
SADR Extractions

Five Part E -Book Series from the 2005 Print Edition of "Sales Automation Done Right"



26. Getting it Right First Time
27. Final Thoughts

Part 5

Conclusions

SADR Extractions

Five Part E-Book Series from Print Edition of “Sales Automation Done Right”

We are releasing “Sales Automation Done Right” in e-book format in five parts following the structure of the print edition. When our print copies are all gone we won’t be doing another printing—the next book will be Opportunity Portfolio Management which expands on the sales methodology in SADR.

What’s included?

With each Part we are including the front matter, table of contents, introduction and index for the full book. Seems overkill but I can see situations where it might be useful.

The material from the book is exactly as it appears in the book – the same file is used to generate the PDFs.

Keith Thompson

April 2, 2013

Sales Automation

DONE RIGHT

Sales Automation

DONE RIGHT

LEVERAGING TECHNOLOGY
FOR COMPETITIVE ADVANTAGE
IN SALES

Keith Thompson Ph.D



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Toronto

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DEDICATION

To all my friends at Ardexus, and to my wife, for the patient support and encouragement needed to make this book a reality.

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Throughout the lengthy history of getting this book together I was fortunate to have two wonderful editors. Ted Frankel guided me in the onerous task of crafting my raw material into the beginnings of a respectable book. Leo Law took the mostly complete manuscript and challenged every nook and cranny of it until it met his very high expectations. Without either of them I could not have got this project finished. Jeffrey Barrie, I thank, for his enthusiasm and his efforts to speed up the schedule!

Many other people contributed, and I'm sorry that I can't mention them all by name. But special acknowledgement is due to all those very successful salespeople who lived and breathed the ideas of *sales automation done right*, and put them into practice. After all, they were the ones exposed to the most risk as their livelihood depended on maintaining high sales. But the new technology didn't let them down, and now they are the most ardent proponents of it. Thank you again.

P R E F A C E

In my early years I was not sure what to do with my life, and I think that this may have eventually given me the credentials to write a book about sales automation. Let me explain.

I studied as a physicist. When I look back, I took the easy way out. Doing physics was the easy way out because I was reasonably good at it—good enough to get a PhD. Unfortunately being good at something doesn't always mean you like it. Some aspects of research physics imposed disciplines that I thought were good for me. I liked the logic and the questioning. I was taught to question everything: Why? Why not? What does this mean? Why does that happen? A physicist never writes anything down unless it is understandable and defensible before their peers.

But at last I realized that physics didn't really excite me—but selling did. Even though I wasn't selling professionally, I was doing my best to persuade everyone I knew that my way was the best, whether it was which car to buy, or which book would make the best read. I wondered about a career in sales, maybe selling the very complicated instrumentation that I used everyday in my research. After all, I had some strong feelings about that too! So eventually, I escaped academia to start a career in high technology sales. Nine years of learning and practicing physics left me with skills I might not otherwise have had. The same skills helped me in my effort to find the best way of using the computer in the sales process.

That's why this book looks at sales automation through a magnifying glass. It examines the process of selling in a way that the technology would want to see it—clearly, with no ambiguity. The origin of the earth in a “big bang” can be described in the few lines of an equation. Why can't an accurate sales forecast depend on a nine-point Probability Matrix and the Priority Cube? In fact, it can, because logic and mathematics are the easiest languages for computers to understand. Existing sales methods need to be rethought so they fit better with the computer. This is what I've tried to do, and I think all those years in physics helped me get it right.

The Beginnings

In the early eighties, a few visionary companies introduced the personal computer, and although it was tagged “personal,” it was quickly adopted for business use, and driven by new spreadsheet and database applications that were designed specifically for it. Around that time, I started a distribution company specializing in the sales and service of high technology instrumentation. From the start, I was hooked on the way PCs could assist in all facets of business, even if it had very limited power by today's standards.

Business first adopted the PC in the financial and accounting departments (the Back Office). This is understandable, as the pure number crunching environment of the Back Office suits the computer best. But soon, other high value uses were found. Graphics and Desktop Publishing applications transformed the effectiveness of the marketing department. Networking and electronic mail made it possible for everyone to get *connected*. Also everyone quickly realized that networked PCs provided an excellent solution for the storage and dissemination of information. In large organizations, the PC was a genuine alternative to the mainframe; in small companies it was the first engaging taste of the possible impact of technology on business success.

Sales teams became interested. They are in the Front Office and their concerns were different to their Back Office comrades. While they do deal with numbers, much of their vital information was stored in the form of *text*. If a salesperson engineered a last minute tactic that saved a sale, the details could be recorded, and the information could be reused to secure future deals. To do this, technology was needed that could store *all* the significant events in a company's history with its customers, and then to make that information

universally accessible to anyone who might need it. Previously the Mainframe could do it, but, now the PC could too. Technology's promise of connected work teams combined with easy and low cost access to an abundant store of customer information was Nirvana to the early champions of automation in the Front Office.

The technology that first enabled true electronic collaboration between members of the sales team was Ray Ozzie's brainchild, Lotus Notes. Notes brought the essential pieces of the puzzle together in a gloriously unified and easy-to-use package: messaging, synchronization, security, collaboration, databases, and on top of all that, fast application development. In 1993, I realized that our company had to move to Notes if we really wanted a culture in which customer knowledge was created and shared by everyone, no matter where they might be, or what time of day it was.

We took the data from the endless files that resided in the marketing, sales and service departments. Files from paper, computers and people's heads were all put into *one* Notes database. Then we wrote the applications that allowed everyone to put information in, and take information out. When we finished, we had developed our own Customer Relationship Management (CRM) software. But, going forward from the progress we had made, we were fascinated by another important question. Given that the computer had so much capability to store information and analyze it in a million different ways, should it not also have the potential to help win a sale? I don't mean in the sense of being a glorified secretary, but actually getting involved in the sales process itself. The hopeful result would be that the salesperson would *win* more sales.

SFA and CRM

The term "Customer Relationship Management" or CRM, describes the vision and effort used by a company to develop close bonds with its customers. In the last ten years, software applications have been developed that are indispensable in making CRM objectives happen. CRM is predominantly focused on Front Office (customer facing) processes, and sales is a very important part of the Front Office.

The sales department is only one (albeit very important) element of the Front Office. Processes that happen in the sales department contribute

to the overall CRM effort. Sales Force Automation (SFA) is about using computers to make sales teams perform better, and part of that mission is tightly integrated with CRM process, but part of it is not. This is why the understanding of CRM and SFA has too many businesses and salespeople confused.

The terms SFA and CRM are often confused and wrongfully equated. Sales Force Automation should focus on increasing the *effectiveness* of the salesperson, that is, to make them more competitive in the sale itself. This is a little outside of the scope of CRM, which is more focused on the *efficiency* of the salesperson in handling the customer transaction. As you can see, SFA and CRM are closely intertwined and even though some readers might think this book should be called “Customer Relationship Management done right,” that would not be correct. *Sales automation done right* strives to demystify the separate identities of CRM and SFA by focusing on the impact of technology on *sales effectiveness*.

My company’s early work in using technology in the business had given us a CRM tool in which we could embed our sales automation. After all, we had a company to run and our business was selling. Our primary objective was to give a computer to every salesperson and let them run with it. When we looked at existing sales methods, we realized they were designed in an earlier time—before computers were so easily accessible. We now had to devise a method to fit the computer.

Developed and Tested in Real Life

Over a ten year period, we crafted the ideas and methods that form the bulk of *sales automation done right*. The design team was a wonderful mix of seasoned (but open-minded) sales veterans and enthusiastic young computer programmers. The ideas presented here evolved through debate, argument, and acres of diagrams scrawled over whiteboards and the backs of napkins. As we developed the ideas, we rolled them out through the software to the sales force. We had a dozen salespeople, so we quickly got feedback on whether our stuff worked, and in many cases we had to do some fine tuning.

The reason that I am a zealot for automation in sales is that I have first hand experience of the dramatic benefits it can bring to the success of the company. Our CRM and SFA infrastructure enabled our business to sustain

double digit growth over many years, with very little increase in administrative and support overhead. Our salespeople were able to win more sales by being more competitive and more efficient. The thing is, any company can do it, but sadly, most don't. Large enterprises have rushed to embrace sales automation (through CRM), but small business is lagging way behind. It's a pity, because the payback can be very high and the returns come quickly. There's no doubt that managers and executives who have the ability to make the changes are thinking about it, but with this kind of business change, it's easy to deliberate on the issue for far too long. I hope that some of the ideas presented here will provide the catalyst to hasten more budding projects into reality.

How to Read It

If I pick up a new book, I always skim it. I gravitate to books that lend themselves to be read that way, so it's no surprise that *sales automation done right* is just like that. For that reason, there are a lot of diagrams. The chapters tend to be short, and are divided into five Parts. Essential points are summarized at the end of each chapter. In Parts 2, 3 and 4 there is an underlying thread which is important for the reader to understand.

Part 1 talks generally about SFA, what it is and how it relates to CRM. It discusses the impact of CRM and SFA on the company and the people within it, and how it affects and changes company culture. There is also an illustration of the natural steps that organizations follow in adopting technology to solve operational and process pains, and how to short track the final solution.

Part 2 shows how the day-to-day selling activity evolves around four core competencies of selling management. It shows how sales automation can have a positive impact on the administration, organization and management challenges associated with those competencies.

Part 3 is the heart of the book and centers on the *meaning* of "selling" and the need to describe it in a language that the computer can understand. It shows how customer interactions fall into two distinct categories, one of which leads to the framework of the sales process. A picture of the sales cycle evolves with fundamental selling skills used in the appropriate way as the sale develops. A generic way to gain consistency in forecasting is presented, and a

link is drawn between the judged value of a sale at a specific point in the sales cycle to the priority that the sale has in a portfolio of opportunities.

Part 4 homes in on technology and the different ways it impacts the goals of sales automation. There is discussion of how a model of the sale can be derived, which can then be stored in the computer and used to measure progress in an actual sale. The importance of good interface design is explored, along with the advances in hardware and connectivity that make the application useable.

Part 5 briefly discusses the issues that are important to make sure the sales automation project works, warns of potential pitfalls, and reflects on the importance of technology as applied to improving sales effectiveness.

A few words about the layout: Propositions are scattered liberally in most of the chapters, and are meant to be thought-provoking. Bolding stamps out **big** words that are essential to the concept and italicizing reinforces the *power* of the word in its context.

A number of definitions appear in the text, where appropriate, mainly in discussion of the sales method. A more complete collection of definitions is included in the glossary.

Even though the content of *sales automation done right* was conceived in the working business environment of a company that was at the smaller end of the SME (Small to Mid Enterprise) designation, I think that the material is of value to anyone in sales, from the executive heading up the global sales operation, to the manager of a small sales team, to the solo salesperson working it out on their own. The wonderful thing about the sales process is that it is simple, elegant and universal.

Whether you have the stamina to plough through it all, or you just catch a piece that makes your sales effort stronger, I hope *sales automation done right* makes an enjoyable read.

PART 5

Conclusions

Getting It Right First Time:

Watch out for well-known pitfalls.

Fortunately, there are a lot of companies actively using SFA and CRM, so anyone thinking of doing it at this time can sift through a wealth of experience of what went right and what went wrong. In this chapter, we look at some of the issues that, if handled badly, can scuttle a CRM project. As we are focusing on the common aspects of CRM and SFA, we will refer only to the term CRM.

In the past, CRM systems have been labeled as *transformative* technology because they literally transform business culture and the way companies operate. Not only is information free-flowing and available to everyone, but processes become well defined and smooth—they have to be, because they are electronically enabled.

The initial experience won't be pleasant if the CRM project is unplanned or out of control. The existing state of the business has to be reviewed in detail to see how the new technology will fit. Bad procedures have to be cast aside and effort given to developing new ones that will work with technology.

This chapter looks at the critical hurdles to automation. It's possible to buy a complete book on what the next few pages will cover, so don't consider it as an exclusive guide to getting things right.

Lock in the Vision

Because CRM technology influences every nook and cranny of an organization, it's important that everyone touched by it is made aware of the changes that might affect them. There should be a carefully documented and well-broadcasted vision of the new company after the transformation has occurred. A large enterprise will do this through a committee, whereas a smaller company may rely on the vision of just one or a few top executives or managers.

The main focus of the vision should be on why change is necessary, and the answer will likely be because things are not working well at present. The decision to change is usually not immediate; rather, the impact of imperfect processes, data or communication develops over a period of time, until consensus is reached that something must be done. The starting state of the business is one with which people are dissatisfied, and CRM is being introduced to change that. This is why the vision must be written down at the beginning of the project, and must include a clear description of the problems and issues that provoked the change, along with the expected improvements at completion. The vision becomes an important part of the implementation plan.

Develop the Plan

Even before the CRM system is purchased, there should be discussion amongst all the functional groups within the company that might be impacted (and that will be pretty much the entire company). The vision will begin to permeate through the organization. Just like any project, if there is no implementation plan, things are bound to go awry.

The plan will include the vision, the overview of what has to be fixed, and a detailed operational summary of how and when to do it. Key people will be assigned as stakeholders and will take charge of the piece of the project that they control or influence. Expectations have to be aligned with real tasks. Measurement criteria have to be assigned. These can vary in scope depending on the expected impact of CRM or SFA. A sales manager may set down the goal of having a day-to-day bookings forecast available from the system, one that he or she can rely on with 70 to 90 percent accuracy. Someone in sales administration may want to see all customer information in one place

and virtually error proof. A CEO may demand real time information about any interaction between the company and the customer. A more general expectation may be the ability for everyone in the sales department to have nation-wide access to each other through electronic communication. CRM is so all-encompassing that each company that adopts it will have its own unique set of aspirations—the important thing is to get them written down in a plan. That way, the *success* of the project can be monitored. A good idea is to call the plan the *Success Document* to keep a focus on the ultimate objective.

Success can only be judged against initial expectations. CRM projects are lengthy, and reflection upon past progress becomes clouded if influencing factors change: the original proponents of the project may leave the company; original sources of discomfort may get fixed and forgotten about; other needs may evolve and take over the field of view. For instance, a CRM project may have an initial focus on consolidating customer information and improving response time in customer service. The expectation is that if this happens, sales will automatically go up. If over time, sales don't go up then the CRM initiative may get blamed, even though the customer service is much better. The poor sales could be caused by other independent factors—the Sales Manager could be incompetent, or the products may be uncompetitive. That's why the Success Document is so important. In order to get a value on investment, the company must record *all* the initial expectations and the frame of reference for them to be judged in the future. If expectations get modified because new barriers are exposed, they must also be recorded along with proposed methods of resolution.

Proposition

The Success Document is a *living* record of the company's efforts to embrace CRM.

Explicitly, it is an ongoing review and measurement of progress in implementing carefully planned initiatives that are calculated to resolve defined business pain points.

Much has been written about failure, rather than success of CRM projects, and much of the problem can be traced to bad or incomplete documentation of expectations and action plans, coupled with a regular review of progress against those documents.

If changes in business culture are necessary for CRM to work, these changes must be identified and become part of the “expectations” section of the Success Document. That way, some time in the future, if the CRM project is faltering because the culture was not made to change, the true reasons for potential failure are apparent, and can hopefully be remedied.

A simple example from the sales department illustrates this. One of the goals of a particular sales department was to maintain good quality of customer information, no duplicates, no misspelling, and all appropriate contact data, like phone numbers or e-mail addresses present and correct. To ensure this, the team decides that they will only let this information be entered by one person, a database administrator. They purchase their CRM system, but renege on hiring a database administrator to save some funds. In order to keep things moving, all salespeople are allowed to enter customer data any which way they want. Some do this well, but others don't. The data becomes quickly contaminated and incomplete, and everyone gets tired of using it. The Success Document would show what the true problem was. Without it, the CRM system would take the heat.

Top management must sign off on the plan and the vision. There should be provisos for what happens if there is a change in management. Often, CRM projects suffer because the vision disappears when the people who carry it leave the company. There have been examples of companies adopting CRM only to see political changes that brought in a new CEO, who then claimed that the old way of doing things on paper was the best. CRM projects were promptly shelved, which moved the company back from Wave Four to Wave One (see Chapter 6). That's why CRM is most successful in small, fast moving companies whose business is inspired by a single owner, shareholder, entrepreneur, and *visionary*.

The last piece of advice concerned with planning the CRM project is to not tackle too much at once. Yes, these projects are large, but they can always be planned to occur in a logical, staged order. If good customer data is a forefront requirement, do that first, and do processes next. The sales team may even need to move onto a common sales method ahead of the company-wide roll out to CRM. Decide the objectives, rate them in terms of importance, and then decide if the plan can accommodate a graduated installation of the project.

Hone up the Processes

Chapter 4 talks about CRM technology in terms of process and knowledge. Process is endemic to CRM systems; they live and breathe through process. But this is not process based on moving paper around from desk to desk; this is electronic process that moves around instantaneously on a computer network. Existing processes will inevitably be tweaked or changed before the CRM project gets underway. The better and more freely-flowing the old process, the easier it is to duplicate it on the computer.

Bring the groups together that are responsible for processing the customer's transaction and look how information flows between them. Is it efficient, and does it work? In a meeting such as this, current problems will surface very quickly. Moving to CRM provides an excellent excuse to get on a new page and to fix the disruptions, road blocks and delays caused by established bad practice.

Develop the Database

Inadequate, non-existent or unobtainable customer information is one of the prime incentives for companies to move to CRM. Chapter 5 discusses the Customer Knowledge Store and what should be in it. The challenge to the company embarking on a CRM project is creating a new Customer Knowledge Store from their legacy information, whatever and wherever that may be. It is probably going to come from multiple sources including paper files and computer disks from various departments, in the Front and Back Offices. In the case of the sales team, the data may be dispersed in the files of whatever Contact Management application each salesperson thinks is the latest and best.

A great danger lies in imposing a new set of data on everyone, one that is different to their own personal much-loved system, only for them to find that it has lower quality information and a load of stuff belonging to other folks that they don't want to see. Don't invent new information, take the old, then sift through and cleanse it. The more carefully and accurately this is done, the better. It's better to err on the light side rather than try to include too much of the old, bad stuff. Go into listing some sensible rules for cleaning information. Use the computer to correct batches of data or remove duplication. Establish a Database Manager who believes in the vision, and

who knows that clean data is integral, and give them the power to control the situation.

Monitor Progress

The Success Document is the best way to ensure that this is done. There should be regular reviews of vision, objectives, tasks and achievements driven by what is laid down in the Success Document. In these meetings, issues are identified and a plan is set up to take care of them. The project will have tentacles reaching out to everywhere in the organization, and the best tactic is to elicit help from all the people they touch.

Lay Down the Rules

In a sharing culture, everyone has to participate, even though they may not want to initially. If there is a common vision, there can't be any deviations. By definition, most salespeople have large egos, and will want to do things their own way. If they have learned the advantages of working in a team, they will suppress the ego and join in. If they don't, they will have to be managed by rules. Anarchy cannot be the order of the day. The Sales Manager has responsibilities, and has to report performance up to the boss. This job gets tough if forecasts come through in a host of different ways, simply because each salesperson sees their own way as the best.

At the outset of the CRM project, the vision has to be carefully articulated with an acknowledgement that change is always difficult, but that the end result is worth the pain. The benefits to the individual, by working as a *team*, have to be laid down. If the team does not naturally evolve under the new environment, rules may have to be enforced to encourage the process.

One way to ease in the rules is to blend them into administrative processes. Examples of the "You can't do that, until you have done this" philosophy have been scattered throughout *sales automation done right*, and it has been found to work well in practice. One of the best uses of this is in achieving the logging of sales opportunities *early* in the sales cycle. Usually, in the early stages of their buying process, customers request product information. Doesn't it make sense to open an IBO at this point? If so, make a rule that says that any time a customer requests product information, an IBO should exist in the CRM system, and if it doesn't, then a new IBO should be created. If the

salesperson finds out that the information has been requested for information only, the IBO can be removed.

Experience shows that when rules are applied through process, there will be initial groaning from salespeople, but that quickly dissipates as time goes on and the benefits materialize.

Share the Results

Everyone that the new system touches has a stake in it, and can influence its success. They have the right to know how the project is progressing. There should be regular meetings in which the original expectations are reviewed along with the current measurement criteria that determine success. If people are experiencing a bit more process to guarantee that customer data is getting better, then they should be shown directly in what way the improvement is taking place. Is there more data? Is there cleaner data? Is the transaction flowing faster? Is the information easier to retrieve? These issues will become apparent much quicker than the macro effects such as forecasting becoming more accurate or sales revenues going up.

If it Starts to Fail, Put it Right

CRM and SFA are here to stay. There is nothing mystical about it. It is just a way to do good business and if you haven't got it, your business is working under a huge compromise.

If past projects have failed, you can be sure something in this chapter was neglected or not done correctly. If your project hesitates, take a deep breath, don't panic, regroup and start again.

Points to Remember

1. Understand and recognize the initial reasons that drove the CRM/SFA project.
2. After committing to a solution, make sure to record the progress, good or bad, at fulfilling the initial goals.
3. If the project goes off course, immediately put in the measures to get it back on track.

Final Thoughts

There's still a long way to go

This book was not written quickly. In fact, it's been over ten years since the idea first came about. The thing about creating a sales method is that it just doesn't happen overnight—it's evolutionary and the picture gradually emerges. Ideas are triggered by real problems experienced in the sales process. Attempts are made to fix them, leading to changes which, in turn, are tested in the field. In response to results from real sales experience, the ideas may be tuned, changed or added to. At some point, it's possible to take a pause, look at the results and say, "We have a method." This is what happened in devising the story that weaves its way through most of *sales automation done right*. If the ideas of the method are sound when things get started, the progress of development is a logical evolution of what's gone before. For instance, the idea of two selling styles based on relationship or opportunity focus evolved a number of years after the concept of the Critical Interaction, and yet supports the original thinking extremely well.

The fact that the story still continues is very encouraging. The book just skims the surface of what is possible from the marriage of computer and sales. There is still much to be done, and a long way to go. This chapter reflects on the changes over the past ten years and reviews what has moved forward, and what has stayed still.

Progress Made to Date

Chapter I talks about the two “faces” of sales automation, defined by *efficiency* and *effectiveness*. I hesitate to bring in the overused “e” words again, but there is no better way to discuss the cause and effect of CRM and SFA.

The efficiency side of the equation is well proven and acknowledged, and this is where most of the benefits have shown up in the past ten years. Companies have realized that the computer is an essential tool for their sales teams to react quickly and be competitive. Communication has never been better, information flows freely and work can be done anywhere, even when traveling. All of this leads to much more efficient selling, and revenues are stronger because of it. Sales efficiencies fueled by computerization are so recognized today that they are virtually taken for granted.

The same cannot be said for sales effectiveness. In fact, whether CRM is delivering the goods when it comes to sales effectiveness is an issue under constant discussion. In my opinion, true sales effectiveness has not been influenced much over the past ten years, and one of the reasons is that, somehow, SFA morphed into CRM sometime in the mid-nineties. CRM has efficiencies, not sales methodology, at its heart. Let’s take another look at the true meaning of sales effectiveness.

Sales Effectiveness

The definition of sales effectiveness has to be put in terms of how well we *sell*. How strong are our true selling skills against a competitive alternative? Some salespeople are better at it than others, and some sales *teams* are better at it than others. One of the most important success factors in effective selling is sales team culture. Even a poor salesperson can get swept along by a winning team. This culture is founded on focused and visionary leadership combined with a sharing organization and sales professionals who have respect for their team and their own selling abilities. You don’t need technology to make this chemistry work. All that’s needed is a telephone, a pen and a pad of paper—countless companies have been doing it for decades.

CRM has unfortunately been promoted as a technology that will increase sales effectiveness, and therefore increase revenues. CRM tools are often looked upon as magic seeds sown to make sales blossom overnight. Companies blame the software if sales don’t go up; I wish it were that

simple. CRM *can* yield more effective sales through its SFA component. Unfortunately, a long time ago, someone managed to confuse building customer relationships with using selling skills. It's a shame, because if the original SFA definition would have been left in place, it might be easier to resolve the difference between CRM and SFA technology. SFA has to lead the way to sales effectiveness, and CRM left to take care of the efficiencies.

Customer Relationship Management philosophy has been wonderfully supported over the last ten years with technology that provides invaluable assistance with its core ideals—easily accessible and accurate customer information, the ability to tailor service to customer needs, and a universal invitation for everyone in the company to share the “customer experience.” With properly implemented CRM tools, the processes that deal with the customer transaction become seamless, smooth and quick. Yes, CRM technology works, *if* there is corporate sponsorship and belief, and *if* internal business culture and process can be adjusted to fit the vision. Which of the two “e” words best fits the competencies of CRM? It has to be “efficiency.” Everything is known about the dealings with the customer. All the information is freely available to the teams that need it. The customer's demands are identified and the transaction is fulfilled. Ongoing recognition of the customer and product satisfaction is established, measured and acted upon. This is everyone's idea of CRM, and it is because of the successful implementation of “efficiency.”

It's time to resurrect the term “Sales Force Automation” and give it the importance that it richly deserves. Only then will we see the true potential that comes from sales effectiveness. When the difference between the terms SFA and CRM are thoroughly understood by both industry and customers, there can finally be a chance to push ahead with building sales models for computerization, which can, in turn, be embedded within the CRM tool to provide the benefits from both efficiency and effectiveness.

In Chapter I, I defined sales automation as “the application of technology to improve efficiency or effectiveness.” Since that was written, and reflecting on the entrenchment of CRM in business, I would like to make the suggestion that SFA be more tightly defined, to separate its common element (efficiency) from CRM.

Sales Automation: The enablement of sales effectiveness through the use of technology.

Somehow this has a better ring to it. We've extracted the confusing piece. Efficiencies such as information sharing, electronic processes, single data stores and effortless communication are common to both CRM and SFA, simply because the two technologies got mixed up in the frantic shift toward moving technology into the Front Office.

Once agreement has come on this definition, the importance of the sales method becomes evident. Technology and techniques—computer and sales method, the two are inseparable for tomorrow's trailblazing sales teams. It's worth reflecting on the sales method and fully understanding what it means.

Sales Method

The term *sales method* encompasses just about every kind of idea that suggests a systematic way of selling. Most of the methods followed today delve deeply into the face-to-face interaction with the customer, an area that could come under the general heading of the *relationship*—specifically, the relationship between salesperson and customer during the progression of the sales process (the customer's buying process). Methods outline everything that a salesperson needs to do in their interactions with the customer: how to ask the right questions, how to overcome any objections, how to demonstrate competitive capability, how to judge customer reactions. In short, how to *probe, prove* and *close*. I label most of these methods as *tactical*. They are very important, but they may not be well suited to the computer.

Over two-thirds of *sales automation done right* is devoted to the details of constructing a sales method that comes alive when it works hand-in-hand with a computer, and there is not much in the method about *tactics*. Yes, there is the idea of the fundamentals skills, *probe, prove* and *close*. But they are introduced to cover the description of how the sales cycle responds to the evolution of the customer's natural buying process, which follows three fairly distinct sequential stages. Dividing the sales cycle into three corresponding skill-focused stages is a very appropriate way to tune the sales method to the computer. The computer handles all issues of timing within the sales cycle, when interactions should occur, and which skills are necessary, with relative

ease. To the salesperson handling many sales capabilities, this functionality is invaluable.

My point is that sales methods designed for computers inevitably come out *different* than those that dwell on well-defined face-to-face tactical planning. If there is one single message that *sales automation done right* has to evangelize, this would be it. The issue can be made clearer by dissecting the major components of the sales method described in this book to show the relationship between the sales method (technique) and the computer (technology). Figure 27-I shows this.

The sales method and the computer work hand-in-hand to assist the salesperson directly in their sales efforts. This is only possible if the sales method is designed specifically to fit the unique capabilities of the computer.

We said earlier that the method we have developed is not heavy on tactics. The emphasis is on aspects of the sales method that the computer is really good at, such as the analytics surrounding the sales opportunity and the sales cycle. But the book does not neglect tactics completely. It does discuss the skills of selling, but more so in terms of the view from sixty-thousand feet. It talks about the skills of proving, but doesn't explain how to prove—that is for the tactical sales method to discuss. It addresses the relationship focused sales style, but doesn't elaborate on how to become relationship focused or how to improve on existing relationship strengths. In fact, if we consider the 2x2 matrix that is formed from the considerations of relationship versus opportunity focused styles that is explained in Chapter 14, we see that *sales automation done right* is really about how a Quadrant 2 salesperson can move into the coveted Quadrant 4 spot. We don't talk about moving the Quadrant 3 salesperson over to Quadrant 4 because that would require a whole other book on the skills of relationship building.

So, the framework for tactical planning is there, under the general headings of probe, prove and close, but there is no detailed advice on how to use these skills within the interaction. However, any sound tactical sales methodology can be easily layered over the method of *sales automation done right*, which can be considered a sales methodology *platform* for automation. Tactical sales methodology relies heavily on salespeople planning ahead for a customer interaction in a well-structured format, and then analyzing results

TECHNIQUES Sales Method	TECHNOLOGY Computer
Recognize the actual sales cycle—defined from the time the sales opportunity is found to the time the deal closes.	Log sales cycle and measure position in sales cycle. Adjust sales cycle as expected close date changes. Advise user how much time has elapsed and how much time is left.
Define the use of fundamental sales skills in response to the natural progression of the customer's buying process.	Calculate the three skill phases of the sales cycle and maintain update on re-estimation of sales cycle. Advise user which phase they are currently in, and the correct blend of skills to used at a particular point in the sales cycle.
Define the probability of winning a sale in terms of two separate issues that affect it—(1) the chance that the sales will go through to completion, and (2), the competitive issues in winning the sale.	Store the user's response to each question as one of three possibilities on a 3x3 matrix, and allocate the point on the matrix to one of six possible percentage values of probability.
Recognize that the value of a sales opportunity is governed by two factors—the probability of winning it, and the position in the sales cycle, specifically, the skill phase of the sales cycle.	Plot a point on a 3x3x3 cube which is determined by the probability of the sale happening and which of three possible skill phases the sale is in. Compare to a lookup table of possible consequences determined by expert sales experience, and report to the user.
Define opportunity focused and relationship focused selling styles and how they should be used in a customer interaction.	Log and classify customer interactions as relationship or opportunity focused. Associate relationship focused with the contact and opportunity focused with the sales opportunity.
Define the opportunity focused interactions occurring within the sales cycle as Critical Interactions.	Display the set of Critical Interactions with the sales opportunity to which they belong, such that the salesperson can easily see their ongoing progress in the sales process.
Define the sales process as a set of Critical Interactions that have been found to be best to win the sale.	Store an ideal sales process in the form of a Critical Interaction set, for comparison to the current interaction history in the sales opportunity.
Define Sales Environment as all issues that affect the outcome of the sale, and show how the fundamental skills are used to discover and influence it.	Quantify current state of Sales Environment through salesperson's answers to a series of questions. Calculate "Will it happen?", and "Will we get it?" and any corresponding changes in probability and priority. Present to salesperson in format of an Intelligent Response.

Figure 27-1: The match between sales method and computer

after the interaction has occurred. This can be done with a pencil and paper, or the paper form can be made electronic within the computer; the result is the same. *Sales automation done right* rigorously defines the Critical Interaction as the major component of the sales process, and it is within the Critical Interaction that the tactical selling occurs—the two sales methods work well together.

Sales Training

If the sales team decides on a sales method, then that method must be trained. The ineffectiveness of sales training gets almost as much attention as the issue of sales effectiveness. Companies will go through the expense of bringing their sales force in from the field for a few days to get intensive training on perfectly good sales methods, only to find that the positive effect of the training is short-lived. The problem is that ongoing, regular reinforcement is prohibitively expensive. The onus is on the salespeople to dust off their three inch-thick sales manuals every month to check if they are following the plan. Inevitably, they don't do it.

There is, however, one sure way to reinforce the sales methodology, and that is to weave it inextricably into the CRM system. Assuming that the CRM software has become the central focus of administration and business process within the sales department, it shouldn't be too difficult to ensure that salespeople get exposed to the sales method whenever they are processing or updating a sales opportunity. The system should be designed such that they cannot do anything but.

What better way to reinforce a capable and sound sales method than to immerse into the CRM software that the salespeople have to use everyday, and get everyone on the same page, with consistent sales processes, consistent forecasting and a consistent image to the customer. The method that the sales team practices in front of the customer has to be the same one that is in the computer. Everyone has to believe in it, and it has to be rigorously adhered to. If this can happen, the wonderful synergies of efficiency and effectiveness can be realized.

New sales methods designed specifically for automation must also be subject to thorough classroom training. The reasons for the method must be understood and respected. But from there on in, reinforcement is much eas-

ier as salespeople experience the method every day through their computer. The team has to make the message clear—to work in sales in this company, you must use a computer with this CRM tool and the accompanying sales method.

Conclusion

So there it is, and there is still a long way to go. I hope that *sales automation done right* will act as stimulation for your sales department going forward. Whether you are an executive of a large company with concerns about your sales team, or just a solo salesperson striving to be the best in your field, the material in this book should help immensely. Some ideas will apply directly, some may not, and many can be extracted intact from the methodology and used alone, or modified to fit individual circumstances.

The exercise of making a sales method work with a computer forces a deep investigation in all the mechanisms that make *your* sales process work. This alone often justifies the decision to automate. Perhaps this book has challenged you to do exactly that, if so, good luck along the way. Not only will you have a lot of fun, but your sales team will be a lot more effective when you reach Nirvana.

Keith Thompson
Toronto, 2005

Glossary

There are many definitions scattered throughout *sales automation done right*. This glossary throws in a few more, along with examples that are framed specifically from the point of view of the salesperson. Making a short, all-encompassing description of what a word or few key words should mean is tough to do. As I've learned in my years of designing SFA and CRM solutions, there will be controversial elements in some of these explanations. But then it is up to the reader to look at other reference material to formulate their own ideas. That can only help foster a better understanding of the concepts.

ACCOUNT

An account is a logical grouping of people who work for a common organization and therefore, have shared interests. The account is designated by the Sales Manager to be conveniently targeted by the sales team with a planned sales strategy. Account Management is one of the four core competencies of the management of selling.

Example: "My Sales Manager gave me a new account. It's a new division of Image International Corp, whose Baltimore group have been good customers of ours for years. This new Buffalo division should need at least twenty Industrial Copiers to get started."

See related topics: Contact, Sales Cycle, Territory.

ACTUAL SALES CYCLE

The actual sales cycle is the amount of time that the salesperson has to sell their product to the customer. It is the time between the salesperson discovering the sales opportunity and the time that the customer awards the business to the successful vendor.

Example: “I could kick myself for not visiting Global Diodes more often. I’ve learned that they want five High Speed Printers, but the competitors have been working on the requirement for over three months. I’ve only got a month to show them we have a better solution.”

See related topics: Average Sales Cycle, Buying Process, Customer’s Sales Cycle.

ART OF SELLING

The art of selling is the salesperson’s ability to secure a sale through their natural skills at communicating, building relationships and engendering trust.

Example: “I’m in good shape. I get on really well with the purchasing agent at Global Diodes, after working on our relationship for the past year—we are both avid sports fans. I know that he will give me the business if it comes to a tie.”

See related topics: Relationship Focused Interaction, Science of Selling.

AVERAGE SALES CYCLE

The average sales cycle is the most probable length of time that it takes for a salesperson to sell a given product or service. The sales team will only be able to derive the average sales cycle through experience of many sales opportunities over a period of time. There will be deviations in the average sales cycle (shorter or longer) because of abnormal influences on the customer’s usual buying process.

Example: “It usually takes six months to sell a Type 560 printer, but this customer already has five on the shop floor, and they are pressured by workload. We’ll see this one go through in a month.”

See related topics: Actual Sales Cycle, Buying Process, Customer’s Sales Cycle.

BACK OFFICE

The Back Office is, collectively, the departments or functional groups in the company which are essential to the successful operation of the company,

but are not regularly in direct contact with the customer. These could be finance, manufacturing, development, inventory control, shipping/receiving and others.

Example: "I rely upon my manufacturing group to consistently produce a good product. Otherwise, I would find my sales commitment tough to fulfill."

See related topics: Front Office.

BINARY SALES FORECAST

A binary forecast is a prediction of future revenues by the sales team that is determined on a decision of which actual sales opportunities will be sold, rather than taking some form of average or weighted summation over a number of possible sales opportunities.

Example: "I'm including the GDPN deal in my binary forecast for April. Even though the Welland deal could close that month, I'm not sufficiently confident to include it, but it will show up in my weighted forecast."

See related topics: Sales Forecast, Weighted Sales Forecast.

BUYING PROCESS

This is a process that most customers use to purchase a product or service from start to finish. The buying process proceeds in three distinct stages: recognizing the need, evaluating solutions, and negotiating value.

Example: "A customer called for information on our new series of printers. She thinks she will want one for her new production line, and is in the early stages of researching what's available. She'll want to try out her own protocol on a selected few before coming to a final decision."

See related topics: Sales Process.

CLOSE PHASE

The Sales Model defines the Close Phase as the final phase in the three phase sales cycle in which the dominant skill used is closing. In this phase, the salesperson and the customer work together to negotiate a mutually agreeable value proposition that hopefully leads to a successful conclusion for the salesperson. The other two fundamental skills, probing and proving, are used to support the closing effort.

Example: “We’ve finally shown how our printer will do everything they need. They should have enough information to go ahead. We’d better start finding out if there’s any reason for them not to place an order.”

See related topics: Close Skill, Probe Phase, Prove Phase.

CLOSE SKILL

The fundamental skill of closing is the ability of the salesperson to uncover any barriers that prevent the customer from placing an order, and to overcome those barriers such that a decision can be made.

Example: “I think all the objections to making a decision have been answered satisfactorily. I overcame their concerns about budget by working out an extended payment plan reaching into their new fiscal year—we should get the order.”

See related topics: Close Phase, Probe Skill, Prove Skill.

CONTACT

A contact is a person who could buy your product or who may influence the decision to buy your product. Contact Management is one of the four core competencies of the management of selling.

Example: “Ms. Corning is the one with the immediate need for an Industrial Copier and is directing the sale, but she won’t buy without consulting her associate in Baltimore. I also think the purchasing agent will have a say in the matter.”

See related topics: Account, Sales Cycle, Territory.

CRITICAL INTERACTION

A Critical Interaction is an opportunity focused interaction that occurs within a sales cycle. Strategies and tactics designed to win the sale are played out in Critical Interactions with the customer. Critical Interactions are most often two-way, but can be one-way.

Example: “I sent the buyer our final offer which showed a 5% discount and an extra year of warranty.”

See related topics: Customer Interaction, Non-Essential Interaction, One-Way Interaction, Opportunity Focused Interaction, Relationship Focused Interaction, Two-Way Interaction.

CRM (SEE CUSTOMER RELATIONSHIP MANAGEMENT)

CRM PROCESS

The CRM process is the process that governs the smooth flow of responsibilities between the three Front Office groups of marketing, sales, and service, in their ongoing efforts to find customers, sell them product or service, and maintain their level of satisfaction.

Example: "I'm glad that marketing are still targeting the GDPN organization even though they are one of our loyal and trusted customers. Every so often a new manager is hired, who has had no experience of our products, and we need to make sure they get to know who we are quickly."

See related topics: Customer Acquisition and Retention Loop, Customer Relationship Management.

CUSTOMER ACQUISITION AND RETENTION LOOP

The customer acquisition and retention loop is a closed loop multi-step process diagram that shows how a new customer's transaction is passed between marketing, sales, and service in a CRM system. In this case, the customer transaction encompasses everything between learning about a product, to becoming a lifetime user, and potentially a repeat customer (hence the loop).

Example: "This is the third generation of Industrial Copier that GDPN has purchased. I'm pleased that Smith's vision of providing lifetime value and service is paying off."

See related topics: CRM Process, Customer Relationship Management.

CUSTOMER INTERACTION

A customer interaction, or simply, an interaction, is any event in which the company touches (relates with) the customer, regarding mutual business relationship.

Example: "I met with the purchasing agent of Lexington, and they seem set to go ahead with our offer. I'll enter this into the CRM system so everyone can share the news."

See related topics: Critical Interaction, Non-Essential Interaction, One-Way Interaction, Opportunity Focused Interaction, Relationship Focused Interaction, Two-Way Interaction.

CUSTOMER KNOWLEDGE STORE

The Customer Knowledge Store is the company's bank of information about all the dealings that have occurred with the customer in the past, good or bad. The Knowledge Store is a historical database of all interactions between the company and the customer.

Example: "I looked back at what had happened with Lexington two years ago when Brad had that account. Brad was very close to the customer, but was suffering from the bad performance history of the old Type 520. I think that stuff is still haunting us."

See related topics: Customer Interaction, Customer Relationship Management.

CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management, or CRM, is a way of doing business with a focus on creating a long term relationship with the customer, such that the customer is more inclined to offer continued business rather than seeking competitive solutions. As such, this definition does not imply any connection with technology. But the term CRM has grown to mean the computer-based networking and software applications that make the closeness to the customer more easily achievable.

Example: "We've been doing business with Lexington for over ten years, and the efforts we've been putting in with servicing their account and tailoring our product to their specific issues are really paying off. They are very reluctant to try anything from Universal, as the trust just isn't there."

See related topics: Sales Force Automation.

CUSTOMER'S SALES CYCLE

The customer's sales cycle is the time that elapses between the customer initiating the buying process, and the point at which a decision is made on which product to buy. If the salesperson is close to the customer from the very start of the buying process, the actual sales cycle will be equal to the customer's sales cycle.

Example: "Mr. Smith told me that he had been thinking about getting a High Speed Printer, and today his boss said it was a good idea, as funds were available, so he is starting to collect information. I'm glad I'm in at the start of this situation. He said he'll plan to get a unit

installed in October, so he will need to make a decision by the first week of September, which is only six months from now.”

See related topics: Actual Sales Cycle, Average Sales Cycle, Buying Process, Sales Cycle.

DIRECT BENEFITS OF SALES AUTOMATION

The direct benefits of sales automation enable salespeople to make best use of their selling skills, resulting in an improvement in the ratio of sales won to sales lost. The salesperson becomes more effective.

Example: “I checked my progress in the Global Diode sale with my sales automation system. It suggested that I need to spend more time with the economic decision maker. That is not a bad idea.”

See related topics: Indirect Benefits of Sales Automation.

FRONT OFFICE

The Front Office is the collection of departments or functional groups within the company that deal directly with the customer. Typically these are marketing, sales and service.

Example: “I see from my CRM system that the service group was out at Lexington today, and they have discovered that the customer could use another CL-250.”

See related topics: Back Office.

FUNDAMENTAL SKILLS

The three fundamental skills of selling are probing, proving and closing. Each of the three skills is dominant in a particular phase of the sales cycle. The fundamental skills are comprised of a set of lower level skills necessary to achieve the primary objective of the parent skill. In any Critical Interaction at least two, and sometimes three of the fundamental skills are used to differing degrees, dependent on the position in the sales cycle.

Example: “It’s near the end of the sale and in tomorrow’s meeting, my objective is to show the customer that my service can meet all of his expectations, in spite of this being a competitor’s account. That’s going to take all of the diplomacy (probing), product knowledge (proving), and negotiating (closing) capabilities that I have.”

See related topics: Closing Skill, Critical Interaction, Probing Skill, Proving Skill.

IBO (SEE IDENTIFIED BUSINESS OPPORTUNITY)

IBO ESSENTIALS

The IBO Essentials are three pieces of information that the salesperson uses to characterize a sales opportunity. The important parameters of Probability and Priority can be calculated directly from the IBO Essentials. The three pieces of information are “Will it happen?” “Will we get it?” and “When will it happen?”

Example: “This IBO is my best shot at booking something in August (‘When will it happen?’ is August). The customer is happy with the machines he has already bought from us (‘Will we get it?’ is High), and the need is very high (‘Will it happen?’ is also High)

See related topics: “When will it happen?”, “Will it happen?”, “Will we get it?”.

IDENTIFIED BUSINESS OPPORTUNITY

The Identified Business Opportunity is a term used in *sales automation done right* to describe the sales opportunity. Emphasis is on the fact that the salesperson has correctly qualified the opportunity as real. In the sales automation system, IBOs are given unique numbers to distinguish them from each other (i.e. IBO #2020).

Example: “After talking to marketing about their meeting with GDPN at the Print Show, I’m going to open up an IBO for a Type 560 for the GDPN Boston facility.”

See related topics: Sales Opportunity.

INDIRECT BENEFITS OF SALES AUTOMATION

The indirect benefits of sales automation enable the salesperson to work more sales opportunities by making administrative, support, and connectivity tasks much easier—in other words, by making the salesperson more efficient.

Example: “Since we implemented sales automation, doing quotations has become a cinch—no more scribbles on pieces of paper that get sent off to Head Office. Now everything flows electronically, and I can see when support has completed the quote and sent it out. It’s freeing up more time for me to sell.”

See related topics: Direct Benefits of Sales Automation.

INTELLIGENT RESPONSE TECHNOLOGY

Sales automation done right uses Intelligent Response Technology on the computer to compare the salesperson's current performance against a model of the most successful strategies used in the past. If necessary, the computer provides advice to the salesperson on changing strategies to win the sale.

Example: "I entered my best guess on the sale as to whether it would go through and whether we would get it. Then I detailed out my progress—the computer disagreed, and felt that my 'Will it happen?' was not *High*, but *Medium*. It suggested that I do more talking with the economic decision maker."

See related topics: Sales Environment, Sales Model.

LEAD

A lead is an expression of interest in your product or service, and represents a potential sales opportunity.

Example: "I got a message from the receptionist this morning. Mr. Smith from Lexington called to request information on the new Industrial Copier."

See related topics: Long Term Lead, Sales Opportunity.

LONG TERM LEAD

A long term lead is one that cannot be qualified immediately to a positive result (an opportunity), or a negative result (close the lead, the customer is not buying anything). Rather, the customer is not buying now, but there is a strong possibility that they will buy in the future. The long term lead is kept open, and the salesperson follows up regularly in order to be ready when the lead turns into an opportunity.

Example: "The service engineer called to tell me that the customer only expected an in-service life of three years, and at that time, would need to buy a larger unit. I will enter this as a long term lead."

See related topics: Lead, Sales Opportunity.

MARKETING DEPARTMENT

The marketing department is the functional group that finds potential customers, qualifies them and hands over positively qualified leads (IBOs) to

the sales department. In the customer acquisition and retention loop, the marketing department comes before the sales and service departments.

Example: "I received ten new IBOs from marketing today. They were qualified at the Los Angeles Print Show."

See related topics: Sales Department, Service Department.

NON-ESSENTIAL INTERACTION

A Non-Essential interaction has no real importance in measuring the relationship with the customer or impacting the strategy of winning the sale. As such, it need not be recorded into the CRM system.

Example: "I called the purchasing agent to check into the state of Mr. Smith's requirement, but she was not there, and I did not leave a message."

See related topics: Critical Interaction, Customer Interaction, One-Way Interaction, Opportunity Focused Interaction, Relationship Focused Interaction, Two-Way Interaction.

ONE-WAY INTERACTION

One-way interactions occur when one party contacts the other, but there is no immediate connection or response. A response may never come, if so, the interaction stays one-way. If a response comes later, the interaction becomes two-way.

Example: "I've sent an e-mail to the purchasing agent saying that we will meet Universal's warranty proposition, but I haven't heard back from them. It's been a week already."

See related topics: Critical Interaction, Customer Interaction, Non-Essential Interaction, Opportunity Focused Interaction, Relationship Focused Interaction, Two-Way Interaction.

OPPORTUNITY FOCUSED INTERACTION

In opportunity focused interactions, the salesperson's primary objective is to use true selling skills to win the sale from the competition.

Example: "The final presentation of our proposal went down well with everyone. The President said that we would definitely get the order."

See related topics: Critical Interaction, Customer Interaction, Non-Essential Interaction, One-Way Interaction, Relationship Focused Interaction, Two-Way Interaction.

OPPORTUNITY PORTFOLIO

The Opportunity Portfolio is the list of open sales opportunities that the salesperson is currently working on, and has yet to close.

Example: “Right now my sales automation system tells me I’m working on fifty open opportunities—this time a year ago, I had only thirty.”

See related topics: Sales Opportunity.

PRIORITY

The priority assigned to a sales opportunity is a measure of its importance with respect to other opportunities that need to be worked.

Example: “This is a new opportunity that’s at the start of the sales cycle. The customer heavily favors the competition, but if I leave it alone, I don’t stand a chance. It’s tough to prioritize it, as I have a lot of other situations that are about to close in which I am favored vendor. I think I’ll deal with those first and then come back to this one.”

See related topics: Probability Matrix, Priority Cube, Probability Index.

PRIORITY CUBE

The Priority Cube takes the idea of the Probability Matrix one step further by adding in another three-point possibility, which is skill phase (Probe, Prove or Close). With the Priority Cube, an opportunity has three parameters associated with it: “Will it happen?”, “Will we get it?”, and skill phase. Each of the parameters has three options, leading to a three-by-three-by-three matrix or cube, with twenty-seven possibilities.

Example: “I’m very confident that this sale will happen (‘Will it happen?’ is High), but I’m not so sure that I will win it (‘Will we get it?’ is Medium), which gives me a probability of 60%. I’m in the Probe Phase (skill phase), and I still have time to improve on this situation. I’m going to give it top priority with the hope of moving the ‘Will we get it?’ to a High.”

See related topics: Probability Matrix, Skill Phase, “When will it happen?”, “Will it happen?”, “Will we get it?”.

PROBABILITY

Probability is an expression of the chance that a sale will be won. It is most often expressed as a numerical percentage (i.e. 50%). In *sales automation done*

right, the probability is calculated from a matrix constructed from the salesperson's answers to the questions "Will it happen?" and "Will we get it?"

Example: "This sale has a fifty percent chance of us winning in April."

See related topics: Probability Index, Probability Matrix, "Will it happen?", "Will we get it?"

PROBABILITY INDEX

The Probability Index is a unique point on the three-by-three Probability Matrix constructed from the possible answers to "Will it happen?" and "Will we get it?" Each answer can be one of the three possibilities: High, Medium or Low.

Example: "'Will it happen?' is High, but 'Will we get it?' is Low." That's position 3 on the Matrix and a probability of 25%."

See related topics: Probability, Probability Matrix, "Will it happen?", "Will we get it?"

PROBABILITY MATRIX

The Probability Matrix is a three-by-three grid constructed from the answers to the questions "Will it happen?" (High, Medium, Low) and "Will we get it?" (High, Medium, Low).

Example: "This customer will definitely buy in June, and I'm sure we'll get the order. 'Will it happen?' is High, and 'Will we get it?' is High. That's position 9 on the Matrix and a probability of 80%."

See related topics: Probability, Probability Index, "Will it happen?", "Will we get it?"

PROBE PHASE

The Probe Phase is the first in a three phase sales cycle in which the primary focus of the salesperson is on the skill of probing. The skill of proving will also be used to a lesser or equal degree in support of probing.

Example: "This is a six-month sales cycle. I should be focusing on probing for the first three months."

See related topics: Close Phase, Probe Skill, Prove Phase.

PROBE SKILL

The fundamental skill of probing is the ability of the salesperson to find out everything about the customer's requirements and to discover all the issues that are behind their decision to purchase a product or service.

Example: "I've got to get to the bottom of how this decision will be made—I have a suspicion that purchasing may try to rein in the budget towards the end of the deal."

See related topics: Close Skill, Probe Phase, Prove Skill.

PROVE PHASE

The Prove Phase is the second in a three phase sales cycle in which the foremost objective for the sales team is to prove. The associated skills of probing and closing will be used with lesser degree to support the proving effort.

Example: "I'm reaching the three-quarter point in the sales cycle. Now is the time to get the customer in front of a machine to test how their application works."

See related topics: Close Phase, Probe Phase, Prove Skill.

PROVE SKILL

The fundamental skill of proving is the ability of the salesperson to provide evidence to the customer and to convince them that the solution that they offer is the best.

Example: "At the factory demonstration today, Ralph proved conclusively that our High Speed Printer could outperform Universal's demonstrator unit on both throughput and color control. He managed to shoot down all the claims that Universal salespeople were making about their demonstrator."

See related topics: Close Skill, Probe Skill, Prove Phase.

QUALIFICATION

Qualification is the process of checking that a lead has the potential to become a sales opportunity. If it is qualified positive, an opportunity has been discovered. If it is qualified negative, there is no sales opportunity, but the record of the lead can be kept for future marketing activity.

Example: "I called Mr. Smith this morning. He is just interested in what's new in the industry and does not need or even use Industrial Copiers. I've qualified the lead as negative."

See related topics: Lead, Long Term Lead, Sales Opportunity.

RELATIONSHIP FOCUSED INTERACTION

In opportunity focused interactions, the salesperson's primary objective is to measure, nourish and build the relationship with the customer.

Example: "It's been six months since the copier was installed. I paid a visit to see if the customer was still happy, and everything seems to be just fine. They would be happy to become a reference site."

See related topics: Art of Selling, Critical Interactions, Customer Interactions, Non-Essential Interactions, One-Way Interactions, Opportunity Focused Interactions, Two-Way Interactions.

SALES AUTOMATION (SEE SALES FORCE AUTOMATION)

SALES CYCLE

Measured in units of time (days, weeks, months, years), it is the lifespan of the sales opportunity. It also represents the only available time to get the selling job done. According to whether you are the customer or the salesperson, the sales cycle may be different. Sales Cycle Management is one of the four core competencies of the management of selling.

Example: "I made one of my routine calls to the Lexington facility to talk to the VP of Production. I showed him the flyer on the new Type 560, and he was thrilled. It has all the features he has been asking for. He checked his budget and he has enough funds to buy one. I think he's serious. This IBO could close in just six weeks."

See related topics: Actual Sales Cycle, Average Sales Cycle, Customer's Sales Cycle, Account, Contact, Territory.

SALES DEPARTMENT

The sales department is the functional group within the company that takes positively qualified leads (IBOs) from the marketing department and attempts to win as many of them as possible. In the customer acquisition and retention loop, the marketing department comes before the sales department, and the service department comes after.

Example: “Over 50% of the leads I’ve received from marketing in the past year have resulted in won orders. I’m keeping the service group very busy with installations.”

See related topics: Marketing Department, Service Department.

SALES ENVIRONMENT

Sales Environment is used to describe everything about the sale that will ultimately determine its outcome.

Example: “I think I’ve identified all the decision makers, but I’m not sure about the politics of this sale, and who is really driving the purchase.”

See related topics: Sales Model.

SALES FORCE AUTOMATION

Sales Force Automation, or Sales Automation, is a way to use technology to improve sales performance, directly or indirectly. Directly, by improving the salesperson’s effectiveness, and indirectly, by improving the salesperson’s efficiency. *Sales automation done right* suggests that a more appropriate definition is one that leaves efficiency to CRM and effectiveness to SFA.

Example: “Since we’ve installed a sales automation system, I’ve found it frees up more time for selling, and the built-in sales method also helps too.”

See related topics: Customer Relationship Management.

SALES FORECAST

An estimate of future sales usually provided in terms of booked revenue, but sometimes in terms of product units. A forecast is usually generated by the individual salesperson, and the manager rolls up the total across the entire sales team.

Example: “I don’t expect to book much in June, so this quarter won’t be too good, but next quarter looks as if it will be a winner.”

See related topics: Binary Forecast, Weighted Forecast.

SALES MODEL

The Sales Model is a set of descriptions, understandable by the computer, that attempt to define the ideal performance of the salesperson as they prog-

ress through the sales cycle. It is built up from four key components: time, fundamental skills, Critical Interactions, and information.

Example: "I'm about three-quarters of the way through this sale and I should be focusing on proving the benefits of my product. The next time I meet with the customer, I'm going to take my Product Manager to try to see if there are any details of the customer's application I have missed."

See related topics: Customer Interaction, Fundamental Skills.

SALES OPPORTUNITY

The Sales Opportunity is the chance given to a salesperson by a prospective customer, to offer their product or service to fulfill the customer's requirements and needs. In *sales automation done right*, the Sales Opportunity is called the IBO, which stands for Identified Business Opportunity.

Example: "Mr. Parker called to say that the old Universal machine had died, and they have an immediate need for a replacement. They will have to follow the normal tendering routine. I'll enter it into the system as a new IBO that will probably close in September."

See related topics: Identified Business Opportunity.

SALES PROCESS

The sales process is a proven, repeatable and well-established set of Critical Interactions through which the sales team implements their strategies and tactics to win the sale.

Example: "We're about three-quarters through this sales cycle, and I need to think about organizing a demonstration of the Type 560. Seeing the performance of this machine usually puts us ahead."

See related topics: Buying Process, Critical Interaction.

SALES STRATEGY

A strategy is a plan to move from the current situation to a preferred situation in the future. A sales strategy is a predefined plan to win the sale from the competition. Ideally the strategy starts at the beginning of the sales cycle and is enacted through Critical Interactions as the sales progresses. Strategy, tactics and process are intimately linked.

Example: “This is a key sale in a competitor’s account. We need to do everything we can to win this one, including offering the best price.”

See related topics: Sales Process, Sales Tactics.

SALES TACTICS

Tactics are the actions that are used to put strategies into effect. If tactics are executed successfully, as planned, then the strategy is on the way to happening. Tactics are executed through Critical Interactions and are the “hook” between the strategy and the sales process.

Example: “I know that Roger Smith is central in the politics of the organization. I’ll take him to lunch to see if he knows how the decision will be made.”

See related topics: Sales Strategy.

SALES TEAM

The sales team is the group of people whose mission is to convince the customer that their solution is better than that of their competitors. The team can comprise of field salespeople, inside salespeople, sales administration, technical support or any other group that supports the sales effort.

Example: “If Ralph from Technical Support had not come with us to the factory, the customer would not have been convinced that the Type 560 could do the job.”

See related topics: Sales Department.

SCIENCE OF SELLING

The science of selling is a set of rules that describe how to handle a sale, specifically, where certain skills and strategies should be employed, and to what degree they should be used. These rules have been compiled and refined over many years by sales professionals.

Example: “I’m about halfway through this sale, and still have a lot of proving to do with this customer—I would be stupid to try to close this now.”

See related topics: Art of Selling.

SERVICE DEPARTMENT

The group within the company responsible for all aspects of supporting a product or service after a customer has purchased it from the sales depart-

ment. In the customer acquisition and retention loop, service follows on from sales, but the CRM process flows from service to marketing, because at the end of a product's life cycle, the customer may need a replacement, and marketing must be aware of this new potential for business.

Example: "Bob from service called me to say that GDPN Boston have two of our old Type 90's that will need replacing next year. I'll alert marketing to make sure they meet up with them at next week's Print Show in Los Angeles."

See related topics: Marketing Department, Sales Department.

SFA (SEE SALES FORCE AUTOMATION)

SKILL PHASE

A skill phase is a phase of the sales cycle in which one of the fundamental skills of selling is dominant over the others. There are three skill phases corresponding to the three fundamental skills of probe, prove and close.

Example: "My sales automation system is telling me that I have twelve opportunities that are in the Close Phase. I only have two in Prove Phase and none in Probe. I need to bug marketing for some more leads."

See related topics: Close Phase, Probe Phase, Prove Phase.

TERRITORY

The Territory is the list of accounts over which a salesperson has been given the responsibility to sell their products. Territory Management is one of the four core competencies of the management of selling.

Example: "My territory was expanded today, from everywhere south of Broad Street and west of 67th, to the whole southern half of the city."

See related topics: Territory Group, Account, Contact, Sales Cycle.

TERRITORY GROUP

The Territory Group is the administrative structural organization of the territories belonging to a specific sales team. The territory group concept makes it easier to administer changes in territory responsibilities that happen through company growth or product expansion.

Example: “When Steve leaves, I get his territory, which means that I sell the IC line, and take on the extra geography of the East.”

See related topics: Territory.

TWO-WAY INTERACTION

Two-way interactions are willing dialogues between the customer and the salesperson that happen in real time (face-to-face, or on the phone), or quasi real time (e-mail, voice mail, or even fax or letter).

Example: “I sat with the customer for two hours, and we had ample opportunity to discuss how our product could solve a lot of issues in his process.”

See related topics: Critical Interaction, Customer Interaction, Non-Essential Interaction, One-Way Interaction, Opportunity Focused Interaction, Relationship Focused Interaction.

WEIGHTED SALES FORECAST

A sales forecast in which the revenue associated with each sales opportunity is multiplied by the percentage probability of winning the order. The results are then summed across all opportunities.

Example: “The Lexington deal is huge; around \$1,000,000. But at 10%, our chances are really low. That will still contribute \$100,000 to my weighted forecast.”

See related topics: Binary Sales Forecast, Sales Forecast.

“WHEN WILL IT HAPPEN?”

The answer to “When will it happen?” is the salesperson’s best estimation of when the customer will finally decide which vendor will receive their business and awards an order. “When will it happen?” is one of the three IBO Essentials.

Example: “We’ve been working at this for nine months. I am sure we will see the order two months from now, at the end of our third quarter.”

See related topics: IBO Essentials, “Will it happen?”, “Will we get it?”.

“WILL IT HAPPEN?”

“Will it happen?” is a question that tests the salesperson’s opinion on whether a sales opportunity will go through to completion. The answer to “Will it

happen?” can be one of three choices: High, Medium, or Low. “Will it happen?” is one of the three IBO Essentials.

Example: “This customer has budgeted for a Type 560 and is acting like he will get the cash, but he’s tried before and has been unsuccessful. I would say that ‘Will it happen?’ is Medium.”

See related topics: IBO Essentials, “Will we get it?”, “When will it happen?”.

“WILL WE GET IT?”

“Will we get it?” is a question that tests the salesperson’s opinion on his or her chances of winning the sale over the competition in the event that the sale goes through to completion. “Will we get it?” can be one of three choices: High, Medium, or Low. “Will we get it?” is one of the three IBO Essentials.

Example: “This division of Lexington has nothing else but Universal Equipment. The customer is happy, and I think for this sales opportunity, ‘Will we get it?’ is Low.”

See related topics: IBO Essentials, “Will it happen?”, “When will it happen?”.

WORKFLOW

Workflow is the process of getting a task completed by dividing it into discreet chunks, each of which is handled by a different person or group. When complete, the chunk is moved to the next person or group in the process. Workflow works best when it moves electronically, and not using paper.

Example: “The new system for processing orders works well. The salesperson checks the customer’s purchase order, and if it’s OK, passes it to sales administration to write up. The details then go to order entry for processing.”

See related topics: CRM Process.

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