

*Leveraging Information  
To Achieve  
Industrial Selling Results*

*Practices That Pay!*



**Commence**  
CORPORATION

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## Introduction

Today's industrial sales environment is characterized by intense competition, strategic sourcing contracts, online auctions, customer pressure for self-service, and the ongoing debate over fee-based services. To thrive in this environment, industrial distributors and manufacturers need more than leading technology or efficient warehouses to achieve long-term growth. Leading industrial organizations are looking outside their four walls to their customers for growth ideas. By leveraging the voice of the customer, these organizations achieve a competitive advantage in redefining sales and marketing, the all-important customer-facing portion of their operations.

In an effort to help industrial distributors and manufacturers sell more, more effectively, Commence Corporation has developed this compendium of more than 40 smart practices in industrial selling, culled from interviews with leading executives within high-growth companies, and building on a comprehensive review of published perspectives on smart industrial selling. Entitled *Smart Practices That Pay: Leveraging Information to Achieve Industrial Selling Results*, this compendium focuses on the three key elements of a successful industrial sales effort: marketing strategy, sales management, and sales optimization through technology.

Commence Corporation knows that the information technology investments of sales departments are often wasted due to failed implementations. This study focuses on the keys to successful industrial selling, all of which can be enhanced with proper application of technology. Based on extensive experience, Commence Corporation believes that the only path to success is to *first* develop consistent marketing and sales processes, *then* utilize these processes in a disciplined manner *reinforced* by dynamic training and *carried forward* through effective coaching. The right technology can help accomplish each of these steps.

Many industrial companies today are contemplating adding a centralized sales and marketing database system, sometimes called Customer Relationship Management (CRM), Sales Force Automation (SFA), Contact Management (CM), or a variety of other confusing names and acronyms. The purpose of this document is to ensure that these initiatives, by whatever name, succeed for industrial sellers and deliver the results promised.

## Methodology

This compendium of smart practices is rooted in a variety of sources. For more than a year, Commence Corporation has interviewed dozens of leading executives in high-growth industrial manufacturing and distribution firms in segments that include power transmission, fluid power, welding, electrical, safety products, industrial supplies, instrumentation, and building products. Commence has also hosted several Executive Roundtables to obtain additional input and feedback from key executives building on their dialog on the topic of industrial selling with one another. The following Smart Practices are a summary from the variety of these sources, combined with Commence's more than 20 years of experience and complemented with contemporary commentaries from more than 50 magazines, presentations, web sites and books.

Each of the major sections - Marketing Strategy, Sales Management, and Sales Optimization through Technology – include an Executive Summary, a set of Smart Practices derived from the research, and techniques to Leverage Information for results. Finally, the bibliography contains numerous reference materials that you may use for additional learning.

# Section Three: Sales Optimization Through Technology

Sales Force Automation (SFA) and Customer Relationship Management (CRM) software packages have been purchased by many companies in hope that the sales team would become more productive, as is often seen when investments in technology are made in the operations side of a business. Unfortunately, the fact remains that while technology may improve the effectiveness of an undisciplined or unfocused sales force, true optimal results require a well-managed process of implementation, training, and ongoing coaching and monitoring.

This section addresses Smart Practices related to getting the most output from a sales staff once a commitment has been made to invest in SFA or CRM technology. The successful implementation of such a system depends on selection of the best system based on functional requirements, followed by process-centered training, ongoing coaching, and a philosophy of continuous improvement as opposed to attempting to change everything on the first day of usage.

## 3.1 Take Small Steps to Drive User Adoption

### Executive Summary

Our research found that successful implementations often started by selecting a small group of respected individuals to serve as your pilot group. This group will help determine the processes, policies, and expectations before the implementation and then during their initial experience with the new processes and the new tool. Modifications may be made based on this group's lessons learned; when the pilot is complete and the next group is going to be trained, the new students will know that this system has been fine-tuned by these respected leaders and that these leaders have been using the system and benefiting from it.

Developing a multi-step training plan that introduces processes and functions in stages is a second ingredient of successful implementations. This allows users to get comfortable with new habits gradually, learning to use e-mail and their calendars first, for example, followed by opportunity tracking and eventually entering history and following up on quotes. Each company will determine the sequence of training based on priorities

Finally, success depends on the selection of an internal "champion" to support and drive the implementation of the new processes and the new system. A focused project manager is also essential to success since everyone will be distracted with the pressures and interruptions of daily activities. This person can be a sales administrative person, an information technology person, or an outside consultant. The key is having a detailed oriented person identifying and communicating all assignments and addressing any obstacles that threaten to delay the implementation.

Getting users to properly and regularly adopt a new approach to their work is the hardest part of improving sales results. Having a pilot group field test the new procedures and the new software tool gives credibility to the value of the effort when these individuals can share stories of how the system worked for them. Fine-tuning the internal processes with a pilot group also reduces the frustration of midcourse corrections when the full implementation begins. The goal of a phased-in approach is to have no surprises during the initial training.

Smart industrial manufacturers and distributors using CRM systems encourage users to actively use the sales and marketing software. If you don't have this in place, they will look for – and find – excuses to stop using the software, whether it is a lack of time, bugs in the software, inaccurate data, or claims that this is just another management fad. To combat these excuses, the smartest practices include the following:

- *Align incentives with the sales automation tools.* Sales people are goal-oriented and highly motivated. They are keenly aware of “paid” vs. “unpaid” activities. Though they will complete as many “unpaid” activities as are necessary (for example, expense reports), they are less likely to give their best effort to activities they don't directly benefit from. Giving an additional commission or cash bonus for entering data may seem like you are compensating people for completing the basic requirements of their job, yet it is the best way to guarantee data will be entered in a timely and accurate fashion.
- *Find the “opinion leaders” in each sales team.* Persuade them that the system will help them while improving the overall customer experience.
- *Start with a pilot group.* The results will help you to convince other users of the benefits.
- *Gain management support.* If the president doesn't think it's worth his time, then your salespeople will feel justified in ignoring the system.
- *Provide avenues for employee feedback.* They will legitimately have questions and suggestions; you need to listen to them and react appropriately as needed.
- *Make sure all management, trainers, and support staff are on the same page regarding the implementation.* The message should be consistent no matter who the sales team talks to.
- *Communicate “what's in it for me?” to all of the users.* Have them explain it to you. If the team doesn't understand the benefits of the system – both to themselves and to the entire organization – they will not give it their best efforts.
- *Over-communicate about the status of the implementation.* You can never give people enough information. The more you communicate, the less likely they will be to start questioning why things aren't happening that they thought would happen.<sup>18</sup>

## Smart Practices

- ❖ Develop a roadmap for training based on what is most valuable to the users.
  - *"You need to start with reports that give the salesmen what they need [e.g., Any crisis? Any credit issues? Any complaints?]. The whole goal is improving sales productivity, not feeding management reports. The reports must be accurate, or the system will lose credibility. Data quality and integrity is job #1."*
  - *"It is imperative to have a driver – an internal champion, and an external project manager if needed. The timetable for implementation must be constantly communicated and meet the milestones, or people get frustrated."*
  - Create a simplified database focusing on a few key functions.
  - *"We tried not to digest everything at once. We first focused on a few things, such as quote automation and cleaning up the contacts and accounts. Then we expanded to more daily functions, such as entering appointments and sending e-mails. Our users appreciated the fact that they could learn in stages."*
  - *"Separate the 'nice to haves' from the 'need to haves.' We really 'dumbed down' the database at the beginning, simplifying the fields and the screens."*
  - *"Don't let the trainer show all the bells and whistles. Focus on what to call things, what to do. Take screen shots and create cheat sheets – the objective isn't to create a manual."*
- ❖ Create a pilot team to work with the new system and processes; they help sell the rest of the users.
  - *"We knew we would have resistance. So we took a cross-section of our well-respected inside and outside salespeople and had them use the system for a while. Once they got hooked on its value, they helped the rest of the company buy in to the idea."*
  - *"At the end of the day, if the only answer to why we use CRM is 'they tell us to,' then we have failed."*

## Leveraging Information

A key to successful adoption of new technology is to develop new habits and behavior. A good system will allow the administrator to simplify the screens and menus that the user sees until basic habits are formed.

Most CRM systems will allow functions to be totally hidden from view. This approach allows a very simple experience at the beginning so users are comfortable. Following a clearly communicated sequence and schedule, users will be notified and trained periodically before the next level of functions is “turned on.”

Having accurate, clean data (e.g., contact and company names) in the system before training begins is essential. Good CRM systems have import utilities, merge and purge functions, and professional services support with initial data clean-up and import.

Simple modifications of the CRM database to include the labels, processes and language that are familiar to the users increases comfort levels and utilization. The CRM administrator should be able to make these changes without incurring extra outside costs.

## 3.2 CRM is a Tool, Not a Solution

### Executive Summary

In our research, successful companies repeatedly told us that the key to upgrading the sales effort was to first implement a standard sales process (see section 2.1), and only then implement a CRM software tool to facilitate that process. Many organizations favored the creation of a task force to create the sales process. The functions and tasks performed as part of the process became the criteria used in selecting a software system. This approach to implementing CRM recognizes that the real objective is to discover the optimum processes to follow in the daily activities of inside sales, outside sales, and customer service. The disciplined habits of how to sell, what to sell, which customers to target, and how to communicate internally are identified first.

Smart companies realize that implementing CRM is mostly about getting sales team members to adopt a disciplined approach to selling, forecasting, and customer service. Once the sales process is defined with specific work flow and expectations for each job function, the task is to train people on the new process, including what to enter into the CRM software tool and when to enter it. This approach avoids the common failure where users are taught every aspect of a software system in one session, and then, overwhelmed, they return to their jobs and implement bits and pieces of the tool depending on what they remember and care about.

A CRM software system can only be effective if the company that adopts it has a clear understanding of each step in the sales process and a definition of each job function. Defining the essential processes assures that whatever software system is selected will be strong in the most important areas. A long-term view of where the sales methodology is headed will help in the selection of a software that will allow continued enhancement of the sales process. Finally, knowing what users will be doing on a daily basis helps shape the training, including which features to emphasize and which features to avoid.

## Smart Practices

- ❖ The first step to any successful CRM project is the initial needs assessment based on the standard sales process.
  - *“This step was important in order to get everyone to see the need for change. The information from the user surveys and interviews was funneled into the training for the pilot group.”*
- ❖ Any CRM software implementation is doomed from the start if it is touted as the answer to systemic problems; rather, it should be viewed as a way to better track and document a solid process.
  - *“If the CRM system is seen as a solution, it will fail. The software is simply a tool to help us quickly and consistently follow our agreed upon techniques. The development of these techniques is really the ‘solution’ to improving our sales effectiveness.”*
- ❖ Once the pilot succeeds, every salesperson must be required to use the new CRM system, regardless of how long they have been employed or how much they sell; it is not optional.
  - *“Our challenge was to get the sales guys to use the tool – so we first focused on the items they cared about most. But eventually, all parts of the process were mandatory.”*
  - *“The initial enthusiasm among some of the users gradually faded as they saw that half of the company wasn’t using the system, making the information that was entered incomplete and of little value.”*
- ❖ Top management must also buy into the system from the outset and utilize it consistently on an ongoing basis.
  - *“Where the project fell apart was when top management did not attend training, did not use the system, and provided no support for using the system or consequences for not using it. The problem was that management thought buying the software was going to solve everything, as opposed to realizing it was simply a tool.”*
- ❖ Throughout the process, keep in mind that the end goals are increased sales and higher margin, not more data in

the CRM system; thus, participation needs to be mandatory, but it also must make sense.

- *"You have to keep the priority on getting knee to knee and eye to eye with the customer. The quicksand that could mire the CRM system is overkill on data entry – if the IT guy gets involved, you may as well cut off your knees. It's about excellence, not perfection."*
- ❖ Instead of using the software "out of the box," make sure it is tailored to your sales system, and customize your training materials accordingly.
- *"We have a pretty extensive user's manual of "how we do it" – how to enter a contact or an appointment the way we want it done, not the generic training materials from the software provider. Our book is a quick reference tool that is right on the desk."*

## Leveraging Information

A proper CRM software system should match the standard sales process exactly. It must also include the "common language" of the organization. Each step of the sales process must be completed before the next step is begun, so certain information can be made mandatory before the next work step is accessible in the system. Pipeline reports should include a velocity calculator to help determine when and where deals are stalling. Customized fields and drop-down menus can help capture target account information in a fast, consistent method. In short, all of the previous sections of this compendium can be facilitated through the use of a CRM system.

CRM training should be conducted with a fully active database, not a generic training database. Special reports and/or screens that display how each user is complying with the new process are important and should be shown to all users, even if only management will have access. A comprehensive training reference manual showing actual screen shots of proper data entry is much more effective than generic user guides and online training modules. Easy to use job aids to reinforce key skills, combined with supervised practice using the actual database, will shorten the learning curve and reduce errors.

## 3.3 Coach Your Coaches on the System

### Executive Summary

One of the most powerful, yet underutilized ways to enhance a CRM system is to ensure that the sales managers fully understand and are completely comfortable using the new system before it is mandated to the rest of the sales team. The sales leaders must be coached to become coaches. Once they become CRM advocates, they can help drive user adoption downward. Sales managers need to learn how to ask questions and give advice using the new process vocabulary. Using the system themselves will encourage use by their direct reports. For example, managers will love the system if they have screens to show them at a glance whether a particular salesperson is properly following the sales process and documenting plans and activities. The salespeople in turn will quickly learn to use the system, knowing that the manager is monitoring it closely. Conversely, they will reflect the content frustration at incomplete or incorrect information impacting their decision making.

Management needs to be involved in more than a cosmetic fashion. A senior member of the sales management team needs to attend the training, and this same manager should inspect the sales activities for a period of time to make sure they continuously are consistent with the new sales skills introduced during the training. "After implementing the new sales process, you should plan to reinforce the process by coaching managers on how to sustain the new processes in the field. This may involve sales management training and the introduction of automated tools or CRM software, as required. ... Finally, you should measure the impact of the project, using the metrics originally identified during the management alignment phase."<sup>19</sup>

A CRM system, properly implemented, can be part of a sales culture that encourages high performance and challenges each salesperson. "Top sales professionals aren't just in sales for the money. They work in sales because it's a vehicle to uncover the hidden potential that is inside them as individuals. Good sales leaders are coaches who can help people discover their talents. Great sales leaders know how to coach each individual so that unique strengths emerge. Outstanding sales leaders go beyond this and create meaningful experiences that help sales

professionals connect with their basic goals and needs.”<sup>20</sup>

Change management is the hardest part of implementing a CRM system. It is never easy to undo old habits and create new ones, but it can be done with appropriate coaching. The best coaching is not just about the system, it is about speeding up the sales cycle - which usually motivates everyone.

## Smart Practices

- ❖ Sometimes, good coaching can be nothing more than recognizing success by e-mailing good news to all members of the sales force.
  - *“We constantly coach and combine coaching with success stories. We forward success stories to other salespeople on the team as motivation and recognition.”*
  - *“I monitor the system first thing every morning. If I see a good success, I let him know right away. This makes him realize I’m using the system, too.”*
  - *“Reps will do what they think will make them successful.”*
- ❖ Simply making sure to use the information in the system during sales calls and meetings quickly reinforces the value.
  - *“We developed coaching tools for the managers – you can simply download discussion points from the system before going on a joint sales call – our salespeople saw how easy it was to be well prepared”*
  - *“If you don’t push it from above, and get the managers supporting it, the CRM system won’t work”*
  - *“We have quarterly territory reviews where the sales rep walks top management through his activities and plans, using the CRM system as a resource. It becomes obvious very quickly who is and isn’t using it properly, so we give help where it is needed”*

## Leveraging Information

A good CRM system lets a sales manager view the calendars, history, opportunities, and quotes of each individual salesperson, as well as team level activity by account, territory, region, product line, and numerous other variables. Having constantly up to date information about what salespeople are working on without the need for time-wasting meetings and call reports is one of the biggest benefits of a CRM system.

Opportunity management is a powerful part of any true CRM system. Smart sales managers keep an eye on the balance of opportunities at various stages in the sales process. A salesperson with too few opportunities about to close may be having problems with qualification or needs analysis. A rep with virtually no opportunities in the early stages may need help with prospecting or developing target account lists.

Balanced selling also can be monitored by product line or market segment. If a manufacturer/vendor is launching a new product, a flexible CRM system allows all planned and completed activities that are related to that product to be displayed in a report or dashboard.

## Conclusion

This compendium of smart practices will never stop growing, as long as successful sales and marketing leaders are willing to try new methods and to share their stories with their peers. We are constantly impressed with the number of innovative ideas being developed. We hope that the readers of this document will send us their new discoveries as they embark on the sales improvement journey.

The highlights of the research clearly point to proven ways to succeed in the adoption of CRM systems in the industrial selling environment. The stories of failed implementations can surely be traced to a lack of understanding of a few or all of the core principles outlined in the preceding pages. Smart companies that are clear about their market direction and focus, that are intentional about what they expect from the sales force, and that are deliberate in the step-by-step introduction of technology as a support tool – these companies can and are clearly using CRM as a strategic advantage.

Commence Corporation is committed to the continuing success of the sales and marketing efforts of industrial distributors and manufacturers. Please feel free to take advantage of our experience – go to [www.commence.com](http://www.commence.com), or call us at 732-380-9100.

## Footnotes

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