STRIKING A BALANCE

Sophisticated Customer Management Capabilities Can Help Executives Find the Middle Ground Between their Need to Know and Sales Representatives' Sell First Attitude, While Simultaneously Increasing Sales Effectiveness and Productivity

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Many sales executives Innoveer Solutions works with seem to subscribe to the-more-you-have, the-more-you-want theory of managing customer data. That is, they believe they can never accumulate too much information about their customers, and that they can do their jobs more effectively by collecting infinite amounts of customer details.

It is hard to argue with this attitude. After all, having a firm grasp on a wide range of customer-focused details — reports summarizing the status of sales versus targets, the ratio of calls to sales closures, forecasts of expected sales, and the like — can be critical in enabling an enterprise to successfully manage a customer relationship management (CRM) solution that enables dramatic and positive sales impact.

But, what about the front-line salespeople placed into this environment? They not only face the pressure of achieving impossible sales goals, but they also have to manage the often time-consuming chore of collecting and entering all of the data that their managers demand. Is it any surprise that their attitude — that data entry detracts from, rather than enhances, their ability to do their jobs (which is of course to sell more products) — runs counter to management's mindset and outlook?

It is possible, however, to justifiably argue that both executives' data collection demands and salespeople's selling needs have merit in this issue. These different outlooks highlight the challenge that enterprises face as they work to increase their sales organizations' effectiveness and productivity: the lack of consensus about what efficiency really means. Everyone knows an efficient sales operation when they see one, but everyone also has a different notion of what an efficient sales organization actually is.

Innoveer Solutions has found that solving this problem of balancing executives' need to know versus their representatives' desire to just sell, sell, sell is critical to helping sales organizations optimize their sales forces. In fact, striking a balance between what management wants and what salespeople can realistically deliver in this regard is one of the toughest battles most sales organizations struggle with today. Innoveer believes, however, that there are strong rewards for both sides in working through these differences.

FINDING THE MIDDLE GROUND

In helping organizations enhance their sales efficiency, Innoveer consultants often find themselves refereeing an ongoing struggle between sales managers and representatives. Determining how much customer data to collect and who will do the unwanted, but necessary, administrative work are never-ending questions that can irritate both sides.

On one hand, management will tell you that access to improved numbers leads to a host of operational efficiencies — for instance, allowing companies to take advantage of powerful forecasting mechanisms. Without details, management cannot generate accurate sales activity, pipeline, and forecasting reports. That, of course, requires sales personnel to enter the entire scope of their customer conversations within their sales force automation (SFA) platforms. This can include providing information on the products they discussed, customers' business needs, and future opportunities.

To say that this is an unpopular move — with the bulk of the data entry falling on salespeople's shoulders — is an understatement. For instance, entering customer data for the types of products those in the pharmaceutical or medical device industries develop and market — complex, highly sophisticated devices or medications that can often be customized — can place heavy burdens on salespeople.

What happens when salespeople are thrown into this situation?

They complain that this data entry detracts from the time they have to sell, which is, as I noted earlier, their job. Or, just as likely, they simply refuse to use the often complicated SFA system. Instead, they will continue to rely on their more easy-to-use Excel, Word, or other contact-management point solutions, leaving management completely out of the loop.

Innoveer has even seen organizations fall into what we might call the boom-or-bust effect when dealing with sales force efficiency. This too-little/too-much cycle goes something like this: a sales vice president, realizing that the SFA system is not working anyway, informs sales representatives to enter as little data as possible.

That works for about a year. Then, with the pipeline in disarray due to lack of customer-focused data, the vice president become frustrated and demands that sales representatives collect and deliver an exhaustive amount of information again. Or a new sales vice president will join the company and revamp the SFA solution — again, requiring representatives to work extensively with the system. In both cases, sales representatives find themselves returning to their keyboards once more, and the too-little/too-much cycle repeats itself.

This kind of environment can also lead to development of overly complicated CRM systems that no one uses. Innoveer has seen numerous cases in which enterprises built large, cross-departmental solutions that offer bells and whistles for everyone, but really work for no one. By trying to make platforms too all encompassing, they fail miserably. More importantly, they force users in unrelated capacities to wade through information targeted to others.

NOT AN EASY TASK

None of those scenarios are necessary, of course. Finding a middle ground — that balance mentioned earlier — is the key to meeting both sides' needs in this regard. If vice presidents want to realize the full benefits of a SFA solution, for instance, they must ensure that it is well accepted by the entire sales force. Admittedly, that is not an easy task given the individualistic nature of the typical sales professional.

To accomplish this, organizations must clearly communicate how a SFA solution will deliver value for sales representatives. Innoveer has learned — from working with a wide range of customers — that sales representatives will cooperate fully when they receive true value from the solutions. As an example, they must understand exactly how the solution will help them close more sales and improve their customer relationships. Playing to the "what's in it for me?" concept is thus critical and necessary to ensuring success, in terms of encouraging sales personnel to use the SFA platform, and ultimately, delivering increased value to the organization.

ENHANCED REPORTING

Sales management must also demonstrate how a SFA solution will streamline tasks and lead to stronger performance for the sales organization as a whole. Running sales reports is one such case-in-point. For example, understanding the status of sales performance mid-cycle is a very effective tactic for pinpointing the steps required to meet targeted sales objectives. Also, offering better tools that identify leads or potential leads can make it easier for representatives, as well as management.

One Innoveer customer — a well-known designer of high-end home-entertainment products — had developed a CRM system that its salespeople simply did not use. Not only did it take almost 10 minutes to perform a basic search function, but it also displayed too much information for sales personnel to understand at a quick glance.

Because the platform simply did not fit into work patterns, sales representatives ignored it and instead relied on their own systems, such as simple spreadsheets, to track customer leads. The fix in this case resulted from offering the sales force powerful tools that displayed customer information in a way that made sense to them. Innoveer consultants rewrote the SFA tool's user interface, slimming down the volume of information, while also making it more intuitive.

There are other issues to consider, as well. For instance, both management and field representatives must understand how the SFA solution will deliver customer benefits. These include more accurate ordering and invoicing, enhanced responsiveness to customer needs, and increased consistency across all company channels. Providing better customer service within the sales cycle ultimately leads to more effective sales results.

THE WILD CARD

One wild card that can have significant impact in streamlining sales operations is deploying SFA tools that match the maturity level of the sales organization. Innoveer has discovered that this is an important, but often overlooked, factor in ensuring an efficient sales organization. It may seem obvious, but introducing anything but the necessary automation tools to salespeople who have never used tools like these before will frustrate everyone involved, from the representatives to the executives. Basic automation tools will ensure that all contact information is stored in a central location, providing elementary call tracking capabilities and perhaps centralizing account objectives.

When Innoveer evaluates the efficiency of a sales force, it believes that it is absolutely vital to determine where the organization lies relative to four stages of organizational maturity. Relying on this model can help an organization determine the types of SFA tools it should deploy to streamline its sale unit, and it can also help predict whether the sales force will actually use it — which is the first step.

At the next level — when an organization has finally convinced its sales personnel to use the system regularly and consistently for entering customer details — it can introduce standardized procedures and policies. These ensure that every sales agent enters and receives identical customer information, and not just random numbers.

The third stage, integration, moves the organization one step further along in delivering that all-important 360-degree view of the customer. Here, customer and market information is shared equally by sales, customer service, and marketing and their disparate systems. These business units are then able to make informed decisions based on accurate data collected from multiple enterprise applications, including the CRM platform, as well as the back-end applications, such as enterprise resource planning (ERP) and database software.

Finally, when an organization is sure that its information is accurate, it can begin using business intelligence to analyze and fine tune its marketing, service, and sales strategies. For example, a company can forecast and measure how special promotions will impact sales in specific geographic regions, or it can-precisely determine the results of how sales personnel present the company message to customers during onsite visits.

CHANGES, CHANGES

Recall that I referred to this maturity as a wild card. What I mean is that almost any change in a sales organization's structure can affect where it fits into the four-stage maturity model.

Take, for instance, the case of a company that sees significant turnover in sales management and field representatives — an all-too-common result of a merger or acquisition. All of a sudden, the company has two different business units completely out of synch with each other. What happens when you introduce the acquired company's unsophisticated sales personnel? It is entirely possible in such a situation for a sales force that was at the integration level to regress backwards practically overnight. This forces the organization to rethink where it is, not where it was. No surprise, it also impacts the SFA tools on which a sales organization can rely. Not paying attention to these kinds of factors can have a significant and negative impact on the effectiveness of SFA tools.

The fundamental message in all of this: Do not overlook the need to balance management requirements with those of the sales force. Organizations that can achieve this balance through effective use of SFA solutions will find themselves well positioned to thrive in today's competitive marketplace. Then, and only then, will they be mature enough to rise above the daily organizational challenges facing their sales forces.

Once an organization has achieved this balance — when its sales personnel have fully embraced the notion that satisfying their boss' needs for information can lead to bottom line benefits such as increased sales and greater profitability — the CRM platform can begin delivering those substantial payoffs mentioned earlier.

ABOUT INNOVEER SOLUTIONS

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.