Ensuring a Successful Sales Organization
Aligning Sales Methodology and Technology

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October 2004

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Executive Summary

This paper will provide guidelines for choosing SFA systems, describe how a sales process can improve input, and suggest implementation approaches to accelerate the acceptance and benefits of SFA.

Companies spend staggering investments to make and keep their offerings competitive. Since the mid 90's, major expenditures have been made in CRM (Customer Relationship Management), often with mixed results. CRM gained quick acceptance and was viewed by some organizations as a way to introduce sanity and structure into sales and tactical marketing.

However, one area that has historically resisted the application of technology has been sales, largely because most organizations do not have a defined sales process. Yet, by providing a centralized location to store account history and detailed contact information for every buyer, and automating what had been manual tasks, Sales Force Automation (SFA) and CRM have begun to positively impact sales efforts.

The benefits organizations realize are often limited by the quality of the data being entered into the system. It is difficult for companies to plan production and predict top-line revenue based upon subjective opinions of their sales staff. Integrating a sales process allows organizations to reap the full benefit of SFA systems.

Applying Technology Without Process

Today, numerous SFA vendors offer tremendous functionality. Buyers even have a choice of implementing the software on premise or choosing hosted applications, which can dramatically reduce implementation times and total cost of ownership.

Still, a barrier to realizing the full benefit of SFA has been that technology works best when applied to a repeatable process, and most sales organizations have been unable to codify how they sell. Salespeople individually determine how to make calls and are the primary source of input to an SFA system. As you might expect, the data entered describing outcomes of sales calls is often subjective and inconsistent.

As an example to show how technology is not a process but a way of automating a process, consider a manufacturing company not meeting production targets. To reduce parts shortages, executive management decides to implement ERP software. But, unbeknownst to them, the Bills of Materials (lists of component part numbers and quantities for each product) used by procurement differs from how their products are actually built on the shop floor.

With a flawed process, introducing automation will merely "speed up the mess"—not solve the problem of increasing production.

Standardizing the selling process to better define the outcomes of sales calls is a necessary component to maximize the benefits achieved with SFA. CustomerCentric Selling® (CCS®) provides a process to influence the words sales people use during sales calls.

Combining CRM With Sales Process

SFA has held the promise of helping salespeople make better calls and for companies to do a better job in managing sales pipelines. Yet, after disappointing results, some have concluded the weak link to their systems is subjective input from salespeople in interpreting the outcomes of sales calls.

Regardless of the SFA software chosen, one of the major challenges as relates to establishing and enforcing best practices, improving the quality of sales calls and better pipeline management is the reliance upon subjective opinions from salespeople. Implementing sales process enables managers to edit the input for more objectivity. This leads to more reliable output upon which to base conclusions for best practices.

Companies that have implemented SFA or CRM applications have learned there are no magic bullets. In sharp contrast to the mid 90's, the recent business environment has supported much less "knee-jerk" buying. As with any software, the major challenges in achieving the desired benefits are:

1. Having a defined sales process to automate
2. Customizing the application to fit your environment
3. Ensuring users adopt it

Taking SFA to the Next Level

Combining SFA with a defined sales methodology not only ensures sharing and enforcement of best practices, but can also generate competitive advantage within a marketplace.

If an offering is perceived as being a commodity, the better salesperson will usually prevail. Even for offerings that are not bought as commodities, the seller exerts significant influence on the buyer's ultimate decision. The challenge for organizations is to leverage their technology investment to best influence the quality of the calls the majority of their salespeople make. Most senior executives would welcome an opportunity to clone their top sales performers.

Sales Methodology

A well-defined sales methodology enables you to define and implement a sales process that ensures more objective input to SFA. Potential benefits of implementing standard sales processes include:

- Shorter sell cycles
- Increased win rates
- Shorter startup times for new salespeople
- Improved forecasting accuracy
- Reduced cost of sales
- Reduced discounting
- Higher percentage of salespeople achieving or exceeding quota
- Integrating marketing and sales efforts
- Empowering sales managers to assess and develop their staff

The fact that SFA offers potential improvement in these areas supports the case for integrating sales methodology and technology. Before addressing integration, let's take a closer look at what sales processes really are and how they can provide input to SFA applications.

Implementing a sales process requires the following five components:

- Standard milestones that define the steps in sales cycles
- A common skill set for the sales staff
- Consistent positioning of offerings by salespeople to frame the outcome of sales calls
- A standard way to document calls so sales managers can audit opportunities
- Acceptance and adoption by the sales staff

Standard Milestones

Sales process milestones, also called "stages", provide a road map to guide sales organizations through sales cycles. Even broad or nebulous milestones ensure salespeople share a common understanding of the steps involved in making a sale.

A common misconception of many organizations is assuming they have a single process. However, upon closer examination, most companies discover they have several sales processes—add-on business, professional services, maintenance agreements, contract renewals, new accounts, national accounts or global accounts.

One of the challenges in implementing a comprehensive sales process is ensuring milestones fit your selling environment, and that milestone deliverables or tasks expected from the sales staff are commensurate with the size and complexity of a given opportunity. If expected deliverables are out of proportion, your sales staff will fight the process and would be correct in doing so. To avoid this situation, first define the steps in your most complex sales process, since milestones for other sales processes are usually a subset, and then reduce the steps for less complex sales.

Set Milestones that Work for You

It is common even for a given type of sale to have varied deliverables based upon transaction size. An example might be having no requirement for add-on business with customers for less than $10K, a simple set of steps for transactions from $10K-75K, and additional steps for deals of $75K or greater. Senior management should set these thresholds. Allowing latitude to the field points salespeople down the road of anarchy.

Milestones are helpful in enabling discussions between sales staff and management, but care should be taken to have some concrete, auditable steps. Managers often use milestones and year-to-date performance to project the likelihood of achieving quota. Asking or requiring a salesperson to have at least $250K in the pipeline at a particular milestone within 30 days virtually ensures the rep will attempt to convince his or her manager that, indeed, they have achieved that number in their pipeline. If there is no objective way to determine achievement of milestones, how confident can your managers be that the seller's opinion matches reality?

Reducing Subjectivity

Having auditable milestones helps to reduce the degree of subjectivity in grading pipelines. Whether using an Excel spreadsheet or SFA to forecast, the opinions of salespeople who are under pressure to show sufficient activity is—in many cases—the input.

The major reason CFO's require sales forecasts is because they need to know top-line revenues in order to predict and achieve earnings. Their objective in forecasting is significantly different than that of a salesperson with a thin pipeline attempting to show their manager an adequate level of activity and progress to keep the manager off their back. As long as salespeople forecast, this will be an issue. To allow for this, the vast majority of CFO's discount the forecast they receive from sales.

By enforcing objective, auditable tasks, your sales management can make assessments independent of their reps' subjective input—and CFO's can be more confident of pipeline accuracy. A good SFA solution goes a long way in providing the functionality to automate task management, ensuring your entire sales organization is held to the same series of tasks according to sale type.

Some examples of auditable tasks might be:

- A site survey done by a support person
- A call made by a professional services consultant
- A formal cost vs. benefit
- A meeting with a specific title or titles within a prospect
- A credit review
- A prospect visit to a reference account
- A demonstration of your offering
- A quote sent to the prospect

The creation of milestones tailored to different types of sales provides organizations a road map of sales cycles. Adding a higher degree of milestone auditability minimizes the importance of seller opinions as to how qualified or real a given opportunity is. A test would be to have multiple managers assess deliverables from a particular opportunity to see if everyone arrives at the same conclusion as to the stage in the sales process.

Cloning Your Best Salespeople

Most companies have a small percentage of salespeople that consistently achieve or exceed their assigned quota. These superior salespeople are naturally customer-focused and are comfortable calling at high levels because they understand executive buyers are most interested in hearing how the offering impacts business results.

The best salespeople intuitively understand the steps required and the titles they must call on to maximize the chances of being successful. These sellers require minimal coaching from their managers.

Overall top-line results could be dramatically improved if there were a way to share their best practices with the rest of the sales organization.

Having Your Average Reps Emulate Top Performers

In sharp contrast, the majority of salespeople struggle to achieve their quotas year in and year out. These traditional sellers have a tendency to lead with the features and benefits of their offerings and are most comfortable calling at lower levels, where buyers are most receptive to product-centric sales calls. Traditional sellers often rely upon internal "champions" to sell their offerings up to top management. These are sellers that require more hands-on coaching from their managers.

Intuitive sellers only need a compass while traditional sellers need a map and directions. With clearly defined sales stages, your managers can coach less intuitive salespeople through sales cycles. If stages can be defined to approximate those that customer-focused sellers execute, best practices can be shared. Road maps help to maximize the chances of succeeding for two major reasons:

- They define the ultimate objective so there is an overall plan. This differs from sales cycles whose direction changes on a call-by-call basis.
- Defined steps allow managers to coach traditional sellers on a step-by-step basis.

The other major benefit is that over a period of time, your managers can assess where blockages occur in each seller's pipeline. This helps determine potential skill deficiencies such as business development, need development, getting access to power, controlling sales cycles, closing and negotiating. Based upon past difficulties, managers can make joint calls or strategize with a salesperson at the specific point or points in the sales cycle where they've had difficulty.

To go a step further in attempting to clone the behavior of top performers, map selling skills and techniques to achieving defined milestones and strive to help your salespeople more consistently position their offerings.

Consistent Positioning of Offerings

Even with standard milestones and a common skill set, process will not be possible unless your sales staff is supported with consistent messaging to position their offerings when calling at executive levels. Traditional salespeople tend to make product-centric calls—deadly when calling at executive levels. Getting access to this level will not have the desired effect if the seller can't relate their offerings to an executive buyer's business issues. Failure to do so leads to being delegated downward or worse, to dismissal because the executive doesn't understand the potential value of using your products or services.

Superior salespeople make different calls based upon the title of the person they are contacting. They intuitively understand the higher the call is within an enterprise, the less product-centric the call should be. Executives and decision-makers give sellers 30 minutes or less to generate interest in their offerings. Executives also prefer to start with a discussion of their business needs and then understand how the offering could be used to improve results.

Knowing what to say is critical if a potential sale is to advance through the defined milestones. In too many companies, sellers are required to develop their own messaging—ultimately shaping the buyer's perception and expectations. In other words, even though it doesn't appear in his or her job description (nor should it!), positioning offerings falls on the shoulders of the salesperson by default.

How can managers effectively evaluate opportunities when salespeople independently decide what to say about their offerings?

Sales Ready Messaging®

An alternative is to create *sales ready messaging®,* with the objective of helping sellers have directed conversations with each targeted business level buyer. If conversations are more structured, the outcome of calls becomes more predictable, empowering sales managers to take a more active role in making qualify/disqualify decisions. The first step in creating sales ready messaging® is to create a list of Key Players.

Key Players are those titles within organizations that your salespeople must call on in order to sell, fund and implement an offering. Most sales organizations discover this is a predictable list. For a company selling CRM, a potential Key Player list would be:

- VP of Sales
- CEO/COO/CFO
- VP Marketing
- VP of IT
- Call Center Manager

The CXO titles are listed together because these conversations would be similar, all relating to improving bottom line results. Also note we did not list titles below middle management. The higher the title within an organization, the more predictable the conversations and creating a Key Player list directs sellers to execute a top down (vs. bottom up) approach. The next step is to create a menu of high probability goals for each Key Player.

For example, supporting standard milestones is an SFA feature that can be used to improve forecasting accuracy. A seller mentioning the feature runs the risk of the buyer not fully understanding how it would be used. To avoid confusion the feature is converted to a usage scenario:

Event:	After making calls
Question:	would you want
Player:	your salespeople
Action:	to be prompted via their laptop to update progress on each opportunity against pre-defined milestones in a centralized database?

By executing the questioning template at the right time to the right Key Player, the outcomes of sales calls become more predictable. Your sales managers don't have to be on the call to get a sense of how the conversation went. Every sales manager within the company can now use standard debriefing questions. This is possible because the buyer's solution has already been "framed." Even better, your managers now have the ability to access each salesperson's funnel and electronically coach them through buying cycles, effectively leveraging their experience to help increase win rates, quota performance and earnings.

A good SFA solution supports usage scenarios and scripts by identifying at what stage in the cycle certain usage scenarios are used, and then consistently enforcing them across the organization with corresponding sales tasks. This capability supports the concept of cloning the best salespeople—great salespeople already use scenarios and understand their prospect's business needs before presenting features and benefits. This ensures that average salespeople will use the most effective business-focused pitch to the right title and at the right stage in the sales process. Without a good SFA tool, this may occur randomly, will be difficult to enforce and monitor, and won't ensure consistency.

Auditability

After implementing sales ready messaging®, your sales managers can gain an understanding of the outcome of all Key Player calls. Sellers can negotiate a written sequence of events with buyers mutually agreeing to a schedule of steps leading to a buying decision including an estimated close date.

When agreed upon, this sequence of events allows sales managers to select opportunities to forecast while knowing approximately when the buyer plans to make a decision. By having Key Player Letters and a sequence of events readily enforced with a good SFA system, the role of sellers becomes one of building and documenting potential opportunities in their funnels rather than of guesswork and subjectivity. Your sales managers are responsible for auditing deliverables, grading pipelines and forecasting—not hunting down salespeople to follow the process.

User Acceptance and Adoption

In your experience, can you remember any software vendor failing to claim ease-of-use as one of their competitive advantages? It is customary for SFA vendors to claim ease-of-use as one of their offering's attributes on executive calls. Making the same claim to salespeople who will be expected to use the software on a daily basis is a greater challenge—they are all from Missouri, the "Show Me" state.

A major component of ease-of-use is relevance to the tasks at hand. Companies that perform sanity checks to verify what they require salespeople to enter is relevant and necessary enjoy a huge advantage over those who don't. Ease-of-use is not only an attribute of the SFA software. Another critical factor is how well the application has been customized to fit your selling environment. A good SFA solution should be customizable to fit your sales strategy, so you can implement the right process, milestones and tasks that fit your business.

Two observations about an SFA system:

- If it isn't easy to use, salespeople won't use it.
- If it's easy to use, but salespeople aren't getting value, they won't use it.

Based upon past experience with SFA, or having heard war stories from their peers, salespeople may view SFA as something to be" dealt with." The required input can be perceived as a burden that mostly benefits others within the organization. In extreme cases, an SFA system can be viewed as "big brother" enabling management to selectively put sellers under a microscope. Salespeople may feign acceptance but work around the system, choosing to enter only those opportunities that appear winnable (or that have already been closed).

By better articulating potential benefits to salespeople—specific metrics for improvement with customers in win rate, reduction in sales cycles, improved cross-selling, quicker startup times, and the like—you can reduce pushback and increase acceptance.

Adoption

Having milestones, a common skill set for salespeople, consistent product positioning and a way to audit opportunities in place will not ensure success unless your sales force uses the technology. In implementing change, human nature is such that the initial reaction tends to be one of resistance. Many salespeople feel sales is far more art than science and may well be skeptical about relying upon the new system as they attempt to achieve their numbers and desired earnings. One idea some companies have adopted that works well is to form an advisory board with representation from the sales organization to ensure input is solicited for changes and enhancements going forward.

Once past the initial learning curve, salespeople discover that administrative tasks take less time. Complete contact information reduces time spent to oversee activities of other staff within their accounts. Lead tracking minimizes the chance of inadequate or no follow-up. Sales managers can share best practices and begin to manage on an exception basis (those that vary from best practices).

Acceptance by the entire sales organization should contribute to a higher quality pipeline, shorter sales cycles and a “single version of the truth” for all people to access. Senior management can realize increased revenue because salespeople are making better calls, and the CFO can be confident that the forecast resembles reality.

Management Support

Managers’ support is critical in driving usage of the SFA system. If salespeople sense a lack of commitment by their manager they likely will do whatever minimum gets them through. In the same way salespeople should be “sold” on the personal benefits of SFA, so it should be for first-line managers. If managers had to inspect deliverables input by salespeople before they could grade an opportunity, the adoption would be mandated. Senior sales executives should also imbed the SFA system as one of the fundamental tools sales managers use to assess, support and develop their staff, as well as using the system from their desktops to review the revenue pipeline.

Choosing the Right SFA Solution

The widespread acceptance of SFA and CRM means that there are numerous vendors and offerings available. In evaluating vendors, there is a fine line between enlightenment and confusion.

One major decision is whether to consider hosted or non-hosted applications. Either provides functionality, but hosted applications usually offer quicker implementation, reduced up front expenditures, and lower total cost of ownership. The application is run and managed by the vendor versus being done in house.

As we have previously stated, the ability to customize tasks or steps to match your processes is vitally important and should be factored into your decision. A good SFA solution is one that can be tailored to meet your unique and dynamic needs.

Flexibility

While customization for your organization is an important step, keep in mind that salespeople exhibit diverse work habits and approaches. An SFA system should provide the ability to personalize usage of the system at user levels—to increase adoption, facilitate ease-of-use, and increase efficiency. The ability to personalize a homepage or portals to better mesh with the way a person works can go a long way towards becoming an ingrained habit. It is the equivalent of adjusting the seat, steering wheel and mirrors to your specific requirements before driving a car. By being able to format a welcome screen with current opportunities, to-do lists, and unique time-sensitive tasks, salespeople begin to feel the system is working for them, not vice versa.

Salespeople will vary as to what they want beyond the basic dashboard screen offered by an SFA application. Providing them the ability to configure it to their specifications without IT reliance will help to maximize acceptance and productivity.

Work Flow Customization

Most sales environments are interrupt-driven. Whether in the car, office, or at customer locations, interruptions are inevitable. Entering information in a logical sequence and flow makes using the system and handling partial entries easier. At the same time, the ability to enter notes about conversations as they occur and file them later into a specific account will reinforce that salespeople can efficiently interact with the application in the normal course of their business day. Workflow rules also automate sales processes such as approvals, and can be customized to match business needs/strategy.

Within a process defined by senior management, salespeople appreciate the ability to define their personal workflow to achieve and report against standard milestones. Imagine the difference in workflow between an inside sales person responsible for generating new leads, and a senior account executive handling three major accounts. If salespeople lack the ability to modify workflow within the system, some (or all), of the staff will conclude the system does not fully meet their needs.

360-Degree View

A 360-degree view enables sales, marketing and support to access a summary of all activity within an account, minimizing the chance of looking uninformed to a customer or prospect. Without such a view, salespeople are distracted from their primary focus—bringing in revenue for the company—as they are asked time and again by non-sales staff to provide background information on their accounts.

Companies with internal call centers have a way to pass leads with detailed summaries of initial conversations, providing continuity when outside salespeople follow up with buyers. Product marketing can analyze wins and losses to better determine market requirements so new announcements will reflect buyer needs. Products aligned with buyer needs are easier to sell. And, marketing can electronically route leads to salespeople, ensuring prompt follow up, while future campaigns can be fine-tuned based upon past results so the number and quality of leads can be increased.

Improved Productivity

Salespeople and managers can project one sales cycle ahead to verify there is sufficient activity in each pipeline so quota can be met. If there is a projected shortfall, additional business development may be required. The key here is that activity can be increased proactively versus reactively several weeks or months later.

Sales organizations can share best practices. It could be that after collecting data there are particular vertical industries or titles where win rates are better. There could be sharing of specific tactics against know competitors, complete with intelligence about their pricing, strategies, etc. Past events in sales cycles that have lead to losses can be identified and proactively monitored.

Based upon past transactions, salespeople can be prompted with suggested additional offerings the customer is likely to want. When new offerings are announced, salespeople can be provided with a “hot list” of accounts to contact first.

Conclusion

Having an SFA or CRM system in place has become the norm. Companies attempting to integrate sales process with automation can elevate their expectations to making the way they sell a competitive advantage.

Consider the number of loss reports in which salespeople cite price or product as the reason for losing. If product is to blame, then the opportunity was never really qualified. For non-commodity offerings, if price were the major variable, procurement could make vendor decisions. While almost never mentioned, most losses occur because one seller *outsol*d the rest.

SFA implementations supported by sales process offer companies the potential to gain a competitive advantage, by impacting the quality of a salesperson’s work. By empowering sellers to make better calls, senior executives can positively influence the customer buying experience. By combining automation with process:

1. Organizations can share best selling practices.
2. Salespeople can have conversations with executive buyers about improving business results through the use of their offerings.
3. Managers can participate in qualify/disqualify decisions and can coach sellers through sales cycles.
4. Executives can exert more control over revenue generation and forecasting.

Recommended Next Steps

Whether you are considering SFA for the first time or have been through multiple implementations, the application is here to stay. Having said that, the bar should be raised with respect to the potential benefits and business impact that can be realized. From a sales perspective, the technology alone can provide productivity gains for salespeople. Ultimately, this can affect the quantity, but not the quality of a salesperson’s work.

Consider taking a fresh look at your sales process to verify that it reflects the steps needed to move through sales cycles. Evaluate how these steps apply to the different types of transactions in a salesperson's pipeline, especially smaller transactions, and make changes accordingly.

If you have an SFA system installed, take a realistic view of how well it has been accepted by the sales organization. If it is something they deal with rather than embrace, drill down to uncover the reasons and see what steps can be taken to address them. It may be necessary to sell or resell your management team and salespeople on the potential benefits of utilizing the software. Paying maintenance on unused seats is often throwing good money after bad, especially on older systems. Doing a cost vs. benefit on automation integrated with sales process may justify a new initiative.

About CustomerCentricSelling®

CustomerCentric Selling® helps organizations define and implement a standard sales process built around sales ready messaging®. Learn more about the methodology and subscribe to our newsletter at www.customercentricselling.com.

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