Back to the Front End:

Automating the Whole Sales Cycle

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Team selling. Too many of us in industrial sales emphasize the *selling* before we emphasize the *team*. Not that we don't deploy a team—we throw inside and outside sales reps, managers, technical specialists and customer service people at every selling opportunity. Yet all too often, elements of our team act independently, because they can't efficiently share information. Inside sales is not on the same page as outside sales. Opportunities are not followed up on in a timely manner. Project management is only something talked about. Customer service completes its third pass at an unresolved problem right before the sales person calls on the customer to "check in." Best practices in one territory aren't shared with others until six months after the fact—if you're lucky.

Think for a moment about the complexity of our sales process and the reason for our poor team performance becomes clear. In the industrial sales environment, we generally have sales people who:

- manage several product lines with thousands of models
- have to push forward complex sales with long cycles and numerous influencers affecting the sale
- are supported by a number of other people in the sales organization who touch the sales process at various critical points

And how do we typically manage this complex information environment? In an ad hoc and non-integrated manner. Not that we don't have documentation—we have field notes, sales call reports, quote logs, customer care tickets, proposals, emails, memos, faxes and so on. But it's fragmented and confined to separate databases with no ability to share and leverage it for sales success. Maybe once a month you have that grand experience where you stop the presses, surround yourself in paper, stick a finger in the air to forecast your upcoming sales, and then labor for endless hours to produce a report to gauge your team's sales effectiveness. Not exactly where we thought we'd find ourselves after the information technology revolution.

But we have systems, you say. We have a state-of-the-art ERP solution with every bell and whistle available in the free world. An excellent point. But consider: most of these automation systems only kick in *after* a sale is completed. When a prospect becomes a customer, then we crank up the information machine. Industrial sales teams can't wait that long. We have long sales processes to optimize and new sales opportunities to capture. Perhaps more than any other industry, our sales forces need to have a clearer idea about how we're managing the front-end of the sales cycle, and they need the tools to drive that process.

As a former vice-president of sales tasked with growing an industrial sales team, I've seen the impact of a tighter front-end management process. What follows are five key questions to ask yourself as you look for ways to automate your process and increase your team's sales effectiveness.

1. "Should I complete the automation loop?"

Our supply chains are tightening, with excess trimmed from each step, overhead reduced, inventory delivered just in time. ERP and other back-end resource optimization technologies have delivered. Not without a few missteps, but even given the worst horror stories, no one's going back to the beginning when it comes to managing inventory and distributing product. Even in these increasingly lean budget cycles, ERP spending continues apace—growing to an estimated $21 billion by 2004.

Question: how can companies pour this much money into the back end processes and not invest in the front end processes? Reducing customer acquisition costs and increasing sales performance is key. Increasingly, companies will start to focus on the front end as the emphasis in CRM/SFA software shifts from analysis of current customers to getting potential customers into the information management system before an actual sale ever takes place. Those who don't complete the automation loop will be left behind.

2. "Can I afford to make excuses about investing in the front end of the sales process?"

Excuses, we've heard them. When it comes to closely examining how we conduct our sales process and making changes to become more effective, it seems like we'll put up almost any barrier to maintain the status quo. "I don't have time" is a common one. Exactly. We don't have time because our sales information is managing us, instead of the other way around. We're running overtime to keep up with the numbers and complete all components of sales underway. If we don't have time to improve our process, how will we have time to increase our sales effectiveness?

"I'm already doing this—I have a quote log." Great, but that quote happens near the end of the sales cycle. Is there any information that could have been gathered and redistributed along the way that would make that quote easier to generate, more accurate, more aligned with all that your organization has learned about the customer during that process? And most importantly, increase the probability of getting the order? Remember, a quote is not an order. Have you positioned yourself to get the order or are you just responding to an RFQ?

"My accounting system gives me all the information I need." Again, great, but once we start talking accounting, we're looking at post-order information. Pre-order decisions drive the sale. That's what you need to manage and that's where your current tools probably aren't helping you.

"I can't justify any more expenditures." What are lost sales costing you? What does it cost you to get a new sales person up to speed? How difficult is it to manage your sales team with inexact forecasts?

"I just can't afford to do this now, with sales down." Soft sales are exactly the problem sales effectiveness tools help you solve. Any element of automation is going to impact your sales, typically in the first 90 days after implementation. If nothing else, you'll get an immediate sense of where your sales process is breaking down, giving you a way to identify and address those issues.

The real question is, **"Can you afford not to invest in front end sales process improvement?"**

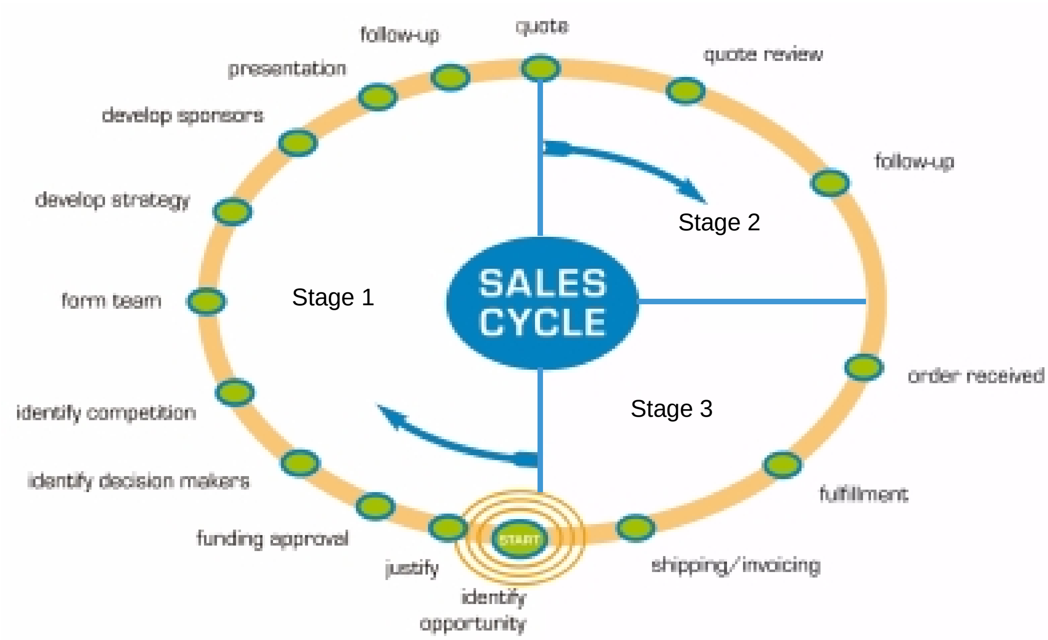
3. "What would automating the sales cycle do for me?"

Automating your sales cycle will link everyone who touches your customer: outside sales (whether in an office or in the field), inside sales, technical support, management, service and customer care. Initially, you'll see tremendous benefits from the increased communication—more effective communication between the inside and outside of your sales organization. Such communication will produce a more efficient give and take between your sales and support team. As your team works, it produces ongoing documentation of all its sales and support activity. This will allow you to begin managing business on the front end of the cycle, not the back end, not at the quote and order stage. As a result, you'll increase your sales and gross profit.

4. “Where does sales cycle management enter into this?”

If we take a closer look at the entire sales cycle, we can group all sales activity into three major stages:

- Stage 1 - the opportunity
- Stage 2 - the quote
- Stage 3 - the order



While most companies think they are managing stage one, most are really running to keep up and focus their energy around stage three, or maybe from stage two to three.

The most critical moment in the sales cycle is moving from the opportunity to the quote. Yet the muscle in our sales force typically isn’t exercised until we’re trying to convert quotes to sales. When we think about what’s happening at stage one, we immediately see opportunities to automate and enhance those activities. Stage one involves cost justification, funding approval, competitor analysis, strategy development, etc. If you’re not managing that part of the sales process, your team is on the outside looking in and hoping that your competition isn’t managing it either.

At stage one, an automated sales team can better assess needs, build the right sales team in response to those needs, identify decision makers, cultivate sponsors, and develop a sales strategy to best position your products. A team that doesn’t have its information gathered, organized and distributed ends up being reactive, not proactive. They realize lower margins and burn more time and money by reducing their hit rate on the sales they pursue. Once you’re caught behind the curve, your sales team ends up taking more drastic measures (e.g. discounting the sale) just to get the order.

So are you driving the sales process or is it driving you?

5. "What are the technology points to consider?"

Not all sales automation technologies are created equal. Don't get caught swimming in acronym alphabet soup. You don't care about the software engine that drives the database, you care about booking more sales. Toward that end, here are some things to ask:

- What's the core sales philosophy driving the product?
- Does the software vendor understand your industry's sales process and validate it with customer endorsements?
- Is the product just a simple contact manager or will it enable you to drive the sales process and improve team communication?
- Does it let your team members work off line, while traveling or on the road?
- Is it supported by *one company* that understands your business needs?

Measuring the impact of these changes is an entirely different topic. When you think about the cost of downtime for training a new sales person, or think about the amount of time you lose while compiling reports, the costs instantly start to seem more tangible. Managing the front end of your sales cycle gives you more than just cost savings, though. Getting proactive at the beginning of a sale puts you in a position to actually develop and drive the sale, enhancing not only your margin, but more importantly, your relationship with your customer and generating more sales opportunities. Teams with tight communications and visibility into the sales process can focus on more than just chasing numbers. They can, instead, concentrate on deepening customer relationships and developing better sales solutions. And that's when your team becomes truly effective.

Brian Gardner, president and co-founder of Selltis, drove the development of the only team-selling software created specifically for industrial and technical sales teams after his years as vice president of sales at a large industrial distributor. Brian has helped dozens of industrial sales organizations develop team-selling solutions and speaks frequently on the topic of optimizing the front end of the selling process. For more information, please visit www.selltis.com.

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