



Turning sales prospects - through
process - into profits

Technology making sales more profitable by automating
best practice

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Executive Summary

Selling and technology are not mutually exclusive and the most successful sales-focussed organisations find that the appropriate use of technology, complimentary to their sales-people's skills yields excellent results and year on year growth.

To stay ahead of competitors and increase sales revenues, companies must look to improve their sales processes through following and, where possible, automating best practice. The solution should reflect the businesses needs rather than the business fitting to the software and it should be easily modified to support ever-changing business processes as the company grows.

The most effective approach to implementing sales processes begins with understanding what sales processes, sales force automation and automated workflows are, how they work and how they can be successfully implemented.

Sales executives will look to sales technologies to drive tactical revenue goals and strategic growth objectives – Gartner Group

The Challenges of Sales Management

Sales Managers are faced with the continuous task of driving revenues up and are usually left looking for ways to differentiate themselves from the competition, create competitive advantage and more importantly, meet targets. It is the sales teams that work with an integrated sales process that will survive, providing firm foundations from which to benchmark activity and to adapt to meet the needs of the changing environment.

A culture and strategy of continuous change and adaptation are critical to generate successful sales performance in your company, the processes and systems that you put in place to support these goals must be flexible enough to cope with the dynamic nature of sales processes. The process must also provide the right information to managers so that it is possible to accurately plan for future sales strategies and manage sales on a day-to-day basis from a clear view of your pipeline.

In a report on Sales Performance Management, the Aberdeen Group found that: "The lack of visibility into sales activities on an ongoing basis haunts the majority of executives today who rely on a sales team to generate corporate revenue. Many of these companies are basing much of their decision making on spreadsheets, a medium that does not provide the quality of decision-support data that they need to remain competitive."

Over half of the respondents in the research described their companies as sales-driven, with nothing more important than the efforts and outcomes of sales. Hence the need for sales performance management and continuous improvement with the primary focus being to rectify;

- Insufficient sales-supporting technology,
- Lack of integrated technology which produces incompatible planning information,
- Selecting solutions on best functionality and not price.

You cannot control what you do not know

One of the key steps in achieving a successful approach to sales is understanding your company's "best practice" and implementing a process that will deliver optimum results.

What is your best practice for delivering sales results?

Sales are a process area like any other business process and as such will benefit from a systematic approach to sales activities, with the ultimate goal of a fully optimised sales team. Salespeople will often oppose any attempt to constrain or monitor their activities despite the fact that there are already constraints within sales; such as the level of customer information available, lack of visibility of pipeline, product availability, price and customer demands, falling short of sales targets and being unable to produce accurate forecasts. Therefore any order or constraints introduced by a sales process will only work to alleviate many of these events in the end.

Business Process Management (BPM) is a term that you will see being used more frequently as an integral part in the success of a Customer Relationship Management (CRM) or Sales Force Automation (SFA) solution. There are several areas that you should consider when thinking about managing your sales process and how you can replicate best practice.

People Based Processes

It is important to remember that people-based work within a company is an important part of any business process particularly within the sales process and the relationship between the sales-person and the customer.

More often than not the potential for error is in people based tasks and the more repetitive of these are the ones that are easier to automate and where cost savings can be made; whether it is a simple email or a full quotation.

Business Processes

The ability for users to see their process in action from start to finish including benchmarks for reporting and action is a truly powerful tool. By modelling your sales process it is easier to assess sticking points, bottlenecks and areas of inefficiency. Managers will find it easier to assess where further value can be added through clear visibility of specific process activities, for example your process will act as a benchmark for highlighting highs and lows and allowing actions to be assigned for ongoing success.

Getting the right information to the right people at the right time is vital to allow the People to perform their function within the process.

User Interface and System Control

Every system user or individual that plays a part in the process needs visibility of their process tasks and resources via a portal of some description. Using a web interface and ideally a single, centralised database, offers up-to-the minute accuracy of data combined with the flexibility to make on the fly alterations that can be conveyed to all other users instantaneously. Managers will also have a clear view of their processes in real-time and be able to act on the information available to them at every step.

Cross Department Collaboration

It is rare that a process will be completed by a single individual or department even in small companies. Being able to share the responsibility to complete activities within a structured process allows for effective teamwork to achieve business goals in competitive environments. If you imagine a baton being between departments e.g. from sales to technical; a customer request in order to create a price and then the response being returned to sales. When negotiating a sales contract as part of a sales process; collecting critical information about the customer and collating relevant product information from colleagues/partners to strengthen the deal can all be included as a distinct step in your process.

Business Activity Monitoring

The ability to monitor process performance and detect events that may influence performance becomes a key ingredient for gaining control of business processes. Instantaneous awareness and appropriate response to events in the process becomes available to all users and managers alike. Overdue tasks can be flagged for the manager's attention allowing intervention to take place where necessary.

Business Policy / Rule Management Support

As the need to become more flexible in business rises in importance it is reflected in the management of business processes. Business processes are made up of a series of rules and associated management procedures. The real value from a BPM solution is the ability to change your rules in real-time to adapt to the changing needs of your business as it grows. Some changes will have restrictions, although the focus here is allowing all system users to benefit from an identified change requirement to benefit the company as a whole.

Having the rules in place with the associated information to back them up means that Exception Management can be applied with confidence, allowing managers to focus on those tasks that really need their attention.

Through to 2009 BPMSs will be the popular choice for further automation and greater agility of business processes - Gartner Group

Growing companies or those under increasing threat from competition must take a systematic approach to selling through their own best practice and documented sales process management steps.

How do you create/change your sales process?

Once you know which activities make up your best practices and the areas of benefit that BPM can bring to your company, you are at a good point from which to plan the optimum sales process for your company. There are four simple steps to creating your successful sales process.

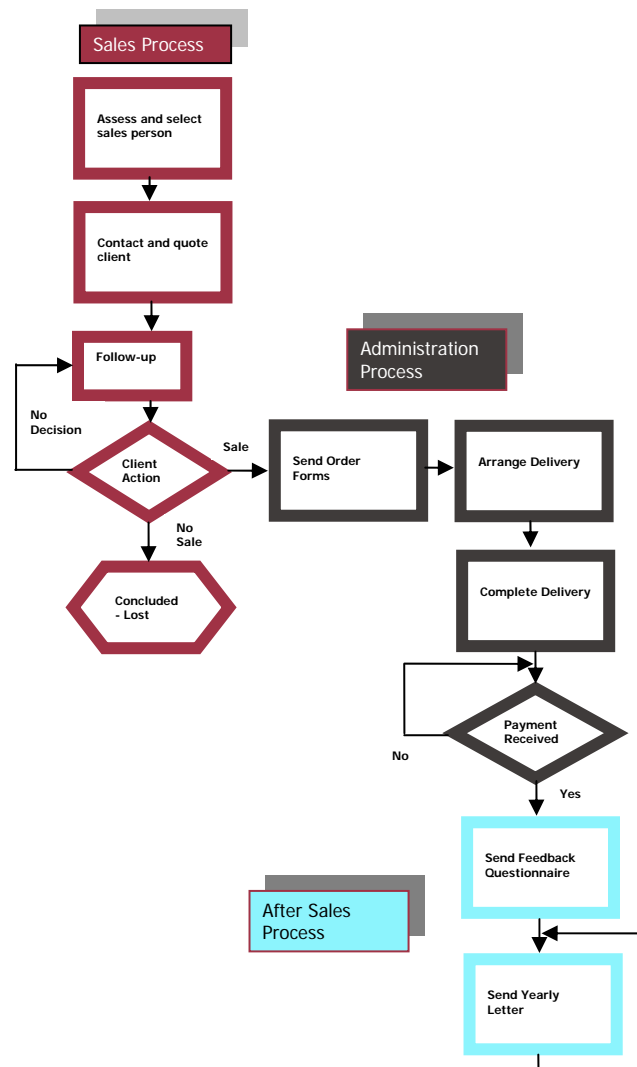


Figure 1: This is an example of a simple sales process from initial enquiry through to managing the customer relationship.

1. Current Situation

Map out your existing process or processes for selling. Your map (See Figure 1) should include the different types of sales that take place in your company e.g. direct or indirect, product or service, interactions with other internal business units, partners or resellers, areas where decisions need to be made, communications issued or time constraints imposed. You will need to know who the individuals are involved in the process and document their role, from lead generation and qualification all the way through to final order.

2. Desired Process

If you don't already have a consistent sales process or if you can find areas for improvement, you can either create one based upon others in the marketplace that fit your way of selling and the markets in which you operate, or follow a strategy offered by sales consultants such as Miller Heiman. Your chosen process should have a high degree of repetition and proven success, when combined with your own best practices you will have a sales process to test your company against.

3. Process in Practice

When you have an outline for your process you must make sure that it will work for you in practice. Apply it to historical examples to assess its ability to stand-up and when you have refined it you need to communicate it to those that are to be involved in the process and explain their commitment. The biggest challenge is then assuring your sales process is well managed and provides benefit to your company. Sales Managers know who their best performers are (generally they form the top 20% of the sales team) and if it was possible to take what they know and ensure at least 60% of the rest of the team were working to their methodology there would be a dramatic increase in sales.

4. Process Management

The whole sales team and sales support staff need to consistently follow the practices outlined to complete the process and measure the results. The most efficient way of managing and measuring your sales through your best practice is through a workflow based sales force automation system. Every step that you outline and every piece of information you wish to capture can be mapped into a solution, allowing real-time management and reporting on each of these critical events. Changes to weaknesses in the process can then be made and rolled out to many users at once allowing strategic changes to take place immediately.

In order to improve your sales performance you need to know where you are now, where you want to go by agreeing a sales model, then making sure it will work for your company. Finally choose a solution that will enable you to manage your sales process through its workflow and then report on your outcomes as your company grows.

Over 80% of generated leads are never followed up on or are dropped or mishandled – Aberdeen Group

Why automate your sales process? Many companies still use paper, email and spreadsheets to carry out critical tasks such as quotations, sales reporting and lead distribution. The reality is that these methods have major drawbacks including paper getting forgotten or filed, emails lost in the proverbial 'black hole' and spreadsheets taking extra work to populate usually resulting in a document that is out of date before you even start it. A process driven or work-flow based SFA/CRM solution will alleviate these problems.

Automating your sales process through workflow.

SFA/CRM software has long been recognised as an enabler to radically redesigning your sales processes for achieving dramatic improvements in sales performance, management and measurement. Typically this type of technology can collect great amounts of data, however, unless your individual sales process or workflow is an integral part of the solution it is impossible to gain access to the real information that every Sales Manager wants; an accurate and clear view of pipeline deals, ability to more accurately forecast and the knowledge to be able to intercept sales at the right time to provide coaching or closing information.

If a SFA/CRM tool doesn't follow your company's sales process, not only do managers find it impossible to ensure the sales team are following best practice but across the board reporting can be difficult and the audit trail vague and ineffective for planning future strategy. The reality of modern business is that more often salespeople are in increasingly competitive situations, managing a sale is more complicated than ever; involving numerous communications, documents and the resources of sales support staff. It seems obvious that the system that will work best for your company will be highly configurable to your company and assist you in being proactive, rather than reactive and transaction orientated like many systems available.

Workflow Automation is a key factor that distinguishes better BPMS tools - Gartner Group

A SFA solution that has workflow as its engine will automate the tasks that are of vital importance to a Sales Manager. Asking the system the difficult questions that will guide the business forward and supplying real-time answers whenever you access the solution. For example, one of the most common requests from Sales Managers is for a clear and accurate view of pipeline, what deals are in progress for the company as a whole and for individual salespeople, exactly what stage they are at with them and when they are likely to close. For example, a critical event in your process may be to have confirmation of attendance of a key decision maker or a technical specification at a second meeting before any presentation is made. A keen salesperson may want to rush to attend any chance to meet with a potential customer again, however, as Sales Manager it would be easy to see that missing out this important step could delay the sale, increase the cost of sale or even be a contributing factor to the loss of the sale.

With a workflow based SFA you set the rules. If you think, as in the example above, that it is imperative to gain the information outlined, you can set a red flag for failure to complete this task or you may decide that it's not so important to your business and can be bypassed.

A workflow is created by plotting the best route for a salesperson through a sale. There may be various start points. Set actions and obstacles may occur along the way and there may be a variety of end points but the end goal will always be to close a sale at least but could well extend into fulfilment, support and even account management. See Figure 2 for an example of a workflow and you will see that there are several routes to reach the end result, at points along the route it is possible to set time-limits for completion e.g. responding to a request for information or to rotate the action if it is not completed at a critical step e.g. decision maker must be in attendance at meeting before presentation can take place.

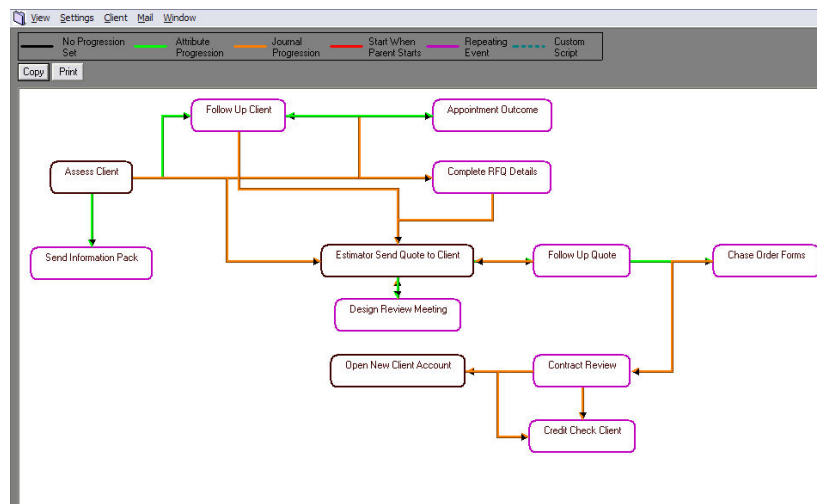


Figure 2 – a sales process automated as a workflow

Workflow not only gives salespeople a best practice path to follow but it provides managers with in-depth analysis of their sales through intuitive graphical user interfaces. The new breed of Workflow based SFA will provide this information in real-time and as a dynamic report available through a web-interface. Managers are able to accurately forecast using detailed historical data, assess a salespersons likelihood of meeting targets by viewing actual activity and stepping in to help a sale that is stalling. The competitive environment that every company operates in whether large or small must optimise their company's performance to keep afloat.

Many good solutions will provide either a horizontal or vertical market solution; horizontal applications such as Sales or CRM and vertical models such as Finance or niche markets such as Insolvency Practitioners. A good system will provide both horizontal and/or vertical market solutions and the capabilities to configure to an individual company's requirements; this is where the real value of a solution comes into play.

What will an automated sales process do for you?

"The longer term goal is to build an infrastructure that operates on the intelligence of the system more than the 'talent' of the user." Chally Group

The power is in the process and the introduction of best practice

By making the process visible through documentation, business managers are able to monitor their business in real-time and are able to determine and execute appropriate outcomes to maximise business success.

Benefits of an automated sales process include:

- Reducing face-to-face time and cost of sale by automating administrative functions and eliminating unnecessary steps in a process.
- Providing suggestions to sales people to help them cope with different customer segments.
- Streamlining the customer experience from sales to delivery.
- Making it easier and quicker to train new sales staff.
- Facilitating communication between all parties involved in a sale.
- Giving sales people more time to sell!

To summarise the benefits of an automated sales process we should look at a quote from 'Automation to Boost Sales and Marketing' by the Harvard Business Review;

"In cases we have reviewed, sales increases arising from advanced marketing and sales information technology have ranged from 10% to more than 30% and investment returns have often exceeded 100%."

This quote highlights the idea that an automated sales process enables both sales and marketing to profile the best leads not just by the source but by the characteristics of companies and their speed, willingness and ability to travel through the sales process.

Conclusion

Companies that want to succeed whether small, medium or large must put in to place measures to optimise their sales procedures. An optimised sales team and its Sales Manager will have full visibility of every sale in the company at both a Micro and Macro level and the ability to produce accurate, up-to-date reports for the benefit of future sales forecasting and planning.

In conclusion two measures have come to the forefront as essential in being able to manage a successful sales team by obtaining visibility of pipeline and simple management reporting abilities;

- Implement a sales process based on best practice for your company.
- Implement a workflow based SFA solution that models your sales process.

Choose an implementation that is value for money and easy to use, cost and complicated unnecessary functionality should not be barriers to a successful implementation.

At the end of the day, the business should not need to adapt just to support technology; the technology should adapt to support the business.

To find out more about SalesFlow the sponsors of this paper, please visit www.salesflow.com or call 0870 1607 555.

Case Study

The Client

The Managing Director of a debt advisory company had established the company having seen consumer debt escalate alarmingly in the late 90's, and recognised a need for specialist advice in this sector. Refinancing, debt redirection, Individual Voluntary Arrangement and bankruptcy are all areas expertly handled by the team of specialists at The Debt Advisor.

The Problem

The Debt Advisor database lacked any functions capable of reporting on the progress of incoming leads, what conversion rates had been achieved or the cost of acquisition of a new client. Manual, daily updates were time-consuming and profit opportunities were missed. Due to the financial nature of the companies activities there were a number of strict processes that needed to be adhered to, without central monitoring there was no way for her to know that these were being adhered to.

The Solution

Serious investment in a workflow based SFA system was deemed to be essential by the company. Five SFA software specialists were short-listed, including; Sales Logix, Salesforce.com and Maximiser. SalesFlow was chosen because it was felt to be the only solution with the functionality and configurability to meet the needs of the business.

Conclusion

In the second year of running the SalesFlow system The Debt Advisor are further developing the system to take over the cash management and reporting functions for Individual Voluntary Arrangement cases, once approved.

The Managing Director is now able to report on the progress of all incoming leads, how many of these are converted into customers and the cost of acquisition of each new client. All of the claims for IVA approval follow a process which allows her to see how many are in the process and at exactly which stage they are at.