

ROI from CRM

It's about sales process,
not just technology

SAMPLE

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Introduction

Industrial sales is in my blood.

My father owned Breard-Gardner Inc., an industrial sales rep firm/distributor. I grew up playing with demo equipment in the back seat of the car while on vacations. I spent hours making the colored indicators on magnetic level gauges change and playing with the pressure gauges and digital thermometers. Eventually, during summers and school breaks, I worked in the warehouse stocking shelves and shipping equipment.

My first experience in inside sales was sitting next to Donna. Donna had customer service and process control knowledge in her bones. Her father and brother were both in the instrumentation field; she probably played with demo equipment growing up, as well. Customers loved her. If she was unavailable, they were always happy to wait. This was not always good for my self-esteem, but it made me stop and pay attention. What made customers want to talk with her?

It was obvious Donna knew what she was doing. She always kept things from slipping through the cracks, even though her desk looked like a hurricane had just hit.

Someone would call in and ask about a specific piece of instrumentation or part or model number. Rather than simply answer the question and hang up, Donna took the opportunity to learn more about why they wanted that product versus another. She would ask what the product was for and about its application. And what other things could the client possibly need related to that product or application?

She was sales through and through. She taught me what value-added selling was. It's more than just a customer's need for a product; it's understanding how they use it and offering solutions. In other words, being

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an asset to the customer and making their job easier. Once you establish yourself with clients in this manner, you'll have them for life.

She was a master. Donna taught me that customers were the reason we had a job. If you took care of them, they would take care of you.

Breard-Gardner was the U.S. master distributor for a Swiss pressure gauge manufacturer, and I had helped set up the warehouse, did some inside sales and built a pressure gauge filling station for them. That hard work paid off, and they invited me to participate in a summer program to learn more about the manufacturing of pressure gauges in Switzerland in 1984.

I spent two months there learning each area of the floor, from input to output. I started in the stockroom, where they received the raw materials for making pressure gauges. I then moved to preparing raw materials for production. I also did light machine work to press cases out of sheet metal and ended up doing calibration of gauges as the final stage of production. I look back at that time as one when I learned to respect the process, craftsmanship and dedication to the manufacturing craft.

This was the summer that solidified my belief in process as the key to success.

In 1987, I was about to graduate from LSU in industrial technology. I could have easily gone to work for the family business, but felt the need to go out and get a job on my own first. I landed an interview with my dream job at the time, Texas Instruments. This was the big one – the interview everyone on campus wanted. After my trip to Dallas for the interview, I was sure I had the job. My experience with BGI and my summer in Switzerland both seemed to impress the interviewers. But a week later, I received a crushing letter: “Thank you for your interest in Texas Instruments, but ...”

Not one to take losing sitting down, I called to ask why. The answer: They were afraid I'd go back to the family business, but added that the area manager had the final say. I called the area manager and pleaded

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with him to reconsider, assuring him that I didn't have plans to return to the family business. He offered to fly me back to Dallas, and I spent a second full day in what felt like even tougher interviews.

I approached it as if it were an audition. I had to sell myself if I had any chance of getting the job. A week later, I got a letter inviting me to join the team.

I moved to Dallas after spring graduation. As I walked around that first week, I noticed the different colored badges worn by employees: red, blue, yellow, silver and gold. I quickly learned that the badges we wore represented tenure, which determined position in the company. At TI, you started as a red-badge rookie and reported to a blue-badge. Blue reported to yellow, and so on. It was something I was OK with at the time, but I didn't see a long-term future working within this structure as I am big believer in rewards for performance not just tenure.

Ultimately, the interviewers at Texas Instruments were right: I moved back to BGI after it was successful in winning the rights to become the exclusive rep for Yokogawa, a Japanese process control and instrumentation manufacturer. But the experience at Texas Instruments taught me teamwork, hard work and, in the end, who I was and wasn't. I learned that I did not belong in a non-entrepreneurial environment where seniority was a primary driver for advancement.

Applying the Lessons

Despite high expectations from the manufacturer, selling the Yokogawa line was some of the best selling time I have ever had. First, most of our customers had never heard of or experienced the line, so there was no baggage – good or bad – to contend with. Second, Yokogawa made some of the best process control and instrumentation products in the world.

And third, I was still a big believer in solution selling. Our territory, filled with customers in chemical, refinery, pulp and paper, oil and gas, and water and wastewater segments, was ripe for the product offering.

As an outside salesperson, I applied the lessons I learned early on from

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Donna in inside sales. As cliché as it might sound, I was truly focused on becoming a problem-solver and not just someone selling product. I wouldn't go in to talk with an engineer, put my product on the table and start reciting the product's features. Donna taught me that the better and more lucrative approach was to build relationships and uncover the problems plaguing a business. I needed to be the solution.

This approach paid off. When I started in full-time outside sales, I was assigned the C and D accounts, what we called the "cats and dogs." They were small accounts for the business. And they certainly had not been priorities in the past.

In addition to approaching these accounts as a problem-solver, I learned to profile them. I would go into a chemical plant, for example, and note the equipment. How many mag meters? Thermometers? Pressure gauges? I'd look not only at what they were using, I'd note the brand and amount. I asked a lot of questions of the engineers and I&E technicians. I started to take detailed notes on paper and eventually transferred them to Lotus Notes. (This was pre-Excel.)

We eventually hired a company to help us plan sales calls and record how many times and how often we called on individual accounts. I decided to take it a step further. I developed significant activity reports (SAR). I would take an account – say, ABC Chemical Company – and list its contacts. Then I tracked the sales calls and touch points I had with each contact at that company. I had a three-ring binder, and every account had its own page. It was the printed version of what we'd put in a spreadsheet today.

I then dove deeper and using codes, started tracking the products I talked with them about. The next step in the process was a more detailed account profile – not just tracking who I talked with and which product was discussed, but also the competition at each account and the volume the account was buying. For example, ABC Chemical has about 100 magmeters in the plant of which 50 percent are Foxboro and 50 percent Rosemount. This information helped me plan and build a strategy on where to spend my time going forward.

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Over a couple of months of doing this religiously, I could see where holes existed – who I called on and who I didn't, as well as what I covered in those calls. I was doing that for myself, but I realized these processes could benefit the entire sales team. So I talked with the sales manager at the time, and we incorporated SARs across the company. That helped the salespeople create a visual.

The result: We were selling into places we hadn't before. And our revenue per customer shot up from what might have been a \$100-\$500 account to a couple of thousand dollars. For C and D accounts, that was a big increase.

As I rose in the ranks of BGI, I also started to incorporate processes around cross-selling into the culture. Customers segregate their suppliers by product category. You need to let them know you have complementary products, or they won't buy them from you. They won't even know you sell them. We used sheets of paper we called "Why Buys." This helped inside sales know why customers should buy an ancillary product from us when they called about product X.

I go back to Donna, our star inside sales team member who didn't just hang up the phone when someone called. The Why Buys automated Donna – albeit fairly manually to start. But these Why Buys also helped train inside salespeople to not hang up the phone. Instead, they asked questions and learned what else was going on with the customer. We also added a Why Buy to any quote we faxed just to plant the seed on other things we could do for the customer. Think about it: If you could expand a sale for one out of 10 calls, what would that do for the bottom line of your company?

My passion for team-selling was also born at this time. At the end of the day, it's nearly impossible for an individual salesperson to be an expert on every line. At BGI, we divisionalized our company. A salesperson was responsible for a handful of products that were complementary, either by industry group or category. Salespeople became experts rather than jacks of all trades. This gave the customers access to category experts and problem-solvers.

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Over time, we grew BGI from less than \$10 million in annual sales to more than \$30 million. Technology certainly played a part in that growth, but a foundation built on a solid and consistent process was the most important factor. And it's a lesson that can be applied across the business.

Process is the key to success, and to get from CRM to ROI, it's all about the process.

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Chapter 1

It's About Process, Not Just Technology

When people think of CRM, they typically think “technology.” But this book is about process.

When companies go looking for process improvements, they often throw money at technology with the hope it will do the job. But it's critical to first understand the processes behind the needed change.

Before there was customer relationship management, there was sales force automation. When SFA emerged, there was pushback: How can you automate a sales force? But you're not really automating the sales force; you're automating the processes.

It's time to think differently about CRM. CRM is about managing information within your company to better serve your client or prospect. It helps you:

- Share and leverage touch points in your organization to give you actionable intelligence.
- Better manage leads and opportunities at the front end of the sales process.

When I started down this path in the 90s, CRM was not even an acronym. It was SFA, and before that it was PIM (personal information management) or contact management. And long ago, we used simple Franklin Covey Planners with basic calendaring and task lists. We also integrated wildly important goals, or WIGs, a Covey technique. This involves creating a simple list of what you want to accomplish, ideally

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Praise for Brian Gardner

“A CRM is a considerable investment and in order to realize the return we wanted we felt the need to change our process on the front end of the sales cycle. This is where Brian’s expertise and experience comes into play.” – Benjie Pieper Trivaco

“With this book and his system, Brian Gardner brings his unique talent for making the complex simple. He has the experience, with family business, in the world of industrial sales professionals and a full set of practical steps that will benefit all involved in their quest for winning in sales!” – Mario Porrata-Franceschini, MRF Inc.

“Brian has always been a passionate yet practical evangelist for sales process and focusing on the front end of the sales cycle. What he teaches and coaches is so relevant to any industrial manufacturer, distributor or rep firm. What I really love about Brian is he knows that the behavior and discipline of the sales team is what is important – technology such as CRM merely enhances good fundamentals. He also knows how to get salespeople to adopt new methods – because he’s been there himself.” – Reed Stith, industrial growth expert and former manufacturing executive

“I’ve been hoping that Brian would put his vast experience as sales process guru in a book form ever since he and I cofounded Selltis. That dream has come true and the world is richer for it. First through Selltis, then through SalesProcess360, sales professionals have benefited from Brian’s wisdom for almost two decades. Now they have a volume that speaks of his passion and belief in applying technology and sound sales practices to improving their sales processes. Thank you, Brian!” – Mario I Grec, co-founder, Selltis

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“I first met Brian Gardner while I was working for his father at Breard-Gardner Inc. Brian, Michael Johnson and I were all promoted to vice-president positions. In our new roles, we all contributed to sales management, and Brian took a particular interest in understanding the sales process and how it could be improved. We all knew that tracking opportunities early generated better results, but Brian wanted to develop a process by which we could measure these results. What started as a handwritten form documenting sales opportunities soon migrated into a spreadsheet, and from there, what eventually became Selltis. At first we were just tracking opportunities, but Brian wanted to track the entire sales process and has now made a successful career of teaching others how to do the same.” – Danny Wedge, John H. Carter Company