

# Automating



## Your Sales Force

Many companies look to use automation to improve and streamline the sales process but struggle with the execution of their strategies. If they can't answer the question what customers do we serve better than anyone else or how do we profitably communicate and deliver the value we provide, then no CRM solution in the world can help them. CRM is nothing more than a tool used to execute your strategy for improving sales and customer service.

Larry Caretsky, CRM Specialist

By Stacy Ward, Managing Editor  
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**T**here's a lot of information on why you should invest in Customer Relationship Management software or CRM for short. It can help you consolidate data; streamline the sales process; market your products and services; and deliver customized perks like customer portals. So by all accounts, it's a smart move for anyone serious about shoring up sales and customer service. But here's what you should know before committing to the process, which experts estimate takes at least a year to properly execute. If you're not ready to fully invest your time and your resources, proceed with caution; because many companies simply fail to realize a return on their investment, says CRM Specialist Larry Caretsky, citing an all-too-common lack of commitment—and focus—as common culprits for the gap between expectations vs. performance.

As the president and CEO of CRM solutions provider Commence Corp., he has a vested interest in fairy-tale endings but concedes that no amount of superior service on his part can counter a sales

department under the spell of a poorly thought-out sales structure—the policies and procedures, and even the unwritten code of conduct, that shape the behavior of a sales team. If some of your salespeople have a highly-organized system for documenting their interactions with customers and others get by with a legal pad and sticky notes, then there are chinks in your sales structure. Do you have a set of guidelines for qualifying prospects? What happens to referrals when they come in? Where is customer data stored once it's retrieved? Does everyone have access to it? All are appendages of a well-designed sales structure that could be enhanced with an automated system like CRM.

“The first mistake people make when it comes to CRM is simply viewing it as just a technology,” says Caretsky, who spent many years in sales management prior to joining Commence. “CRM is not just a technology, it's a strategy. Many companies look to use automation to improve and streamline the sales process but struggle with the execution of their strategies. If they can't answer the question what customers do

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we serve better than anyone else or how do we profitably communicate and deliver the value we provide, then no CRM solution in the world can help them. CRM is nothing more than a tool used to execute your strategy for improving sales and customer service.”

In short, it's all about the management, the methodology and the people, he argues in a white paper he wrote called “Don't Make a CRM Buying Mistake.” That's the difference, he thinks, between why most accounting software implementations deliver and, conversely, why CRM solutions have a high failure rate.

Accounting is steeped in structure, a structure that typically carries over to any kind of software implementation, and in sales it's often just the opposite.

“When a new accounting system is implemented, it's amazing how much time and effort goes into making sure it gets done properly and correctly,” says Caretsky. “The process is well-defined and everyone knows exactly what is required in order to make it successful. It's mission critical to the success of the business. But in my view, what's just as mission critical is your sales organization. If you're not generating revenue, you don't have a business. Even so, you have companies with weak sales

processes and salespeople with minimal training. That's why it's so critical that management plays an important role in committing the resources, time and effort into an implementation. In order to be successful, they must treat a CRM with the same level of care as an accounting implementation.”

But in certain industries, talk of implementation is like putting the cart before the horse, since many fail to see the value in prodding their salespeople to embrace CRM—a technology that evolved from a string of other three letter buzz words. First there were PIMs or personal information managers, most

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## **Don't Make a CRM Buying Mistake 7 Points to Consider Before Selecting Your CRM Solution**

By Larry Caretsky, President, Commence Corp.

Customer Relationship Management is one of the fastest growing sectors of the computer software industry. In order to gain a competitive edge, companies of all sizes are looking for ways to improve how they market, sell and provide service to their customers. Many are turning their attention to Customer Relationship Management software as a tool that will enable them to effectively manage their customer relationships before, during and after the sale.

The rapid growth of this sector has attracted dozens of software solution providers—many of whom have taken advantage of the popularity of “software as a service” or SaaS, as a vehicle to deliver their solutions over the Internet. SaaS has paved the way for the introduction of a myriad of new product offerings from specific vertical industry solutions to pure play CRM vendors that sell their solutions across all industry segments (enterprise, mid-market and small business). In fact, there are now so many offerings that companies engaged in a CRM initiative have found the evaluation and selection process simply daunting. The challenge is simply trying to differentiate the products because so many of them make similar claims. But, just because these solutions appear alike, don't be fooled into thinking they are. There are some significant differences that you need to be aware of before making your selection.

One of the ways to narrow the field is to use industry reports such as Business-Software.com's popular Top 10 reports. Business-Software.com features research on a number of CRM solutions, including the Top 10 Hosted CRM Vendors and the Top 10 Small Business CRM

Vendors. Another resource that will help is to use the “7 Points to Consider Before Selecting Your CRM Solution” outlined below.

### **1. Select a mature solution provider.**

With today's economic uncertainty, it's extremely important to select a solution provider with a trusted reputation and long-standing track record for delivering high-quality products and services in your industry. There are no guarantees today, but a company that has been in business for a decade or more with an established customer base is clearly a safer bet than the one that's just getting started. It's also a good idea to research the vendor's customer base and ask for references who can discuss the provider's commitment to quality customer service and product enhancements.

### **2. Know your requirements beforehand.**

Don't make your selection of a CRM solution a beauty contest. Take the time to document the core requirements that you are looking for and make sure you fully understand the work flow of your internal business processes. Smaller businesses tend to lose sight of this during the evaluation process and become too focused on cosmetic appearance and price. As a result, they are often disappointed in the product's inability to support the unique business requirements that were not part of the initial demonstration.

### **3. Where's my data?**

Your customer information is your lifeline. Without it you're out of business. Don't be afraid to ask where your

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data is being hosted and by whom. Most vendors use a third-party service to host your data. Ask who they use and check into the company's track record for performance and reliability. You may also want to inquire about back up and recovery, along with their procedures for obtaining your data should you discontinue the service. This is one of the most important, yet overlooked, aspects of your decision process.

**4. Take growth into consideration.**

Your business is going to grow. If you didn't believe this you wouldn't be in business. Consider selecting a solution that offers a comprehensive set of applications even if you are not planning on purchasing or using them today. Switching to an alternative solution provider to attain additional functionality can be a costly and disruptive exercise in the future. In addition, you may want to make sure the solution you select performs efficiently at two to three times the current number of end users you plan to have. You may discover that the basic lower cost solutions designed for small businesses may not perform well when pushed to higher utilization levels.

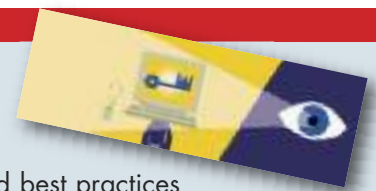
**5. Plan for back-end integration.**

While this may not be your top priority, CRM is the front-end to all back-end processes and sooner or later you are going to want to integrate customer data with your accounting or ERP system. Make sure the vendor you select offers an application programming interface or API that enables back-end integration.

**6. Select a partner not a vendor.**

If you are making a decision to implement a CRM system because you're committed to becoming a more effective sales and service organization, then you need to select a

partner and not a vendor. A partner will provide you with a proven implementation plan and best practices to ensure that you realize the maximum value from their solution. A vendor will enroll you as a customer, then suggest you send an e-mail if you require help. CRM is not a toy and you will require professional training and assistance from time to time. Select a partner who has a solid track record for providing this level of support.



**7. Stay away from free.**

Nothing good comes out of free—not good products and not good services. A world-class product from a trusted solution provider who can protect your data with a reliable hosting service, provide a high level of performance, offer scalability and growth, enable back-end integration and partner with you to ensure your business objectives are met, isn't cheap and doesn't come free. Selecting the right solution provider is an important decision for your business. Make the above criteria part of your evaluation process. You may discover that the difference between a top-rated trusted solution provider and a low-cost one may be just a few dollars a month.

**About the Author**

Larry Caretsky is president of Commence Corp., a leading provider of Customer Relationship Management software. Caretsky has authored several white papers on the subject of CRM, including *CRM an Executive Perspective*, *Getting Back to Basics*, and a comprehensive guide titled, *Practices That Pay - Leveraging Information to Achieve Industrial Selling Results*. These articles may be found on the Commence website at [www.commence.com](http://www.commence.com).

**What You Get With CRM**

While CRM software vendors use varying definitions to describe their software solutions, most industry pundits agree that CRM software should at least offer sales force automation, marketing and customer support. The table below illustrates CRM software components (often called modules) in more detail.

**Sales Force Automation**

- Lead Management
- Account Management
- Contact Management
- Activity Management
- Opportunity Management
- Pipeline Reporting
- Sales Forecasting
- Mobile Sales

**Marketing Automation**

- Marketing Management
- Campaign Management
- Telesales & Call Scripts
- Email Distributions
- Nurture Marketing
- Marketing Analytics

**Customer Service**

- Case Management
- Incident Management
- Help Desk
- Asset Management
- Self Service

**Sales Order Processing**

- Quote Management
- Sales Orders
- Up-sell & Cross Sell
- Invoicing
- Shipping & RMAs
- Contract Management

Source: CRM landmark.com

notably ACT! and Outlook, which perform basic applications such as managing contacts and calendars, e-mails and account histories. In the early 90's, Sales Force Automation (SFA) took the personal information infrastructure and shaped it for the needs of salespeople by automating order processing, contact management, inventory monitoring and other sales functions, in addition to adding apps for branding and marketing. CRM is an evolution of all three and enables companies to efficiently capture, track, manage and dispense information throughout the layers of an organization.

"The first challenge that most companies have is data consolidation," says Caretsky. "Information is coming into your company every day via telephone, fax, e-mail and face-to-face interactions. What happens to it when a key employee leaves or falls ill? It falls through the cracks. A consolidated database, on the other hand, gives people a place to immediately store notes, history, items, change of address, customer preferences, etc. It's always available and stays put when your top salesperson decides to make a life change.

"At Commence, for example, we may talk to 100 different companies a day. We're answering questions, sending out demos and supplies. But because of the nature of our business, it can take months to close a sale. Someone will call us we haven't spoken to in six months and we can access a complete history of old conversations and proposals. It's an invaluable tool."

With the help of a CRM solutions provider, American Airlines created a system to identify customer differences through companywide sources of data, and uses that information to offer personalized service to its most loyal frequent fliers. Health insurance giant Blue Cross Blue Shield looked to CRM to update customers' addresses and improve other processes, while Marriott's salespeople rely on it to sell properties and keep track of room inventory and kitchen supplies. Outside of distribution, CRM and other forms of sales automation are very popular, says Sales

Consultant and Trainer Dave Kahle.

"In the world of distribution, we consider ourselves great relationship builders; but the truth of the matter is we're decades behind the rest of the world in the use of some of the technology that facilitates those relationships," he says. "A lot of DSR's view technology—the requirements to plan and record—as being marginal to their success. It's not uncommon to hear objections like my guys will never type in a sales report."

On the other hand, there's Maura Schreier-Fleming. In the early 90's, she was the one who pitched ACT! to her colleagues at Chevron, where she spent more than 20 years selling industrial lubricants (a career path she chose after completing a course in auto mechanics to gear up for the purchase of her first car.)

"I went to the sales meeting and said, 'guys this will make you a better salesperson,'" says Schreier-Fleming, who years later left the oil business to start the sales consulting firm Best@Selling, Dallas, Texas.

Today, she's still high on ACT! and credits it with helping her deal with the rigors of life in the field. She uses it to manage her contacts, take notes, keep track of meetings and phone calls and to send out letters to clients during certain phases of the sales process.

She never sits down with a customer without her laptop and all of her notes are typed into the database—before she leaves the customer.

"It's not uncommon for one of my customers to call me and ask what we talked about at our last meeting," says Schreier-Fleming. "You can't manage a business in sales today without using technology. Selling is a very complex process. You're balancing a lot of technical information and people information. Every salesperson should be able to instantly access information discussed at each meeting. They should be able to search their customers. Retrieve invoices and proposals. Talk about action items—what they've done and where they're going—so that they have a map to keep the sales process moving forward. You can't do that without using some kind of software."

The hard part is wading through all of

your options. There's Goldmine, Salesforce.com, SalesLogix, Microsoft CRM, NetSuite, Commence CRM and literally hundreds of other customized solutions to choose from. But a sales force that's never been automated shouldn't feel pressured to adopt the latest and the greatest, advises Kahle. "There's a lot of steps in between. If you want to tip toe into automation without investing a lot, buy ACT! for all of your salespeople."

Although, he warns, that in eight to 10 months you may be looking for a replacement, since ACT! is designed for individual use, not the collaboration of data. Generally, CRM software falls under three categories—basic, mid-market and enterprise. Commonly referred to as contact managers, basic software is traditionally marketed as an out-of-the-box solution and provides limited opportunities for customization. They help users consolidate data, manage their contacts and accounts, and produce letters via a mail merge feature.

"Mid-market CRM software takes contact management to the next level and has a strong focus on automating the sales process," says Caretsky of Commence. "They offer a robust set of functionality for sales activity management, forecasting, lead qualification and lead management. If you ask your salespeople to rate a potential customer as a qualified prospect, midlevel prospect or one that does not qualify at all, you'd probably get at least three different answers for each prospect. We've manipulated the process with Commence CRM. First, the executive determines the criteria or submits a list of questions that must be asked to qualify the 'potential' of an opportunity. Then, those questions are fed into the system so that every salesperson has access to them. And if they're not answered the way management expects, the salesperson can move on without wasting the company's time and resources."

Many mid-market CRM systems also offer marketing management applications that help companies create prescheduled direct mail or e-mail marketing campaigns. If a prospect says they're interested in your product or service but will not be making a change

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until the second quarter, you can place that prospect into a drip marketing campaign. Meaning, you can program your system to send the prospect an e-mail, a brochure, a coupon or a product testimonial at a predetermined time.

Enterprise systems cover much of the same functionality offered by mid-market solutions but are designed to support large numbers of users, adds Caretsky. “The programs are quite comprehensive and offer a deeper level of sales, marketing and customer service functionality. They may offer multiple sales processes for example, one for customers and one for prospects, security permissions down to the field level and the ability to manage high transaction levels.”

If you do not have a highly-skilled leader at the helm—or the structure to sustain them—steer clear of options one or two, reiterates Caretsky. “The companies best suited for midlevel CRM have a sales manager that really understands

the sales process,” he says. “They’ve clearly defined how they sell, how they handle leads and even how they get the message out about their product. They know they’re ready to improve upon their structure and they’re serious about committing.”

Spreading that enthusiasm to the sales force is another challenge altogether. But most salespeople will relent if management clings to its convictions, says Kahle, the author of *How to Sell Anything to Anyone at Anytime*. “Typically, 20 to 30 percent of the sales force will say ‘thank you, we’ve been looking for something like this,’” he says. “About 40 to 60 percent will move slowly into it as they become convinced management is committed. You’ll have 20 percent that will try to sabotage it because of the accountability aspect or because they simply don’t want to do anything different.”

In the end, they will most likely have to be replaced. But for those who remain, it’s important to set reasonable goals (such as having your salespeople

input 20 percent of their calls in the system by a certain date). Implement in phases; there are a number of systems that are modular in nature that allow you to address one problem at a time, says Caretsky.

And make learning a group project, adds Schreier-Fleming, who offers more of the same advice in her book *Monday Morning Sales Tips*.

“Require your salespeople to come to the sales meetings with at least one example of how they use the system to make their jobs easier,” she says. “If I were selling this to my sales staff, I would make it a point to remind them that if they want to have more time to do what they want to do, then they need to use technology. Instead, most sales managers just insist that they learn to use the product. If it makes them a better salesperson, increase sales and elevates our level of service, then I’m ok with them using the extra time to play golf.” □

**For more on sales structures, see Dave Kahle’s article “The Three Most Common Mistakes Sales Managers Make” on page 28.**

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