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Integrated Direct Marketing Services

**SALES FORCE AUTOMATION STRATEGY
AND THE VALUE OF QUALIFIED LEADS**

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The slow trickle of companies implementing a universal strategy for sales force automation (SFA) is rapidly becoming a raging torrent. Companies now can realize the potential return associated with SFA initiatives as the requisite technologies needed to implement them are now more readily available.

Projected increases in sales force productivity of between 15% and 35% coupled with a potential competitive advantage over the estimated 75% of the companies sans SFA are powerful incentives to implement SFA strategies.

But simply utilizing an SFA system will not necessarily provide the ROI you need to justify it. To maximize the value of the system, you must combine it with other strategies to help you identify, acquire, and retain the right customers. Unless your new initiative is contributing to increased customer lifetime value, you are missing opportunities to increase shareholder value—which is the end goal of your sales efforts.

As with all technology-based systems, an SFA system is built on a set of complex components. A typical SFA system will include many of the following components or functions: account management, calendar, scheduling, selling, forecasting, and reporting. These components funnel their respective information into a centralized database via an enterprise-wide communications network.

Getting these disparate components to work together as a cohesive system has been the key challenge for the SFA industry. Only recently have SFA vendors begun to consolidate their product offerings into integrated, effective, total solutions which truly live up to their automation. Components funnel their respective information into a centralized database via an enterprise-wide communications network.

One part of the SFA process that generally receives little attention is the part of the process that feeds prospects into the SFA system. Even the most sophisticated SFA system does not permit qualification of prospect records before they enter the pipeline (unless the SFA is part of a larger Customer Relationship Management system). Therefore, while the sales force may be automated, they are still forced to expend the same amount of energy on every opportunity—they still don't know which prospects are the most likely to generate revenue. The lack of qualification and prospect prioritization is a crucial aspect of the SFA process. Once addressed, this process can provide huge dividends and help ensure sales force follow-up on all prospects that enter the SFA system.

Lead Management Process Definition

The best place to start when defining a good lead management process is the definition itself. According to Webster's Dictionary, process is defined as a succession of actions undertaken to bring about some desired result. The desired result of the lead management process is a qualified lead, i.e., a prospect processed through the lead management system. The succession of actions within the lead management process are the steps that every prospect must pass through to obtain a qualified lead status.

While the implementation of a good lead management system is not rocket science, it is by definition a very process-intensive system. The key to successful implementation of any lead management system is to create your process with the following five attributes.

Innovative. Make sure the system is able to model the way you do business and not vice versa. An innovative process does not necessarily mean the most "high-tech."

Quantifiable/Measurable. In order to assure the system is providing the desired results you must be able to measure the results at any stage of the process. This can be done through a variety of mediums, although printed or real-time activity reports will generally suffice.

Maintainable. Not just from a macro-system viewpoint, but at the appropriate level for each group of users. If, for instance, the ability to change the prospect qualification criteria needs to be updated on a regular basis, make sure that this function is accessible via a simple user interface versus a change in system programming.

Repeatable. The design of the system must be such that the "desired result" of the system, i.e., qualified leads, is not a function of who is actually processing the prospect through the system. Similar prospects, regardless of who processed them, must produce similar results.

Responsive. If your system is designed to closely match your business model, your system also must be able to quickly incorporate those changes to match your business model. Every prospect that is processed by an inaccurate system equates to a potential missed opportunity.

Lead Management's Seven Key Components

Once you have defined the five key attributes of a good lead management process and you know what that process should look like, you are ready for the next step—filling your SFA system pipeline with qualified leads.

A full-featured lead management system is based on a set of components that must first be created and then combined with the other SFA components. The seven key components contained in the following list must all be addressed to ensure that your process' ultimate product is providing and distributing qualified leads.

Database Design. Let me let you in on a little secret: technology is not a differentiator. The key here is to uniquely apply practical, available technologies to create a solution that is unique to your business model. The database system you ultimately choose is almost immaterial, provided it can handle process-related variables such as the number of users, the number of transactions per minute, etc. For instance, if you only process a small number of prospects, any good PC-based database (Access, Paradox, Approach) will suffice. Systems built to process larger numbers of transactions will require more robust systems, i.e., client-server systems with SQL-based databases.

Prospect Qualification and Incubation. Here's a \$64,000 question: How do you define a qualified lead? The simple answer is that a qualified lead is whatever your sales force says it is. If you expect your sales force to feel compelled to follow up on the leads entering your SFA system, you had better make sure that they are involved in that definition process. By extending the qualification process to include the concept of incubation—which simply means managing lower, current potential prospects until they are truly sales ready—your sales force will be allowed to maintain their focus on only the highest potential opportunities.

Human Resources. While most systems vendors would have you believe that technology can circumvent the need for skilled lead management system operators, my experience is exactly the opposite. The true key to efficiently operating this type of process is a group of individuals who are good communicators, who are quality-conscious and detail-oriented. Given these key requirements, training can fill virtually all other holes.

Communications Capabilities. This system component details the best communications media, i.e., telephone, mail, e-mail, on-line, etc., for exchanging information with your prospects, sales force, and system users. By its very nature, your SFA system will dictate how this communication will take place with your sales force.

Information Delivery. While closely related to communications capabilities, this lead management system component defines the best format, i.e., hard copy, electronic, etc., for fulfilling the information needs of your prospects, sales force, and system users. Once again, your SFA system will probably determine the best format for fulfilling the information needs of your sales force.

User Feedback. There is only one way to refine the operation of a closed-loop system as defined here: continually incorporate feedback from the users of the lead manage-

ment system to modify the system's operation. Usually, some of the most difficult feedback to obtain is from your very own sales force. If you are incorporating a lead management system into an SFA system, you have a built-in advantage. You can glean feedback on the quality of the leads provided to the sales force as a by-product of the sales forecasting function included with most SFA tools.

Data Analysis/Modeling/Mining. This is one area easily overlooked but ultimately can be one of the most valuable aspects of a good lead management system. If you are going to make the effort to qualify prospects to ultimately fill your SFA system pipeline, take that opportunity to gather additional information, e.g., product applications, alternative solutions, etc., for later analysis. The key is to make sure that your system is designed with data analysis in mind from the onset and not as an afterthought.

There's no question that Sales Force Automation can help your company increase its productivity, but it is not a silver bullet solution. To work most effectively, it must be combined with the right preliminary process, such as a robust sales lead management program. Having your sales force follow up on early-stage leads is not always the most efficient use of their time. Getting them to work on near-term leads—leads in which sales will close within a matter of days or weeks—is a much better way to realize near-term revenue.

To learn more about how Protocol can help you optimize your SFA system through sales lead management programs, call 800-865-4390 or e-mail knowledge@protocolusa.com.