

IAN GORDON ARTICLE

CRM and the Sales Force: Sales Force Automation

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This article is the first in a series considering Customer Relationship Management (CRM) and the sales force. In this issue, we discuss sales force automation.

What is SFA?

In an early book on the subject of Sales Force Automation (SFA), the author defines SFA according to functionality. For example, SFA could be considered in terms of areas such as personal productivity (contact management, word processing, calendar management, sales plan, geographic information, computer-based presentations), communications, and transaction support and processing. More recently, SFA providers catering to large organizations have positioned themselves more broadly. In addition to areas of functionality such as those mentioned, they claim to support demand chains and e-commerce transactions across multiple channels.

Some SFA suppliers catering to smaller firms also no longer see themselves exclusively in the SFA business. They consider themselves as Customer Relationship Management (CRM) solution providers, offering, in addition to SFA, a single solution or solution set that impacts customer support, marketing, telemarketing, help desks, and call centers, among other areas.

So what is SFA? Today the big issue for SFA providers is their role in helping companies achieve the benefits of CRM. SFA is an important enabler on which CRM depends. This is especially the case for companies that sell to other companies (business-to-business).

Benefits of SFA

While major companies have generally implemented SFA, it is my experience that a high percentage of small and medium sized firms have yet to do so. Larger companies anticipated that the benefits of SFA would include:

- increased sales force efficiency · timely provision of information to customers
- provision of more detailed and tailored information to customers
- facilitation of transactions
- better internal communication among the people and lines of business that connect with a single customer

- improved account planning, sales meeting planning, and sales force management.

Importantly, companies wanted SFA to help them reduce the time required to communicate and transact, in the hope that it would make them more competitive. The thinking was this: a sales force armed with laptops would be better equipped to manage the sales process without having to personally manage the data required for selling, such as changing features, functionality, prices, availability, service, and competitor comparisons. In short, the content was to be separated from the sales process. Content was to be provided either pre-engineered and packaged (such as in canned sales presentations) or via databases for the sales personnel to access. The sales personnel were to concentrate on selling using this content. SFA would minimize paperwork.

It is well known that SFA can be a complex technology implementation that does not always achieve its potential. Some executives liken an SFA implementation to the experience of a root canal - desirable in the long run but painful right now. SFA implementation can occur while the organization also pursues a variety of other implementations, such as enterprise and point-technology solutions, creating a challenge for integration and delivery of the initially envisaged benefits. However, the complexity of the environment inside the company is not the main reason that SFA implementations are not fully achieving the benefits some companies wanted at the outset.

CRM and Sales Force Effectiveness

Selling has changed considerably as companies pursue CRM. In an earlier era, when SFA was first introduced, companies were interested in increasing the yield from each sales call through better contact management and lead tracking. SFA was to be of particular help in managing a large number of targets, especially in converting "suspects" to "prospects", and then moving these prospects progressively through a sales opportunity funnel towards closure of the sale. The funnel in use in many companies might have had a form similar to the following:

- Identified
- Contacted
- Qualified
- Developed
- Closed
- Completed.

While an approach such as this had much merit and still can be important for opportunity management, a number of fundamental issues change the nature of selling when companies adopt CRM, and so change how SFA is used. Among the most important changes affecting selling in the era of CRM:

- **Putting your "eggs in fewer baskets" and watching these baskets well.**
Previously, companies cast their sales efforts widely, seeking to generate sales from many potential customers in a given market or segment. CRM is customer-specific selling and marketing. As such, the issue now is not to increase the yield from each sales call on average, but to advance bonding with chosen customers and position the company to sell when the most important customers are ready to buy. The vendor now focuses on fewer customers but wants a larger share of the customer's spending to warrant this more intensive attention and increased customer expenditure. SFA as historically implemented was not specifically designed to help companies achieve this objective.
- **Looking for needs the customer may not know they have.**
Selling obviously requires that companies first have a good understanding of their customers' needs. Historically, the customer articulated the needs and the vendor

responded with solutions. In the era of CRM, this presents two new challenges. First, by now the customer may have had their needs well satisfied for late life-cycle products and services, leaving a new vendor with little opportunity to displace an incumbent supplier. Many of my clients have difficulty proving competitive superiority when customers see their existing suppliers to be satisfactory. Second, customers do not always know what they need in areas experiencing rapid change, where tailored solutions would be beneficial, and where process innovation is more important than product or service novelty. While traditional SFA can aid some aspects of a selling effort, the nature of sales is now frequently more senior, consultative, collaborative, and innovative. In some among these areas, traditional SFA can fall short.

- **Selling what the customer requires rather than what the company makes.**
When companies made products and services, SFA worked as intended. With CRM, companies "make" customers and create new customer value. They compete for share of the customer's current and future budget. In all of this, a company may sell not just what they have always made, but also other products and services the customer is prepared to buy from them. They may even outsource some of the customer's operations. In areas such as this, sales needs to configure new relationships. For example, companies may need to manage OEM suppliers who might produce for the vendor, as well as new sales processes and information flows associated with pricing and product availability, for example.
- **A sales process that never ends.**
In the era of CRM, it is harder to determine when the sales process starts and when it ends. When the vendor is bonded with customers, both parties participate in joint planning and design meetings. These meetings may include learning about the needs, plans, and capabilities of one another. In other situations, the vendor might initiate the actual purchase, which can happen when companies have outsourced parts of their operations. In short, with CRM comes more intensive customer collaboration and integrated account management, such as in joint, multi-functional teams. SFA may not always facilitate these changes. The new challenge for SFA is to enable the effectiveness of CRM-based sales processes.

Sales Force Effectiveness - SFE

For sales personnel to be more effective, they must be able to accomplish the following tasks:

- Identify and assess prospects and customers
- Prioritize customers according to their lifetime profitability and other considerations
- Develop customer-specific knowledge
- Plan to advance customer bonding
- Implement customer-specific interaction and communication so that relevant, targeted interactions are based on customers' interests and preferences.

To do this, additional capabilities are required from traditional SFA implementations, such as data mining, opportunity management, and real-time customer satisfaction measurement and management. Additionally, communication is now even more intensive within the company, and between customers, and third parties. Within the company, communication needs to link all points of customer contact, including call centres, help desks, customer support, Web sales, field sales, and channel intermediaries. More than this, communication must integrate so-called front-office systems with back-office functions, such as accounting and logistics.

The Human Factor

SFA system implementation can create new demands of sales personnel who are expected to accommodate the new systems. The reverse should be true; the systems

should be engineered to enable the company's sales processes. The resistance of sales personnel to new SFA implementations is a major reason why some have not achieved their potential and others are inactive. More than this, there is a potential for the implementation to actually weaken the company's selling effort where companies are focused on securing sales force compliance with SFA.

One of the original intents of SFA should not have changed. SFA should still free sales personnel from paperwork and other administrative tasks. It is a rare salesperson who can combine traditional sales skills with great administration, process management, innovation and collaboration - some of the new requirements of CRM. If sales people become subordinate to an institutionalized sales process, which has been captured too rigorously or inappropriately in technology, the very human factors that made these people successful - their sensitivities, drive, and passion - can be lost somewhere along the way. A company can help to avoid this dilemma by ensuring that they:

- plan their SFA implementation
- establish a planning team that includes (and is perhaps led by) sales personnel
- develop the firm's SFA vision and criteria for vendor selection
- ensure that no vendor's name or solution is considered or even mentioned until all the above has been done. Some SFA implementations can suffer from the company adapting itself to a vendor's solution rather than the reverse. One way of avoiding this early challenge is to defer consideration of specific suppliers until later in the selection process.

CRM has major impacts on sales personnel and selling processes. A poorly conceived SFA implementation has the potential to shackle a company to yesterday's approaches to selling. If this happens, the full potential of CRM will not be achieved and the company's future will be constrained.

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