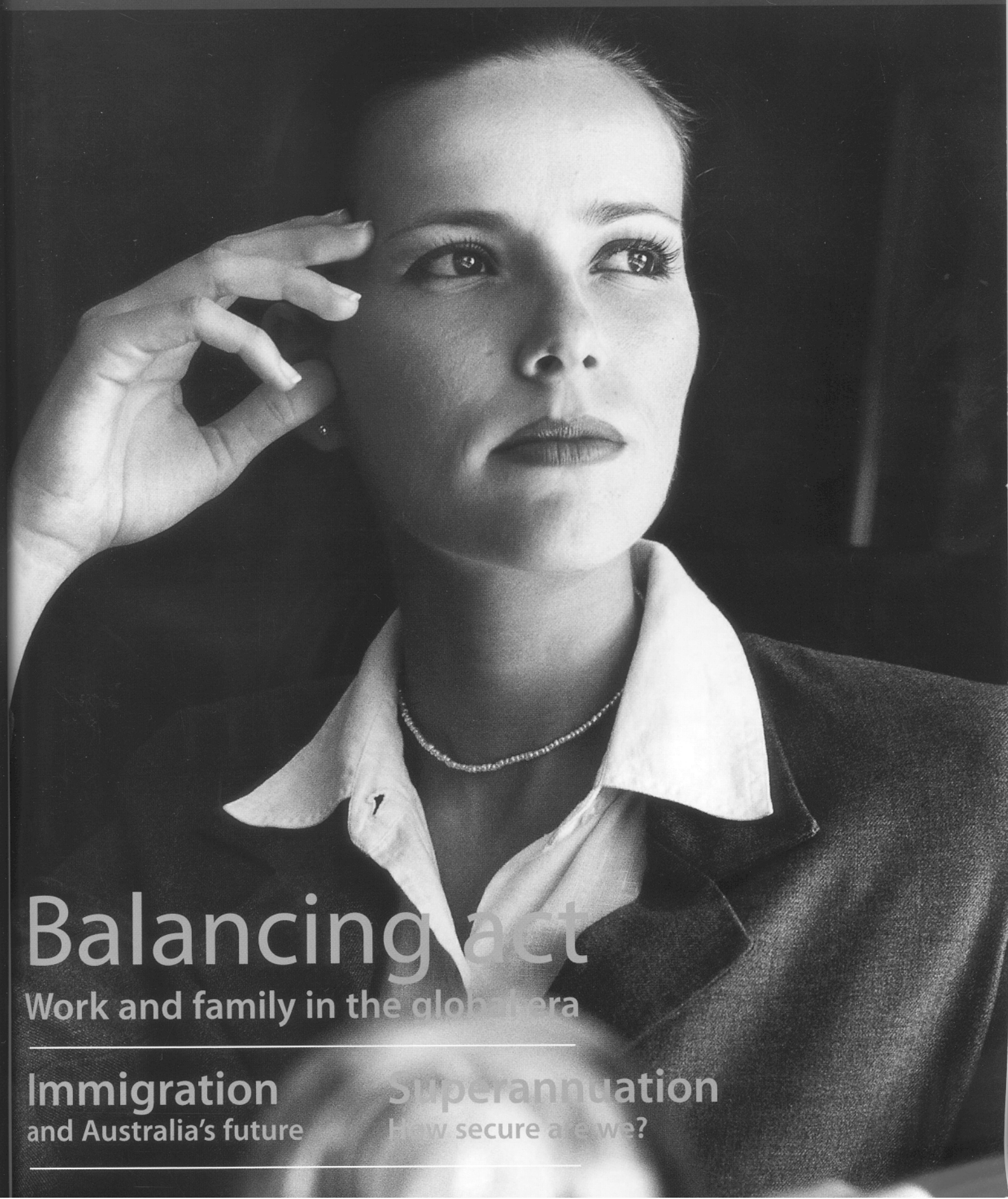




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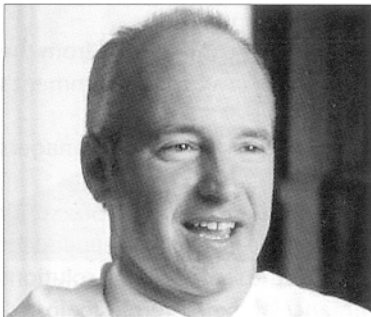
Balancing act

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How secure are we?

CRM software and sales-force effectiveness



Glenn Guilfoyle
Director
Bevington Consulting

Realistic expectations and prior research are required to ensure the effectiveness of CRM systems, says Glenn Guilfoyle.

Marketing columns over recent years have been sated with editorials relating to CRM (Customer Relations Management) software. There are as many success stories as there are situations where the software has not lived up to expectations—reflected as a lack of impact on the top or bottom line.

Emerging from the hype surrounding the plethora of CRM choices is a growing body of evidence indicating that if you are expecting the software to be the primary driver of behavioural change and improved productivity you will be disappointed. Rather, you should focus on getting your salesforce focus and mindset right first, and then support these initiatives and amplify the benefit by tailoring your CRM software. By doing this, you can expect to enjoy a quantum shift in performance.

CRM investment can deliver significant sales improvement, so long as some strong caveats are observed. But beware! CRM can provide ready access to information on the communication preferences of customers and prospects but if your salesforce is bogged down by 20–30 per cent 'noise' levels (typically, the equivalent of one day a week spent on value-destroying activity such as chasing up missed deliveries, running errands for the head office, fixing customer problems on-site and so

on) sales people will say: 'I don't have time for new types of communication and e-business!'

Beware! CRM can provide snappy access to up-to-date individual customer sales trends. But if there is lack of clarity and understanding throughout the salesforce about the 'core' value-adding activities in individual sales strategy development, then there is little likelihood that the activities undertaken will optimally address the sales trends.

Beware! CRM can make targeting of promotional campaigns easier and potentially more cost effective. But if your salesforce is characterised by subjectivity and inconsistency in the way it classifies customers and prospects, with a lack of discipline in targeting in-field visitation, how will you know if the campaigns are directed to the right customers and prospects?

So how do you get the sequence right so that the goose lays the golden egg?

The first step is to get the sales people to identify what they do in terms of key quantified outputs and associated service levels. It is critical to get this documentation from them directly—for them to write it in their words. The age-old approach of interviewing will not engender the approach you need at the outset and merely gives them an excuse to reject anything new—including CRM software. Document how they carry out their main tasks in step-by-step detail, warts and all.

Figure 1: Activity categorisation determines which activities add value ... and which activities destroy value

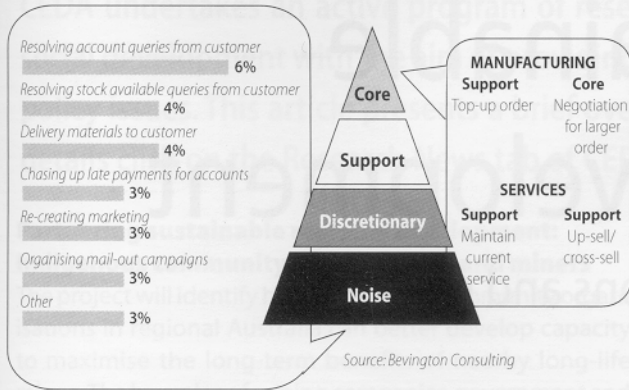
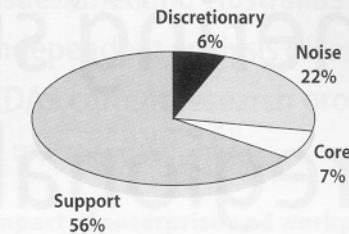


Figure 2: Time allocation to activities by sales teams



Source: Bevington Consulting

You want to capture all of the non-productive process steps (noise), as well as all the productive steps. Again, get them to write it in their words, but in a way that can help to identify the opportunities and the causes of the noise. Ensure they are comprehensive—you want to build up a blueprint of the current reality. You don't need to do a time and motion study, but it is critical to get them to correctly apportion their time against the process steps they have documented.

Such data are very powerful for scoping the size of the opportunity (that is, how much time can be refocused from noise to core) and identifying what needs to change, why and how. The first use of the data should be to internally debate which activities are noise, which are discretionary, which are support and which are core.

Identifying the noise will be easy, exciting and motivating. It will confirm how much time is being wasted. The debate will be enriched if you have some good customer data telling you what is important in service delivery and how you compare with the competition on the most important service delivery factors. This debate, which must involve the sales people and managers, is always a healthy and lively affair. And so it should be, because you are trying to get people to challenge what they think is important in their roles, and accept that there could be a significantly different approach.

You may find, as a number of leading salesforces have, that the core activity level is as low as 10 per cent and that the noise level is double or even triple that. The outcome required is for the salesforce to find a way to swap these proportions around.

The key is using the staff data to capture the hearts and minds of your sales people (who by now will be quite excited about the potential of what the exercise can do for them), engaging the right players from the other departments with whom the sales people interface, and developing the right behavioural measures to drive the changes. The immediate priority is to liberate time from the noise activity to increase face-to-face selling time. This will involve using the staff-collected data, now represented in sales process map format, to redesign the sales process accordingly. Simplistic flowchart

formats first used 50 years ago are not good enough, even if they are now presented in colour.

The next priority is to refocus this time to the critical core activities. This salesforce 'flight to core' will involve using the sales process data again to debate, agree and direct the increasing selling time to existing, but underdone core activities, and implementing new core activities.

It is important to ensure that this increased, refocused core-selling activity is directed to the right customers and prospects at the right visit frequency. This involves collecting profiling data in the right format for your industry/company needs to indicate both the current and potential value of each customer. The processing of this data can classify customers in an objective and consistent way, and provide the basis for setting benchmark visitation levels according to classification.

It is imperative to bed the changes into the sales process in a sustainable way that will show correlations between certain levels of activity/behaviour and sales results, and that is transparent and shows which sales people are doing it and which ones aren't.

Having invested around five to six elapsed weeks so far, the software element of your CRM tool now becomes very useful to help drive your salesforce effectiveness. This will, in turn, allow the sales people to maximise the full CRM functionality. The CRM software will be defined to capture data for those activities requiring change. For example, if you have decided that the new core activity for the sales people is to proactively seek out opportunities to quote on the spot during their sales visits, then you may set the BCI (Behavioural Change Indicator) as the number of quotes sought: by sales person and by customer classification. The KPI (Key Performance Indicator) quote conversion should also be represented accordingly using the CRM software.

Sales performance can be lifted by at least 20 per cent using this approach. The degree to which you exceed this benchmark will also be affected by external factors such as market growth rates and new competition levels. But the degree to which you can exceed a 20 per cent improvement will depend critically on getting the balance right between activity, mindset refocus and automation.