USING ISO 9001 TO IMPROVE SALES OPERATION PERFORMANCE
A Case Study of Implementation ISO 9001

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This study aims to examine the implementation of ISO 9001 in order to improve the sales operation performance of a management training and consultancy company. More specifically, this research is to identify the performance indicators of the company sales operation, ISO 9001 based sales operation management systems, and the comparison of the sales operation performance before and after the implementation of the model. This study is an action research using descriptive case study. The research results show the sales operation performance indicators and ISO 9001 based sales operation management system model. In addition, the finding of this study indicates that the use of ISO 9001 can improve the performance indicators of sales operation, such as response speed, the number of prospective customers, customer retention and the number of new customers.

Keywords: ISO 9001, Sales Operation, Action Research
The ultimate goal of implementing a new system for a company is to increase company sales and profitability. Although, in the present era, the organization’s performance measurement models such as Balanced Score Card, Service Score Card, and Six Sigma Score Card tried also to measure non-financial aspects but at the end they finally measure the financial aspects such as sales and profitability.

This study aims to examine the implementation of ISO 9001 in order to improve the sales operation performance of a management training and consulting company. More specifically, this research is to identify sales operation’s performance indicators, sales operation’s management systems model, and to evaluate the model implementation results.

This study becomes important because previous researches that studied the relationship between ISO 9001 and sales performance are more perception oriented that could allow subjectivity findings. In addition, another reason for conducting this research is the lack of research that focused in developing ISO 9001 as a sales operation management system. Meanwhile the knowledge is needed by companies who want to improve the sales operation management system using ISO 9001.

Sales Operation

Sales operation is a part of the marketing activities. Kotler (1997) states that the core processes of sales operation include search and qualify prospects, sales initial approach, sales approach, presentation and demonstration, overcoming objections, closing, follow-up and maintenance.

Sales operation management system itself can generally be divided into three major parts, namely the design of sales operation, sales force management, and increase sales effectiveness. Designing sales operation includes setting sales objectives, sales strategy, sales force structure, size of sales force, and sales compensation. Sales force management includes recruitment and selection of sales force, sales force training, sales force supervision, sales force motivation, and sales force evaluation (Kotler, 1997).

Based on above explanation, this research defines the concept of sales operation and sales operation management system as follows. Sales operation is company activities to search and qualify prospect, approach prospect from sales opening until closing, and maintain customer relation in order to get repeat order. On order words, it could be said that sales operation consists of three main activities which are prospect data gathering, sales prospecting, and customer maintenance.

Meanwhile, sales operation management system is a system to direct and control an organization related to sales operation activities, including its all supporting process. From those definition, The ISO 9001 based sales operation management system is wished to improve the performance of sales operation in term of prospect data gathering, sales prospecting, and customer maintenance activities.

ISO 9001:2008

ISO 9001, an international standard for quality management systems published in 1987 and revised in 1994, 2000, and 2008, is a standard that has been widely accepted. Based on a survey conducted by ISO in 2005, this standard has been adopted by more than 775,000 organizations in 161 countries (Magid and Nabulsi, 2007).

Dijen (2005) explained that the standard represents an international consensus on good management practices with the aim of ensuring that the organization can continuously deliver the product or service that meet the customer’s quality requirements, enhance customer satisfaction, and achieve continuous improvement of its performance in pursuit of these objectives.

One of the advantages of this standard is its generic nature that can be applied to all organization without depending on the type, product, and size of organization (ISO 9001, 2008). ISO 9001 can be applied at all levels of an organization or a particular part of the organization. A large organization usually starts certification with a «pilot department» prior to certification as a whole performed (Van den Bergh, 1997). In this context, ISO 9001 can be used as a baseline for developing a sales management system operation of an organization.

Applying ISO 9001 in an organization is means executed all organization process according to ISO 9001 requirements. At that context, ISO 9001 based sales operation management system is a way of company to direct and control its sales operation activities using the requirement of ISO 9001. A company needs to identify all sales operation and its supporting process and mapped to ISO 9001 requirement. All requirements should be interpreted how it will be perform on the company sales operation management system.

To simplify the model arrangement and easier to be understood by non ISO 9001 practitioners, this research itself will describe the ISO 9001 requirements interpretation as three main processes which are sales operation core process, supporting process, and management process.

The Reason of Using ISO 9001 as Sales Operation Management System Model

There are some reasons for using ISO 9001 as the baseline system of sales operation management of an organization. This argument is justified by analyzing the ISO 9001 requirements contents.

First, ISO 9001 provides a sales operation management system comprehensive
Fourth, ISO 9001 directs the customer-focused culture. There are some ISO 9001 requirements that could push this culture development which are customer focus, customer related process, and customer satisfaction. On the customer focus requirement, Organization is required to ensure that all customer requirements is identified and met. On customer related process requirement, organization is required to have a system to identify, review, and communicate related to customer requirements. Meanwhile, the customer satisfaction requirement pushes organization to monitor its customer perception related to its performing services.

Fifth, ISO 9001 directs the sales operation’s human resource aware and competent of their duties and responsibilities. ISO 9001 requires the organization to set the personnel standard competency and have a mechanism to assess its personnel competency and full fill the competency gap. ISO 9001 also requires the organization to have a mechanism to evaluate the effectiveness of competency gap treatment.

Sixth, ISO 9001 directs the sales operation to have adequate and well maintained infrastructure. At this case, ISO 9001 require the organization to set a mechanism to identify and maintain the infrastructure in term of infrastructure and working environment clauses.

Seventh, ISO 9001 directs sales operation to looking for continuous improvement. ISO 9001 is adopting Total Quality Management philosophy that placed continuous improvement as the objective of the system. Several requirements are mentioned in the standard in order to support this principle mainly in measurement, analysis, and improvement requirement section.

Previous Researches
Several studies have proven that the ISO 9001 implementation could assist companies to achieve its «bottom line» goal which is sales improvement. Magd, Kadasah and Cury (2003) explained some research as follows. Sun (1999) examined the certified Norwegian companies, among the results obtained is that there is a positive relationship between the implementation of ISO 9001 with a decrease in customer complaints and increase profitability. Tan and Lim Teck Sia (2001) examined 100 Malaysian companies certified, the results show 31% felt decreased production costs, 12% experienced an increase in market share, and 12% had export potential. Buttle (1996) examined 1.220 companies in the United Kingdom and found that most companies feel gain increased marketing. Casadesus et al (2000) studied 500 firms in Spain as well, and Padibio Quazi (1998) examined firms in Singapore also obtained similar results. Sissel (1996) conducted a survey over 1.880 companies and obtained 85% felt increased its market share. Wayhan et al (2002), Aarts and Vos (2001), Eklof et al (1999) revealed that the main benefits of implementing ISO 9001 is increasing revenue, process improvement and market share.

Even though all those previous researches have shown that ISO 9001 implementation has positive influence to sales improvement, the studies was conducted using self report assessment methodology. This method has potentially to lead the study result will bias and full of respondent tendency. Despite that condition, this study will try to fix and strengthen those previous researches by using participatory action research. In order to ensure that only the implementation of ISO 9001 that influence in achieving the performance indicators of sales operation, the research object is designed not to develop programs or other marketing systems.

Methodology
The Research Design
This research is action research at a management consulting and training company. In this context, the researcher was involved as a system designer, implementer, and evaluator.

The research object was established in 1996. Specifically, the research object provides consultancy and training in quality management, strategic performance measurement and standard based management. The research object has three divisions' namely operational divisions, project development division, and marketing divisions. This research was conducted in the marketing division which
has the primary duty and responsibility of managing and running the sales operations activities.

This research is divided into three main stages as shown in Figure 1. The first stage aims to identify indicators that can be used to assess the performance of the research object’s sales operation. The second stage aims to develop a process model of ISO 9001 based sales operation management system. The third stage aims to implement and evaluate the effectiveness of the process model. The evaluation was done based on the comparison between the performance indicators generated in the first stage.

The data that collected is existing sales operation indicators types and sales operation management system. The sales operation indicators type is measurement criteria that using by the company to evaluate and monitor its sales operation performance. We identified two level indicators which are indicators used by Director and Division Head.

The sales operation management system data collected using framework of ISO 9001 as shown in figure 2.

We observed and identified existing system includes management process, resource (support) process, product realization (core) process, and measurement, analysis, and improvement process.

The model implementation was performed on 2009. The implementation begins with the training and socialization of the new system for sales force. Throughout the implementation, researcher acted as Head of Marketing Division to ensure that the implementation is going as planned. In addition, to ensure that only the implementation process model factors that influence in achieving the performance indicators of sales operation, the research object does not develop programs or other marketing systems. For the purposes of evaluating the effectiveness of applying the model, data was used based on the results of the annual company meeting before and after implementing ISO 9001-based sales operation management system model.

The Data Collection Methods

The study was conducted during two years of January 1, 2008 until December 31, 2009. During 2008, we conducted the sales operation performance indicators and ISO 9001-based sales operation management system model development. Data collection methods on this phase include a review of corporate data and documents, informal interviews, discussions and meetings with the Board of Directors and Chief-Division Head.

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Results and Discussions

Sales Operation Model

Initial Condition. Before the implementation of ISO 9001 sales operation management system, the research object mainly monitor and measure the sales operation performance using the sales achievement. Other else was the prospect status. Both indicators were monitored by Director and Division Head using the weekly and monthly meeting. This condition lead the company could not quickly identified the causing problem of the unachieved sales target.

Sales Operation Model. Based on the existing problem, the sales operation model indicator was developed as follows. Research object’s sales operation performance indicators can be divided into two indicator categories which are process indicators and outcome indicators. The process indicators are used to set the sales operation processes standard. Meanwhile, the outcome indicators are a measure of the effectiveness of whole sales operation management system.

Process indicators were developed based on the core process of the sales operation. These indicators are number of leads, response time to demand prospects, the number of presentations, and follow-up of the old client result (customer retention).

The outcome indicators were derived based on the company’s business plan. The research object’s outcome indicators are the value of the contract (sales) and number of contracts obtained.

ISO 9001 Based Sales Operation Management System Model

Initial Condition. Before the implementation of ISO 9001 sales operation management system, the research object only see the sales operation as the role of marketing function. At the management and improvement process, there is a marketing planning, but in other side the organization lack of control in executing the plan. However the Division head didn’t have a system to monitor daily sales operation and improve its performance.
At the resource (support) process, there is no a system to identify the necessary competency for sales force and how to evaluate it. This leads the sales force lack of competency in selling the product. The dependency to consultant assistant is very high.

At the product realization (core) process, there is no a system that ensure sales force identify the customer requirement in order to win the bid. However, this condition leads the product offered was very standard and did not customized as Customer needs. On other words, the product competitiveness tends to low.

Beside that, there is no minimum standard to execute the core process. There is one condition that the company lost the bid because they didn’t follow up the prospect.

Sales Operation Model. In order to fix initial condition, sales operation management system model that was developed consists of three main process groups which are the core sales processes, support processes, and management and improvement processes. The model is shown in the figure 2.

The core sales process consists of prospects searching process, project opportunities information handling process, preparation of bid proposals process, presentations, follow-up process, the process of preparing the contracts, and customer care processes. Each core process should have the acceptance criteria and standards that must be fulfilled by the sales force or other person in charge. To ensure everyone has the same knowledge, procedures and manual was developed and distributed.

On the project opportunities information handling process, sales force is required to identify the prospect’s requirements and preferences in selecting service providers’ candidates. The result of these activities would be an input to determine strategies for the subsequent processes. In simple terms, this process model wants what is given by the organization in accordance with the needs and preferences of prospects. So that the opportunity to gain contract greater.

Sales support processes are the processes required to support the effectiveness of core sales process implementation. These processes include the sales force competency evaluation process, sales force training, infrastructure support process, documentation process, and outsourcing marketing personnel selection process.

Process management and improvement is a process that serves to plan and improve the effectiveness of the core sales processes. This process group consists of planning process, monitoring process, and regular evaluation process. In the planning process, target and acceptance criteria of each process was developed. Monitoring and evaluation process was conducted by the Head of Marketing Division. In general, the processes are divided into three areas which are daily, weekly, and monthly. Each of these activities has the different kind report.

**The Comparison Before and After the Model Implementation**

Before implementing the sales operation process model, the research object did not monitor and measure process indicators. Therefore, the comparisons can be displayed is the outcome indicator. The result is shown in Table 1.

Based on Table 1, it can be seen that after the model implementation, the research object has increased outcome indicators. In terms of the acquisition contract, the research object achievement has increased by 39% while the terms of the contract value increased by 52%.

**Table 1. Outcome Indicator Comparison between Before and After the Implementation Model**

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicators</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contact Value</td>
<td>708,000*</td>
<td>1,096,150*</td>
</tr>
<tr>
<td>2</td>
<td>Contact Number</td>
<td>23</td>
<td>32</td>
</tr>
</tbody>
</table>

Sales Operation Improvements. Even though, the process indicators could not be compared directly, there is some point of improvement that could be highlighted. First, from the human resource aspect, the ISO 9001 implementation could increase the competency of sales personnel. This is caused ISO 9001 sales operation model has a mechanism to set, evaluate, and full fill the competency gap. Second, from the aspect business process, the ISO 9001 implementation could make the flow process mapped and avoid overlapping process, responsibilities, and authority of the personnel of the sales operation. This is caused ISO 9001 sales operation model has to identify its flow process and create a standard process. Third, from the prevention aspects, the ISO 9001 implementation could increase the organization awareness of sales operation problems. This caused ISO 9001 sales operation model has to monitor process indicators that could lead the quick detection of problems.

Discussion

The performance indicators developed in this study consists of two types of indicators which are process indicators and outcome indicators. This is based on the idea that the results will be achieved when the process indicator is reached. These indicators are in accordance with familiar performance measurement models such as Balance Score Card or Service Score Card in which the organization is not only measures the outcome parameters (lag indicators) but also the process parameters (lead indicators).

The sales operation management system process model was following the ISO 9001 process model which is also composed of three main groups of product realization processes (core processes), process resource management (process support), the process...
Having developed performance indicators and process model in accordance with the sales operation, the implementation results showed that the model can work and provide some benefits such as increasing both the number and value of the contract. In addition, the model also identifies the process indicators such as: number of leads, response time to demand prospects, the number of presentations, and follow-up of the old client result (customer retention). Although they can not be compared directly, these indicators can also be predicted increase by the implementation of this model. This is based on the experience of the research object had reached a contract failure caused by these indicators before implementing the model. However, this is not repeated when the model was applied.

Based on those findings, it could be said that it is important for a company to monitor its sales operation process and outcome indicators. This will lead the company to quickly identify the causing problem of the unachieved sales target. Beside that, an effective sales operation management system should consider, integrated, and include the core process with management and improvement process and support (resource) process. For resource process, it should be noted that standard competency of sales force should be decided and evaluated.

Conclusion
ISO 9001 is a generic standard so it can be applied to all types of organizations both in the overall organization as well as in certain parts of the organization. This research has examined the implementation of ISO 9001 as the base model of a management consulting and training company sales operation management system.

The Managerial Implications
The research result shows the importance of monitoring the process indicators, not only the outcome indicators. The management of company could identify the process indicators by mapped their sales operation process and decide the critical items to be monitored. However, the time for measuring the process indicators is should be set at shorter time than outcome indicators. For example, the monitoring of response time to demand prospects, this indicator should be daily monitored.

The research result also shows the importance of sales operation practitioners to notice not only the core process of sales operation but also support process, mainly human resource process. The sales operation practitioners could work together with human resource personnel to develop the personnel standard competency and competency evaluation mechanism.

Conclusion
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The purpose of this study is to investigate the extent to which customer satisfaction influence multidimensional commitment, repurchase intention, and advocacy intention. This research also investigates the impact of multidimensional commitment on repurchase intention and advocacy intention. The model was examined in the context of a service relationship—people processing. This study conducted at Bandung using survey to 200 respondents. Structural equation modelling (SEM) is used to examine the effect of customer satisfaction on multidimensional commitment, repurchase intention, and advocacy intention, and also examine the effect of multidimensional commitment on repurchase intention and advocacy intention. This research found that customer commitment (affective and normative) serves as a partial mediator of the customer satisfaction-future intention relationship. This research also found that normative commitment was strongly and positively related to repurchase intention. Affective commitment was positively related to repurchase intention and advocacy intention. In addition, this research found that customer satisfaction was strongly and positively related to multidimensional commitment. Customer satisfaction was strongly and positively related to repurchase intention and advocacy intention. These findings have important implication that service providers have to focus attention on both the evaluative force (customer satisfaction) and the relational forces (customer commitment) that derive crucial customer behaviors.

Keywords: kepuasan pelanggan, loyalitas pelanggan, komitmen multidimensional