backlog on the window, Product Backlog on the wall and all conversations taking place next to the whiteboard and flipchart.

Do we need a Sales Team anyway?

One year of Scrum experiment in sales led us to many discoveries. First, we understood that most of our calls were not creating value and we could either automate this work or abandon it completely. Second, our customers were not looking for someone who wants to sell a product, but for advisors who will help them run their business using an inFakt product. As a result of this, after a year of experiments, we've slowly moved people from the Sales team to other groups, including Customer Support and decided to try Scrum there as well.

Changing the way we talk with customers

The accounting business has a yearly cycle with the most significant workload in the first four months of the year. During that period the Customer Support group's main responsibility is to answer customer questions received through different media. However, from May the team has some free capacity that could be invested in other activities. In May 2017, looking at the findings we'd made with the Sales team, we decided to try Scrum in the Customer Support team. Together with the team, we planned the first Sprint. We wanted to focus on building a relationship with our customers. Identified work included articles for the blog, improving the knowledge base and the organization of a local Accounting conference.

Creation of an Education Team

Using Scrum in Customer Support gave the team ownership of planned and performed work by reducing managerial control and increasing transparency. This was noticed by both management and team members. People felt appreciated and as the team lead mentioned, "It's easier to share the results of your work when you've planned for them."

During the next eight months the Customer Support Team has successfully run seven events in different Polish cities. Over 80 blog posts and 6 videos recording were created as well. At the same time around 15 hundreds tickets were resolved by the team. As a result, we understand that our customers are looking for domain knowledge and appreciate the professional support from us. With this information, we decided to connect experts from different domains, including accounting and marketing. The new team was named the "Education Team" and its goal was defined as the continuous accounting education of our customers. With the previous history of Scrum usage, the new Team decided to use Scrum as well and joined Customer Support bi-weekly Reviews.

At this moment, almost everyone in the company, except for a few people with internal support roles (HR, administrative, legal) are in Scrum Teams. The Customer Support Team is doing mostly repetitive tasks right now and plans to return to more diverse types of work from May.

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That is not the end of the story. We continue our cooperation so stay tuned.