



CRM, Technology, and Selling

Does CRM and the Internet spell the end of the sales professional?

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Customer Relationship Management (CRM) is one of the largest and fastest growing markets in the high technology industry today. And regardless of the market uncertainty and the Internet sort-out, Business Week has now quoted revised estimates for the CRM market showing even more aggressive growth than previously forecasted, indeed “growing by as much as 70% in 2001” and reaching “\$9.8 billion for 2001.” With roots in varying applications from contact managers, call centers, and customer service applications, the major CRM providers are focusing on providing enterprise applications that *put the customer in the center of the organization* by understanding and coordinating all of the organization’s transactions with its customers. Technology, in the form of SFA, CRM, and now eCRM, has played a major role in this rush to better understand the customer, with the Internet serving as prime catalyst; the driver of change and the primary conduit for information.

The spotlight is shining so intensely on these tools, that it is easy to overlook the ever-growing complexity of acquiring new business from *new* customers. Peter Drucker¹ has stated that “the very purpose of a business is to create a customer”, and indeed there are an estimated 17,000,000 sales professionals and 2,125,000 sales managers across North America² in the business of acquiring new customers in the business-to-business world. Organizations continue to make massive investments in their sales forces in the hope that they will perform the miracle of transforming raw leads into satisfied and profitable customers. It is not surprising then that the role of the sales professional has become that much more demanding.

In our experience over the past decade or so, we have seen a complete polarization between two styles of selling, largely reflecting two styles of buying. At one end of the spectrum we see the traditional sales staff that “pitch and present” the company’s products and services. These sales people are responsible for broadcasting the company message far and wide, in the hope that, as someone once described it, prospects will “stop me if you hear something you want to buy.” This worked well for products that are essentially commodities, and it is this sales style that will perhaps be largely replaced by technology, primarily CRM and the Internet; tools that can do a faster, cheaper, and in fact often more accurate job of this activity. Extinction may indeed face this breed of sales people who serve little purpose other than being the conduit of information between their company and the prospect.

However at the other end of the scale, especially in the enterprise B2B world, we see a greater push towards *solution* or *consultative* selling. As opposed to the pitcher/persuader of commodities, there are many other activities that the successful enterprise sales professional must master. For sales organizations in this marketplace, there is the very necessary need to carefully understand the

¹ Peter Drucker – *Management: Tasks, Responsibilities, Practices*, 1973

² Sales and Marketing Magazine – Sept 2000



prospect's business goals, needs, and priorities. The sales person must fully comprehend the prospect's preferences and concerns in order to assemble in effect, a customized solution. There is a need to show and clearly demonstrate how this solution will contribute to the prospect's business success and meet their various criteria and needs. There is also a need to ascertain and comprehensively understand the prospect's purchase decision process, a task that has become increasingly more complex over recent years. Indeed we found it puzzling how so many organizations expect their sales force to have a clear understanding of their prospect's purchase process, when few could actually articulate their own company's purchase process with any degree of clarity.

It would then seem that if the sales force is mostly involved with the communication of product information and order administration or fulfillment, one could well expect that this role might be better served with technology. However, if an organization's sales force is faced with the myriad of activities that are involved in solution selling, we see a vastly different picture.

In this situation, CRM technology can be ably used to create pricing and configuration proposals, administer orders, and deliver vast amounts of information to both the prospect and the sales person. This in turn will greatly enhance the efficiency of the sales person by reducing their overall administrative burden and freeing them to perform the value-added activities that comprise what we have defined as *customer acquisition management* (CAM). CAM identifies, defines, and collates all of these activities, forging them into a systematic chain of events - the sales process - that is measurable, repeatable and sustainable. The CAM process becomes a roadmap, leading sales people through the labyrinth of a complex sales cycle, determining the best route to the close, and enabling the full transition to solution selling.

We would encourage any organization contemplating the use of technology in their sales and marketing operation to start by dissecting their CAM process in order to gain a clear understanding of where new customers come from, and the activities that are required to transform a raw lead into a customer. Once known, this process can then be fine-tuned and optimized, building a solid foundation upon which the best use of technology can then be determined. But buyer beware; the converse is unfortunately far too common, where technology is applied to the sales function without solid knowledge of the process. This is no better than paving goat-paths and is the primary reason for the disturbing fact that 2/3rds of all CRM projects fail to deliver the expected results.

Perhaps technology will spell the demise of some sales people, but for the true professionals it is a tool to be welcomed. We would however caution any organization before applying these methodologies to insure that the inner workings of their sales organization are known and understood. This will enable them to take full advantage of the combination of these two allied disciplines; a full and complete understanding of the CAM process to enable the creation of new customers, and CRM to manage them once acquired.