

Long-term benefits to be reaped by investing in up-front disciplines for vetting sales opportunities...

By Harry Gray and Chad Greenway

The sales function can be a suspicious activity, especially for investors sitting two degrees from the process. Too often in the middle market, companies either under-sell good products or over-sell lesser quality products. In the latter, marketing managers often assert that product improvements are the missing link to increased sales. Similarly, salespeople emphasize their claims that a limited product breadth is a chief impediment to increased sales. Even more uncertainty unfolds when we consider that many salespeople enjoy free range as they prospect their self-initiated itineraries. There is, however, a fundamental top-line leakage that starts far earlier in the sales process. We have found that numerous middle market companies have poor discipline at the earliest seeding of a prospective sales opportunity—the priceless “quality” lead! But how do we “measure” the true value of a lead?

Many companies respond to growth stagnation by investing in a leading CRM software product, which is a classic impulse. As a practical matter, dependence on CRM solutions to advance the organization is prudent only after the basics are locked down as institutionalized sales process disciplines. Ironically, underperforming salespeople expect sensational results from CRM products, yet we have found that these technology solutions commonly do not solve the root problem. While CRM solutions are logical and certainly help sales productivity and organization, they often fall short in a few critical areas. Traditional CRM investments have less impact on reducing the number of visits, reducing sales cycles or other measures of selling effectiveness than hopeful managers should expect. Unless the gambit of sales process fundamentals is implemented, investors and managers should take warning of the insidious “we need a better CRM system” crutch-factor. Instead, before investing in a CRM solution, we recommend a cost-effective, internally-developed technique to mitigate the “junk-in, junk-out” ecosystem that muddles CRM effectiveness and the entire sales process.

We believe middle market companies must embrace and deploy a robust lead definition, identification and follow-through mechanism at the front end. Tangible lead attribute definitions are critical, and generally evolve best by reverse engineering from the true value proposition of the product or service to the addressable customer market. First, the company must develop “optimal” sales profiles and “unacceptable” sales profiles as collars to the lead quality continuum. After establishing these boundaries, the company should map its criteria to defined, gradable attributes. In most instances, 5-7 attributes are sufficient for the company to develop weighted lead scores for evaluation, ranking and delegation to the sales team. If practical, this disciplined capture and scoring mechanism should be centralized and maintained as a repository, and it should comport with marketplace feedback. With streamlining, this filtration process will accelerate the lead conversion cycles and boost revenue. At the same time, the continuous tweaking efforts will refocus the company’s sales efforts on its unique competitive advantages.

Whether solution selling or product selling, before resources are devoted either to a CRM rollout or product features ‘enhancements’, we strongly advocate the



development and implementation of a robust lead capture and scoring process at the front-end of the sales process. We also encourage the adoption of lead throughput data and metrics (preferably allocated by salesperson, region, line, segment, etc.) placed prominently in an executive dashboard for use as both a management and investment monitoring tool. This data is a natural byproduct of a centralized mechanism and maintained repository. This cost-effective and internally developed mechanism will feed a continuous improvement of the sales process value chain, facilitate pre-emptive positioning and shrink the sales cycle...and yield higher revenues.