

Building ROI into your SFA...DNA

How do they fit together?

A white paper

by

Michael J. Nick

President and Founder of ROI4Sales.com, Inc.

Building ROI into your SFA...DNA

A White Paper by Michael J. Nick

ROI4Sales.com, Inc.
212 Hargrove Place
West Bend, WI 53095

Copyright © 2002 VMC, Inc.
All rights reserved, including
the right of reproduction in
whole or in part in any form

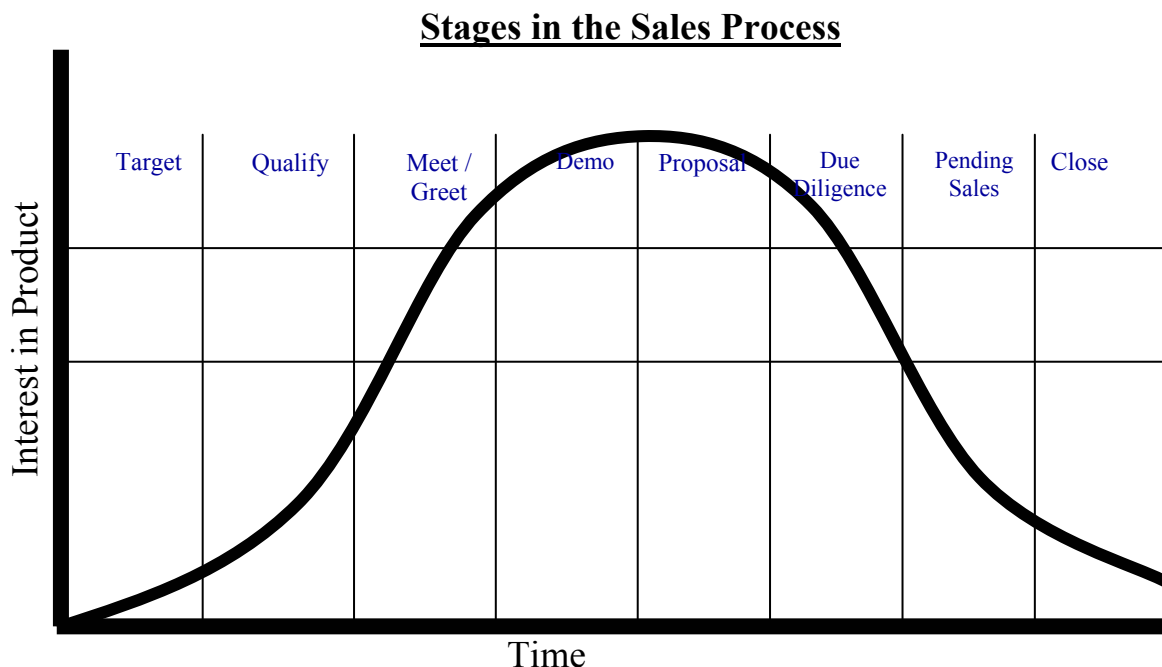
This document is designed to provide authoritative information in regard to the subject matter. If advice or other expert assistance is required, ROI4Sales.com, Inc. provides assistance and support of the information contained herein. This material has copyright protection and has been submitted to the Library of Congress and is for the sole purpose of assisting companies in building ROI into your sales process.

There are many reasons to implement Sales Force Automation (SFA) programs. We have seen everything from “we need to get organized” to “we want more accurate forecasting”. SFA projects to date have focused on collecting customer data, tracking trends and reporting it back. What is missing in many of the implementations of these programs is a tool to help drive the sale and keep the sales force focused on moving it through the sales process...not just tracking the progress of the sale.

Everyone that has put in the effort to build SFA into their sales force DNA knows the challenges of success. The issues you face range from non acceptance to bad or inaccurate data being entered. As a sales manager it is frustrating to get the information and try to build accurate forecasts. Often times it is costly to rely on the data because you are submitting inaccurate forecasts to the management team. They don't believe it, and your credibility is shot. Sometimes it is a career ending move. Hence the challenge of a successful SFA project implementation.

By building ROI into the implementation, you are forcing yourself to be more accurate, drawing in other departments to participate (getting buy-in) and creating a tool that will drive the sale...NOT TRACK IT. Let me explain how this works.

In earlier papers, I discuss a typical sales process of being seven steps: Target, Qualify, Meet & Greet, Demo, Proposal, Due Diligence, Pending sale and of course the Close. Each step of the process uses Return On Investment to drive the sale to the next step in the process. (See my paper on ROI in the Sales Process) So graphically it looks like this:



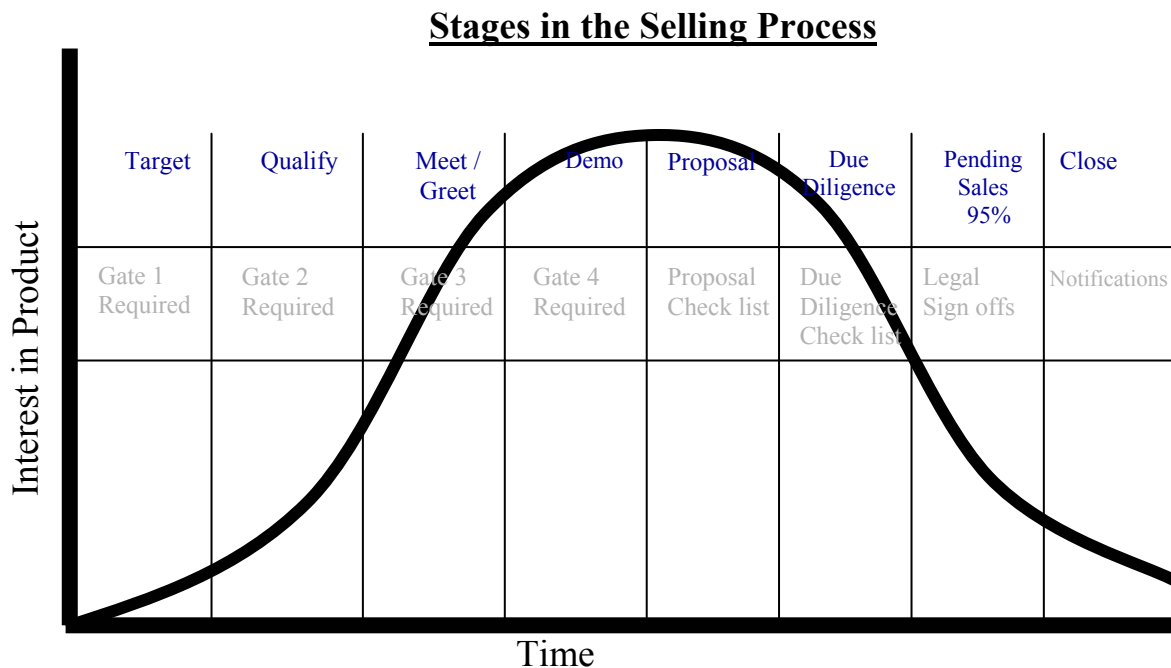
I realize not everyone who has implemented SFA have an objective or credible ROI program in place. If you do not, there is still value in what I am going to tell you in this

paper. I suggest you read on to better understand the advantages of using ROI in the Sales Process and building ROI into the DNA of your SFA.

For an account to move from a Target to the Qualify stage you ask a series of “qualifying” questions. These questions must become gates to moving an account to the next stage in the process. A gate is defined by The American Heritage dictionary as “A device for controlling the passage of...”. This is exactly what I mean by a gate. Take your qualifying questions and build them into your SFA system to control the passage from one stage to the next. In other words, before a Target can be moved to the Qualify Stage, the sales person must document the answers to your qualifying questions. This process should then automatically update the percentage chance the opportunity will close.

By controlling the results, you control the outcome too. Forecasting is based upon the answers to the questions in each gate.

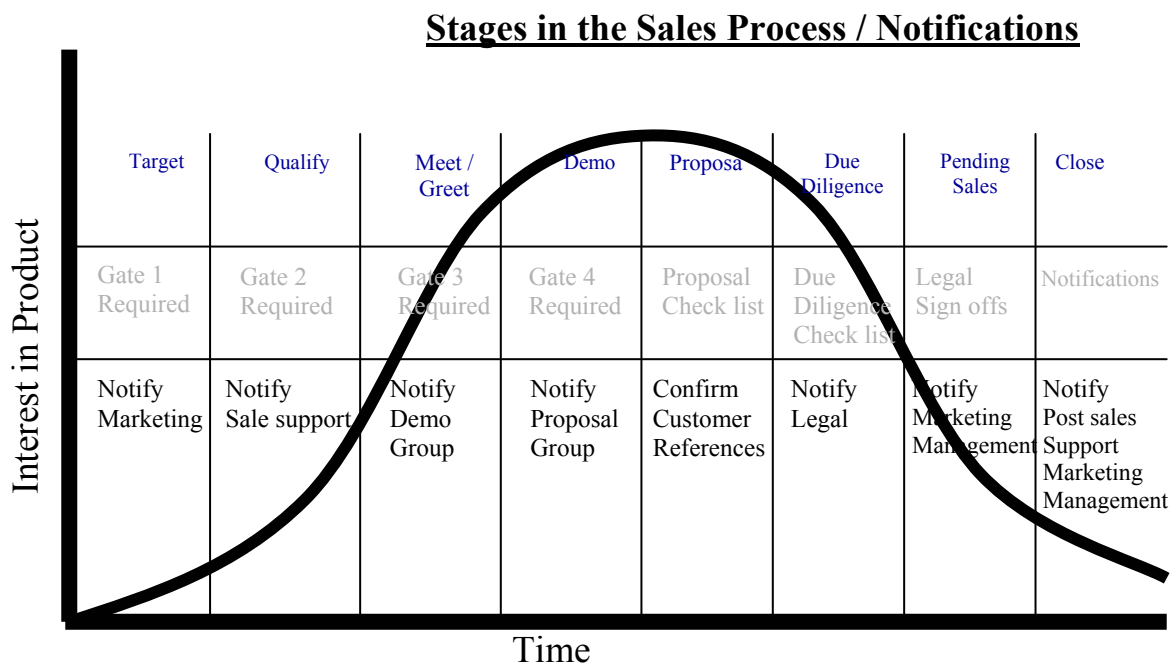
Each stage should have a series of questions (preferably ROI questions) that must be answered prior to moving from one stage to the next. Below we show this concept graphically.



As you can see from the chart above, I have defined four gates. Each gate is a series of ROI questions that will enable the sales person to better understand the prospects needs and build a credible ROI along the way. When building the questions put a weighted value on each. Before an account can move from one stage to the next they must accumulate a certain amount of points from each gate. By assigning a weight to each question, you are not forcing a positive response for every answer. As an example let’s say you have 5 questions, and each is worth 5,4,3,2, and 1 point respectively. The total

amount of points available is 15. To move from Target to Qualify they must accumulate 12 points. As you can see it is not required that every question be answered to move forward from one stage to the next. Rank your questions by the importance of each. The other point you need to realize is that each question asked requires a simple yes, no or a quantity type answer. This will force the sales person to gather data to be used for an ROI calculation later in the process.

To further the value of your SFA system each of these gates need to interact with other parts of the organization. For example, when the sales person qualifies the target, an email notice needs to go out to Marketing for statistical analysis. When the prospect moves from Qualify to Meet & Greet, notifications should go out to sales support and perhaps regional management. Graphically it looks like this:



Each gate you pass causes a series of actions to take place. The action furthers the sale through the process. If you assign percentages (percent chance it will close) to each of the stages, they too will be updated throughout the SFA system. Your forecasting should be far more accurate with the addition of gates to control the movement of a sale through the process and not the “gut” feeling of the sales person.

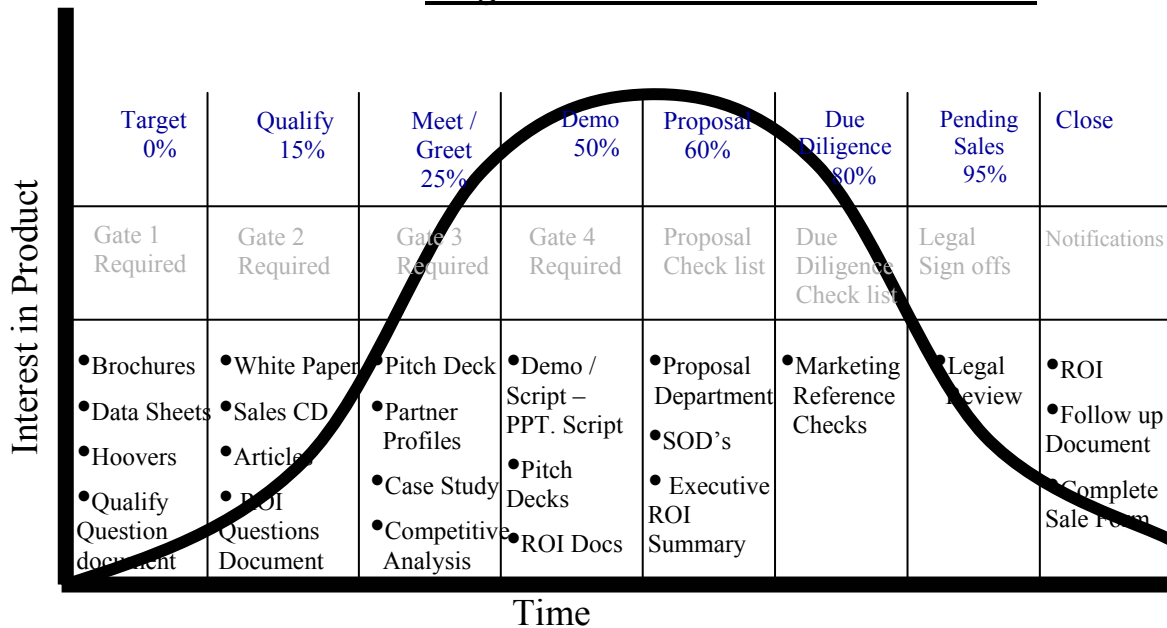
Finally, when all the gates are complete, the data is used to publish an ROI document that can be used in your proposal. (This too can be automated)

The chart above displays the automatic notifications that should take place throughout the sales process. The pieces missing however are the resources available to the sales team along the way. Below is an example of some of the resources that could be made available to a sales force as a sale moves through the sales process.

Notice how each available resource is assigned to a stage in the sales process. Also, note I have added some percentages to each of the stages to show you how to increase your forecasting accuracy.

Each gate will control the movement from stage to stage. Automatic notification will keep each department in the loop and build your forecasting credibility. The resources will give your sales team comfort and confidence in the process and force them to use the SFA system as part of the sales process, not just a tracking tool.

Stages in the Sales Process / Resources



Often times I get asked if the sales force “buys into this concept”. Yes, they do, for many reasons. First, they have a guideline to move the sale through the process and are aware of the resources available at each stage. Second, there is little room for guess work. We have built in numerous checks and balances at every stage. Third, it is not threatening, it is a tool that makes them more productive and clearly defines what is expected of them. Lastly, there is no more forecasting on the part of the sales team. If implemented properly the system produces the forecast based upon the gates achieved on accounts in the pipeline. (Note: You will need some historical data to assign accurate close percentages)

Sales Force Automation and ROI need to be implemented hand in hand together. **Without ROI, your SFA system is just another tracking tool.** Without the use of an SFA system you have no control over the ROI process.

About the author

Michael Nick is the president and founder of ROI4Sales.com, Inc. and VMC, Inc. He has written several white papers on subjects surrounding sales, sales process and sales methodology. Michael's techniques are in use at many top organizations throughout the world including Rockwell Automation, GEAC, Hewlett Packard and Oracle. For more in-depth information on how to create, use and deploy ROI into your sales process, Michael's new book "How to create the perfect ROI" is now available on the Web at www.ROI4Sales.com/downloads.php.

For more information on ROI4Sales please visit our Web Site at www.ROI4Sales.com or call us at 262-338-1851.