STRATEGIC SALES PROCESSES

FOR IMPROVED

CUSTOMER RELATIONSHIP MANAGEMENT

by

PEAK Sales Consulting, LLC

 www.peaksalesconsulting.com

TABLE OF CONTENTS

1. INTRODUCTION

Customer Relationship Management (CRM), in and of itself, is not a solution; it is a means to an end – enhancing the sales process so you can better manage your relationships with your customers. In most companies, this involves multiple departments, such as Sales, Marketing, Customer Service, Technical Support, and even Accounting, to name a few.

Wherever and whenever there is customer contact, you are affecting that relationship, and that relationship is a key success factor for your business. But it is most beneficial to view CRM as a strategy, not just a set of tactical actions. CRM should be an inherent part of your business to promote and simplify a successful and ongoing relationship with your customers. Therefore, CRM should be a core part of your business strategy.

There are powerful products available today to help facilitate CRM, thereby increasing your effectiveness and improving your customer satisfaction. However, without sales processes that direct your business workflow, these products won't be as effective as they could be. The technology should not drive the strategy – the strategy should drive the technology. Hence, technology comes after the process, not before.

Technology is a critical component of a successful sales process since it helps facilitate the process. However, similar to building a house with great tools, an architectural plan is still required or else you won't know what you're building in spite of having the best tools money can buy. With a CRM strategy, you also must first have a thorough plan, otherwise your tools (or CRM products) won't be effective. With a comprehensive sales process in hand, technology can automate many of the components of the process, expedite many of the steps, and replicate best practices from which everyone can benefit. Equally important is using that technology to collect, manage and contain all the customer information gathered and updated throughout the sales process.

During the course of selling and supporting your customers, more than just sales reps and support technicians are involved in working and communicating with the prospect or customer. Typically, a sales "team" actually sells to the customer. That team can include a telemarketing rep, field rep, systems engineer, value-added reseller, distributor, or a variety of other individuals internal and external to your organization. The traditional "sales rep" no longer manages or controls the entire sales process. The sales process itself could begin from another "sales agent", namely your Web site, where the prospect begins their first interaction with your company. Today, an entire team of people and technologies, such as the Internet, can be involved in the selling process, and they all need to communicate and have access to vital client information.

This paper describes the process of locating prospects and converting them into satisfied customers by involving a variety of members of your sales team, thereby promoting a successful Customer Relationship Management philosophy for your company.

We'll begin this journey by following a day in the life of a prospective lead. By analyzing the steps taken to find, qualify, sell and support this prospect, we will see which departments can be involved in each step.

Today, the most successful companies are the ones that provide the best in customer support. To do so, they must have current information about their customers that is available and accessible from any department, organization or individual that has contact with that customer.

After all, haven't we all been a little frustrated or annoyed when a credit card company, in which you've been a member in good standing for many years, sends you a letter offering you their product? Doesn't that make you wonder if they actually know, or care, who you are?

How about when you call a company about the status of your order, or for technical support, and you have to give them every detail about yourself before they are able to assist you. Don't they already have all that information from when you originally purchased the product? Not a positive experience! These are all symptoms of companies that do not have an integrated database of customer information, nor a customer relationship mentality throughout their organization. When each department or function within a company uses their own data without sharing common data throughout the organization, you get the proverbial "left hand not knowing what the right hand is doing". In some cases it's even worse -- the left hand doesn't even know there is a right hand.

The solution to these resource-draining, revenue-impacting problems is to have an integrated system where everyone in the company who interacts with a customer has access to their information so that, regardless of whom the customer calls, they are recognized and handled as a valued client, not just a stranger. To make this system work, however, a defined sales process must be created and adhered to by everyone in the company that has contact with customers. The technology becomes the enabler, which automates portions of the process for efficiency, consistency and accuracy.

2. LEAD PROCESSING

Let's begin with the process of finding a customer, which at this point we'll call a "suspect". This process may involve two key functional units including Marketing, who generates the leads, and Tele-Marketing, or Inside Sales, who qualifies the leads.

Marketing accomplishes its job through a variety of campaigns such as advertising, trade shows, events, direct mail, and the like. By targeting the right audience with the right message, they generate interest in the end-user community, who in turn, respond to the campaign. Once they express interest, they require further qualification.

Lead qualification can be accomplished through an inside sales team who "tele-markets" to these suspects by placing out-bound calls to gather more information about their needs and requirements. Depending on the product or service, this group may even close the sale over the phone. Typically, the more commodity-oriented the product, the more likely the sale can be made over the phone. However, the more complex or sophisticated the product or sales process, the less likely just a phone contact will result in an order or a sale. Hence, an outside sales team may be required, but that will be discussed in more detail in the next section.

Marketing

As leads are acquired and processed, it's important that accurate client information is gathered and maintained since this is where the whole process begins. Marketing may purchase mailing lists with names of suspects to be contacted, or they may obtain leads from an event, such as a trade show. Regardless of their source, these leads must be stored in a system, or database, for ongoing access.

With a list of targeted suspects in hand, Marketing is ready to reach out and contact the suspects with their message or offering. Marketing can construct a very customized, targeted and specific mailing list to any individual in their database. Thus, customized direct marketing campaigns can be mailed, e-mailed or fax'd to the properly targeted audience.

Often times it is advantageous to provide a continuous and timely flow of information to your suspects. This can include a variety of activities and material such as periodic e-mails about your products, monthly company newsletters, bi-weekly fax's with special offers, or monthly phone calls from the Inside Sales team just to see how things are progressing. This is commonly referred to as "drip marketing" and can easily be automated using a variety of tools.

By automating these processes, the administrative and repetitive steps necessary to stay in touch with your suspects, prospects and customers can be addressed without human intervention. Multiple and automatic customer "touches"; such as e-mails, fax's, phone calls, letters, and more, can be generated automatically and sent at predefined intervals.

Nothing is forgotten, and valuable resources and time are not taken up with everyday correspondence.

Regardless of your campaign or follow-up activities, one key piece of information to capture is the lead “Source” – where the lead came from. Whether importing leads from a mailing list or trade show attendees, or entering them one at a time from incoming phone calls that resulted from your recent advertising campaign, it is imperative to capture the lead source. This will provide valuable marketing information later when you compare it with your close ratio to determine your ROI (Return On Investment).

By tracking your leads, it will be possible for you to justify and account for your valuable marketing budget, as well as measure the effectiveness of your marketing programs.

Inside Sales

Leads now must be qualified. If your Inside Sales team makes outbound calls to your leads, or receives incoming calls from interested suspects, then working with the same data Marketing developed is critical. By asking qualification questions, the Inside Sales reps can store valuable client information in the same database with the original customer record. All information is stored in the same location, reducing errors and increasing efficiency.

During the qualification stage, several actions might occur. First, there will be data gathering as the rep collects more detailed information about the suspect. Second, the suspect may reveal additional requirements than they initially stated, which could alter the selling approach. For instance, the suspect may identify a need for additional products or services, which could increase the sales potential, change who actually deals with the client, and alter the sales strategy regarding pricing. Finally, the qualification stage may identify a sense of urgency, which would expedite the follow-up process. Regardless of the information gathered and the knowledge obtained, this step is critical to determining the validity and priority of each and every suspect that Marketing acquired. This information must be kept in a central repository for the entire sales process to be effective and successful.

3. SELLING CYCLE

Outside Sales

As the inside sales team qualifies your suspect, and with the new suspect information in hand, the Outside Sales rep in the field is ready to make contact. Depending on the company's sales process, the individual sales rep's particular style, and a variety of other factors, this process could take many forms and involve many steps.

Let's say the first steps are to call the suspect to gather some additional information, qualify them further, and perhaps schedule a meeting. While the Outside Sales rep is speaking with the suspect, he is gathering additional valuable information about their buying criteria; including issues, problems, time frames, budgets and decision-makers. This information must be collected and stored in the same repository used by Marketing and Inside Sales. By doing this, the Outside Sales rep can continue to maintain an accurate database for that account with valuable information such as the name of each person in the decision making process; including the economic buyer, decision maker, technical evaluator, and more. Based on data collected on this call, the Outside Sales Rep can also send the suspect additional information if necessary. He should be able to simply e-mail an existing document or material so the suspect receives it immediately.

As with many sales cycles, the process of contacting and interacting with a suspect numerous times, in a variety of ways, is typical. Therefore, the Outside Sales Rep should have access to a variety of mechanisms for interacting with the suspect. This can include a laptop computer, a PDA, an office phone, as well as cell phone, e-mail, fax, and whatever else is useful for communicating with the client. All these features help a sales rep operate more efficiently and effectively while working with their clients and improving their relationships. However, care must be taken to ensure that as they collect information during these contacts they update the central database so everyone on the sales team is kept informed of the client's status and records, regardless of the method of contact.

Sales Forecasts

In the process of continually trying to move the suspect to a commitment to buy, the suspect eventually becomes a "Prospect". This is a function of how well qualified they are, based on interest, timing, product fit to their requirements, budget, and other variables. At some point during this process, it is important to identify the potential revenue for this account and develop a forecast for the sale. A forecast is simply a description of what the prospect might buy, when they'll buy, the probability of getting the order, and the potential revenue your company will receive as a result of this purchase.

A forecast is useful to the individual sales rep, the sales team, and sale management. The sales rep can better manage their time with an accurate forecast by focusing on the higher probability sales that are expected to close sooner and have higher revenue potential. The Inside Sales team, and other members of the sales team, benefit because they understand the position of that prospect in the sales cycle. Thus, during future communications with the suspect, they can position their discussions accordingly. Sales Management benefits from forecasts because they can better manage their business by knowing what to expect regarding revenue projections.

Any good sales process should define specific “stages” of the sales cycle depending on what activities and events have occurred. Stages are an important component of the sales forecast since they drive the probability of, and activities related to, the sale. Stages identify where the prospect is in the selling cycle. For instance, stages can be the Qualification Stage, the Proposal Stage, the Negotiation Stage, the Handling Objections Stage, the Closing Stage, and so forth. Stages can be useful when generating reports because they show how many leads and how much revenue is expected within each stage, or even within each probability of sale. This information helps sales reps to manage their pipeline, prioritize their opportunities and plan for success. The sales rep and their managers can get a quick view of their pipeline without wasting valuable time analyzing, consolidating and presenting their data – that is provided that this information is collected, updated, accurate, and stored in a central database along with the other pertinent customer information.

Team Selling

Since many companies sell as a team, multiple individuals may be contacting the prospect. It is helpful to track every interaction made including phone calls, meetings, correspondence, incoming and outgoing e-mail, and more. Therefore, this information is important to store so each team member is aware of what everyone else is doing, thus enhancing the relationship with the customer.

This part of the process reinforces team selling since all members are in complete unison with what has been going on with every prospect, or customer. Imagine how much time and embarrassment would be saved if, before a call is made, the sales rep knew that their prospect was contacted by the Inside Sales team a day earlier with information the sales rep himself did not have. It is also a time-saver to see notes about the previous call from the inside team, prior to making the next call or visit.

Sales Management

So far, we’ve taken a lead generated by Marketing, qualified it by the Inside Sales team, and provided all this information to the Outside Sales rep. The Outside Sales rep made numerous contacts with the prospect including phone calls, visits, letters and e-mail. The Outside Sales rep also created a forecast for this opportunity and updated the database for everyone, including the inside team, to view. Now, somewhere along the line, the Outside Sales rep’s manager is going to want to know what the rep believes he will be closing this month, or quarter, or year. She may also want to see where and how the rep is spending his time and therefore would like to generate activity reports.

Because this information has been entered in a central database, any amount of it can be sent to other individuals and included in reports. In this case, the Sales Manager needs to know what her team of field sales reps has forecasted for the month, by rep. It would not be beneficial for each sales rep to enter their forecasts on spreadsheets, certainly not when all that data is already contained in the system. Also, writing weekly status reports with all your activities is time consuming, as well, and takes the sales rep away from their primary task of selling.

Therefore, reports should be generated to present management with forecast information as well as activity lists, call reports, and virtually any amount of information that has been recorded within the system. This alleviates the necessity for sales reps to spend valuable selling time reentering their forecasts into a spreadsheet or writing down their activities for the week. This, nonetheless, requires two important criteria – One, technology is required to collect, store and report this data. Two, the users need to actually use the system and enter the customer information and their activities. Without either of these two, the process will not work properly.

4. CUSTOMER ACQUISITION

Order Entry and Accounting

Congratulations! Finally, after all the time and effort expended, you closed the deal. Your suspect, who turned into a prospect, is now a customer whom you've acquired. It is necessary at this time to actually book the order and invoice the customer. Your sales reps don't personally take the order nor collect the revenue. That's where the Order Entry and Accounting departments come into play.

We now have to introduce another department into the equation. Using the old fashion method, the appropriate customer information would make its way to the Accounting department where someone would re-enter all the basic details, such as the customer's name, address, phone number, etc., along with the details about their order. All this data entry is not only time consuming and redundant, but also subject to errors, which can lead to a multitude of other problems.

However, if you have a Sales Process and use technology to implement it, this information should already be available to your Accounting department and perhaps even interface with your accounting system. The customer's order can be processed, fulfilled and shipped without having to re-enter the data. Also, since selected customer information should be shared between various departments, the sales rep can see if the order has been placed, if the product has shipped, and even if the customer paid for their order.

Why is this important? Well, let's say you are the sales rep and you closed this deal with a customer. Several months later your company comes out with a new version of the product or a new service that your customer may be interested in. You realize you may be able to increase sales by contacting this customer to see if they'd be interested. So they invite you in, have a long meeting, express interest and you write up another order. Great! Right? Wrong!

What you didn't realize is that this customer hasn't paid their bill from their initial order and you just wasted a day, or longer, selling them more products that they probably won't pay for either. Chances are your company will refuse this second order anyway, but why waste time selling to someone you shouldn't? If you had known their payment status, then you would have known not to take the time to sell them additional products. By sharing this important information between each department, you would be able to see critical information which could save you time.

5. CUSTOMER MANAGEMENT

Customer Service

Let's look at another department that can benefit from a comprehensive sales process. Again, let's assume you are the Outside Sales rep. While your new customer is awaiting his order, you call him to schedule a meeting to discuss the new service program your company now offers. In the meantime, the customer calls your company's Customer Service department to see if his order has shipped and when it should arrive. The Customer Service rep looks in their record and notices that you have a meeting scheduled with the customer in two days to discuss your service contract.

After answering the customer's question about his order status, the rep says, "I notice our account rep is coming in to speak with you about our new service contract. Is there anything I can provide you with in the meantime to help you understand our offering?" The customer enthusiastically replies, "Yes" and the rep e-mails him a data sheet about your service. He then has a lengthy discussion with the customer about the new program and answers several questions they have about its benefits. The rep updates the customer's record to reflect this interaction.

You notice later that evening, since you are sharing the customer's information, that the Customer Service rep had an interaction with your customer and you review how the conversation went. Now, instead of spending a lot of time in your upcoming meeting explaining the basics about your new service to the customer, he is already well informed and educated. You can now spend more time addressing any of his concerns, answering any final questions he may have, and possibly taking his order.

A good sales process that uses technology to facilitate data sharing enhances team selling and cross selling since it easily shares information with multiple groups, departments and individuals throughout your company. In this scenario, the Customer Service department was well informed about the customer's order as well as the status with the Outside Sales rep. Because of this, they were able to assist in the selling cycle, even though that wasn't their primary charter or intent.

Technical Support

Now it's time for the ultimate test. Your customer has found a problem with your product and he calls Technical Support. This can be your "Achilles Heel". This is where the real test comes as to whether you can truly support your product and stand behind your claims as a customer-focused company. If you don't have the proper tools to log, track and resolve problems, then you can put yourself into a very delicate situation with your customers. Your sales process should provide tools to help you excel in supporting your customers. These tools should also share the same data that Marketing, Sales, Management, and other departments use.

Let’s say your customer calls you with a problem. Let’s also say that the Frammastat you sold him is not measuring the correct “articulations”. Once the technician enters the problem and its status into the system, everyone else should be able to access that information, even if it’s just on a read-only basis. This will enable the Outside Sales rep to know if there are any pending issues with his customer. As a result, the Outside Sales rep could postpone a meeting with the customer to sell more products at this time, or he could place a courtesy call to the customer to make sure they are being dealt with satisfactorily.

Likewise, in addition to seeing pending and completed sales and marketing interactions in the customer’s record, the technician can also review the specifics of a particular activity. With this data they can determine what, if any, commitments have been made by non-support team members, as well as gain insight into the current stage of their company’s relationship with the customer. Support personnel will also have immediate access to sales related information, which can inform them of potential revenue-impacting activities.

6. SUMMARY

Well, there you have it. We've taken a perfect stranger and, by nurturing him and developing his needs and requirements, moved him from Suspect to Prospect to Customer. He is now considered a very happy customer -- sort of like a "Poster Boy" for your company and products. You've developed a lifetime relationship with this customer.

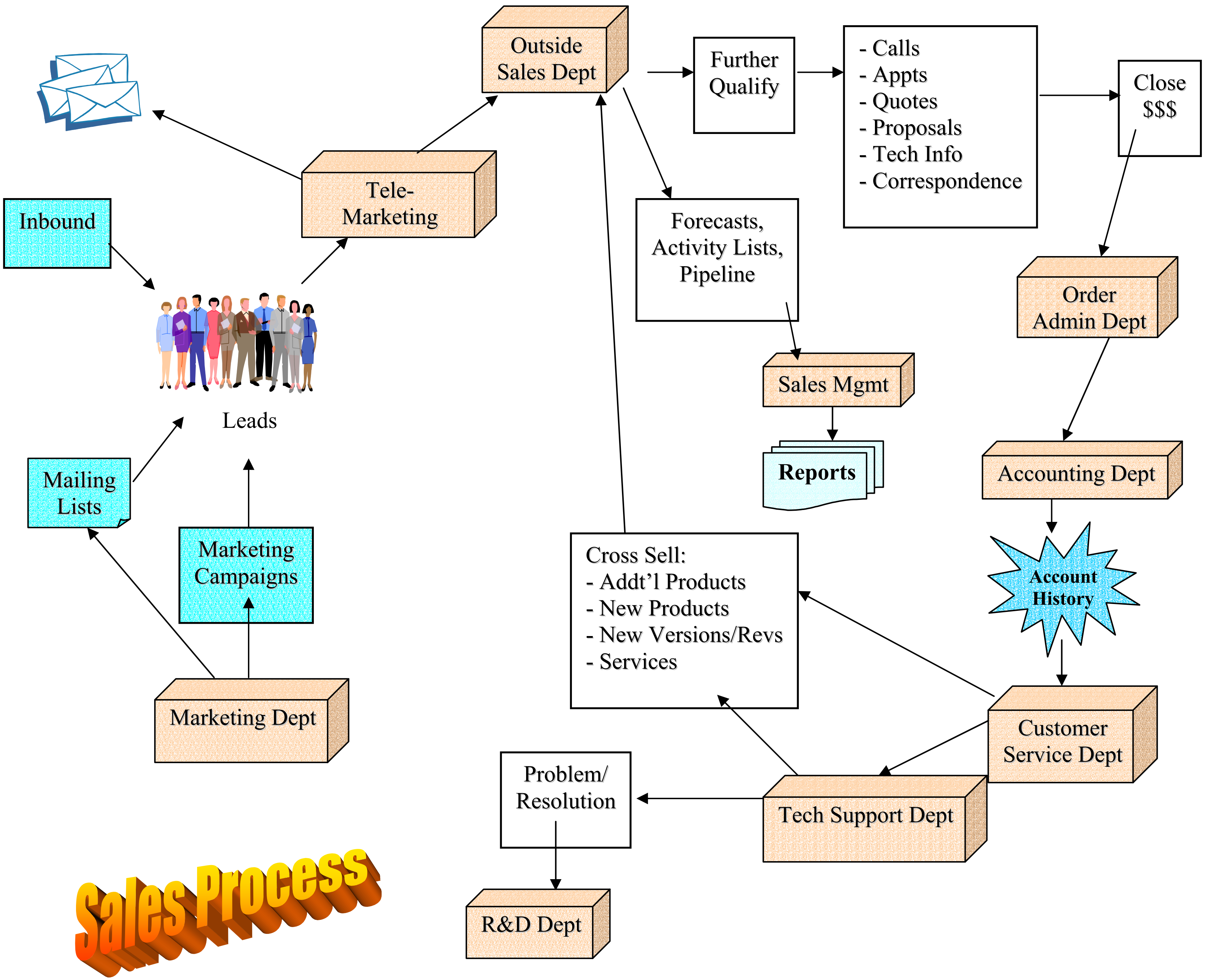
You approached and pursued him in a well-timed and non-intrusive style. You took the time to understand his needs, requirements and "pains", and you successfully addressed his problems with an effective solution. You did all this with a well-orchestrated sales process that was executed and partially automated using technology. You learned that a good sales process and the right tool can help your company successfully manage your customer relationships.

Managing the relationship you have with your customers -- that's what it's all about. If you don't take care of your most valuable asset, your customers, by treating them as an important part of your business and handling their needs and requirements quickly and effectively, then you'll lose them – and probably to one of your competitors.

You need both the proper mind-set and the right tools to do this successfully. Your mind-set is the corporate culture that permeates throughout your organization and to each individual employee who has contact with your clients. Without establishing the mind-set first, it doesn't matter what tools you use, since they won't help you. There must be a committed desire, a passion, to want to care for your customers.

Consider the power of combining your commitment to excellent customer relationships with the power of technology. You'll have a solution that will increase customer satisfaction, expand your business, and provide an overall successful strategic business solution for your organization.

The following diagram depicts a sample sales process that is similar to the one discussed in this paper. Although your company will differ, this is a representative process that involves various departments within an organization. The ultimate goal is to share customer information throughout your organization to enhance lifetime relationships with your customers.



 www.peaksalesconsulting.com

PEAK Sales Consulting, LLC

PEAK Sales Consulting, LLC specializes in working with sales executives to develop and implement business and sales processes, and to provide sales training focused on these processes. Their focus is to help sales managers improve sales revenue, reduce sales cycles, generate predictable forecasts, enhance lead flow management, develop meaningful management reports, create superior sales metrics, and produce exceptional sales results. PEAK Sales Consulting's methodology provides the framework for aggressive and sustainable results in sales effectiveness.

Their services help sales executives and their teams to:

- Accelerate sales growth
- Improve sales results of the individual sales rep and sales team
- Increase closing rates by improving conversion ratios
- Identify and leverage best practices of sales reps and sales managers
- Reduce ramp-up time for new sales professionals
- Help transition into a solution style of selling
- Provide accurate forecasting procedures and useful management reports with minimum resource expenditures

---

Written by:

Russ Lombardo
President
PEAK Sales Consulting, LLC
russ@peaksalesconsulting.com
www.peaksalesconsulting.com

For more information about implementing Customer Relationship Management solutions for your business, pick up copies of **CyberSelling** and **CRM For The Common Man** by Russ Lombardo at our web site or Amazon.com