

FROM CHEERLEADER TO COACH

CRM IS CHANGING THE WAY COMPANIES DO BUSINESS AND WITH IT THE ROLE OF SENIOR SALES MANAGEMENT SAYS **MILLER HEIMAN** CONSULTANT, JOHN ROBINSON.

The commercial landscape has undergone a dramatic transformation over the last ten years. Today's sales professionals operate in a marketplace which changes at an unprecedented rate. Customers expect more and more and are better informed, while product differentiation is continually diminishing.

In this increasingly competitive environment, research shows that companies lose around 50% of their customers every five years, and the cost of finding and winning new customers is far more than holding on to an existing one. Customer Relationship Management (CRM) aims to address these issues through its strategy of building long term, profitable relationships. Organisations which use the technology to integrate their business applications develop a 360 degree view of customer activity, providing the basis for improved customer handling, precise and timely marketing, and directly qualified leads. They can also expect financial improvements in terms of increased margins and reduced operating costs.

However, pressure on organisations to achieve the full benefits of CRM can also lead to them overlooking a number of basic requirements for the business model. As with other forms of change management it is critical

for end users (in this case customer-facing staff) to buy in to the idea and be convinced about the specific advantages it can offer them.

A successful CRM approach involves far more than installing software and systems. Realising maximum benefit from the investment requires careful planning of the human issues, as re-focusing the business from outside-in will involve fundamental changes to culture, processes and the way the organisation thinks about and works with customers. In effect an organisation's CRM system embodies its entire approach to the market and how it appears to customers. Consequently it is important to endorse the concept at the highest level, and promote its value to both individuals and the company.

FOCUS ON PROCESSES

Getting employees on board is only one factor affecting project implementation. Two common reasons for failure, cited by the European Centre for Customer Relationship Management (Sales Director, June), are the difficulty in specifying processes and the vested interests of middle managers anxious to maintain the status quo. Yet neither of these obstacles is insurmountable if approached in

the right way.

Sales processes are so central to the CRM mechanism that they are inevitably a key focus for management. Because of the complexity of CRM systems the temptation may be to make only minor modifications to existing applications rather than embark on a major overhaul. However, by automating a sales process which is not transparent you run the risk of undermining CRM's basic objective of presenting a comprehensive and consistent picture of customer activity across the enterprise.

So what characteristics define a sales process which is effective in its own right and capable of integration into CRM? Clearly it must genuinely serve the best interests of the customer. It must also be robust and simple to use. Perhaps most importantly from an internal perspective, it should provide a structured approach enabling sales staff to work in their own way whilst supporting the qualities they bring to the job - charisma, flair and individualism. Any process which smacks of bureaucracy rather than focusing on results is unlikely to gain their support and will remain unused.

Good communications and strong interpersonal skills also play a vital part in breaking down resistance to change. One of the biggest

management challenges is encouraging the sharing of information. Sales people carry around a wealth of knowledge about customers - often in their heads rather than on paper or electronic systems. Asking them to record information may be misinterpreted as a form of policing. To counteract this it must be obvious that the system is a valuable business tool to aid decision making and help colleagues appear more responsive in their customer dealings.

IMPACT OF CRM

The need to establish the right cultural climate for CRM cannot be over-emphasised. Sales people by their very nature will only use a system if they are clear about what they personally stand to gain and are equipped with the appropriate skills to use it.

Miller Heiman's Strategic Selling" program has been effective in driving out these issues in a number of organisations currently using or preparing for CRM. Whether functioning independently or as an integral part of a CRM solution it has laid the foundations for a successful approach.

Despite being at different stages of CRM implementation, the Sales Directors in these companies recognise new demands made on them and are working towards the same goals:

- To improve productivity of sales people - not just of individuals but of the whole team, including technical support, finance and management staff. The focus is also on transferring knowledge of sales situations so everyone is singing from the same hymn sheet.
- To make better use of their own time. They acknowledge the value of a consistent sales process which makes it easy to review sales situations. Having a common rather than a piecemeal approach also provides a simple mechanism for improving performance.
- To support regional sales managers. With good field sales management becoming increasingly important to success, there's an urgent need for a system which enables regional

managers to stay informed and in control of sales situations.

CRM impacts many facets of an organisation, but some of its key functions are to manage the database, integrate back and front office applications and personalise customer records. A world-class sales management solution like Strategic Selling", paves the way by establishing a common language, understood across international operations. When technology is introduced, information is already being presented consistently across the enterprise, providing staff with access to up to date account details from anywhere in the world. Common paper-based or electronic mechanisms - in this instance, 'The Blue Sheet' - enable sales people to systematically evaluate the status of customer situations and increase their chances of bringing negotiations to a successful conclusion. The progress of sales can also be plotted - using Miller Heiman's integral forecasting device, The Sales Funnel.

Together these techniques create a logical structure for tracking both customer situations and the progress of sales teams. This process is enhanced when CRM technology is overlaid, making it possible to log and monitor any change in sales focus, for example a UK project becoming international in scope. Once in place systems do need to be monitored, which takes time and a disciplined approach. However, it seems a price worth paying to achieve increased sales, better communications and

more opportunities for cross selling.

CHANGING ROLE

The CRM philosophy revolves around fostering long term relationships with customers, based on understanding their needs, purchasing habits and channel preferences. As the trend towards market segmentation and more personalised selling gathers pace, sales management is also evolving. Rather than taking a generalised view, sales managers are now able to analyse each specific situation and advise their sales people on potential solutions. In a business environment where every sales situation is different, attention is firmly focused on improving the way these unique relationships are managed.

This view is supported by the growing demand for manager's coaching programmes. Previously it has been an important part of the Sales Director's role to exhort 'the troops'. Now rather than just cheering them on, there's greater emphasis on developing and growing the team, and reinforcing the skills needed to leverage an efficient sales process. The main objective is to provide a more reliable way of achieving revenue goals by:

- Focusing on actions that close business and cutting out unproductive time and effort
- Pinpointing specific areas in which to coach people/teams to increase effectiveness
- Encouraging better communication to ensure the correct allocation of scarce and valuable resources
- Giving feedback which will help to close sales

Sales is often considered as the last frontier regarding automation. It's no co-incidence then that vested interests and reluctance to accept new and better sales processes have been identified as some of the biggest hurdles to CRM. But by equipping their teams with the skills and processes that give them the best chance of success, Sales Directors are not only removing these barriers but are carving out a niche for themselves as facilitators.



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