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So, you're a small company and don't think Sales Lead Management and Sales Force Automation is for you? Think again and strengthen the overall value of your company.

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Often when first approaching many of our smaller clients, they tell us ". . . We only have a few sales reps, so we don't really need sophisticated Sales Lead Management or Sales Force Automation (SFA) software; we've got that piece of the business under control." Or better yet, ". . . I don't need this; I run the business in my head.



However, once we've established a working relationship with them, the message begins to dramatically change.

Observation:

"As attendees of the MHEDA 50th Annual Conference, we heard Mark Friedman from The Velos Group passionately describe how we can manage our sales leads more effectively," one new client stated. "We got back to the office and implemented his suggestion; after just three months into the new approach, our higher quality leads had a phenomenal impact with our dealers, and we couldn't be more pleased."

This example points out why smaller companies greatly benefit from establishing strong Sales Lead Management processes and procedures.

Consider the following:

Recent Harvard Business School research found that 80% of the inquiries generated by marketing are NEVER followed up. Another study conducted of trade show exhibitors on companies of all sizes, found that 70% of trade show inquiries are never followed up by sales.

Where does your company stand?

Do you even know how many sales inquiries your sales reps don't follow up? What are the implications of this on your company?

Real life experience tells us: Sales reps would rather have a root canal than cold-call or qualify "great" trade show leads.

Can your Company afford to waste hard-earned profits this way? What is the average sales price or the average gross margin for one of your Company's deals? How many deals do you need to lose before it starts having a noticeably negative effect on your business?

The following information provides solid answers to most of these questions.



Mark Friedman

Insight - Large or Small

Our experience with small companies has provided great insight into other similar business challenges that are common to all of them. For example:

We worked with a company that indicated they sold large, expensive systems. Their site survey group could not estimate when a sale had advanced enough for them to schedule a prospect visit, hence, they continually operated in a 'crisis mode,' and missed out on travel discounts with airlines and hotels, etc.



Second example: another client told us that one of their account managers was calling on a client that was in the middle of a customer service "event." Needless to say, that account manager didn't make an add-on sale that day; in fact, much of her next few days was spent resolving a big problem.

Situations such as these can be avoided by establishing best-in-class sales lead management processes and procedures, along with the disciplined use of SFA techniques and software.

The value to every organization is that by better managing this part of your business, you will increase the overall value of your organization.

Find Consistency and Predictability in Your Approach

As your company implements this new approach, not only will sales and profits increase, but their consistency and predictability will increase as well. This has a direct and positive impact on the value of your company.



Sound Reasons for implementing SFA Software

1. SFA is the glue that holds the sales process together; used consistently and with discipline, it prevents things falling through the cracks and ensures that all inquiries and leads are entered and accounted for as they make their way through the sales process. SFA software, and the security it allows, helps keep your valuable customer/prospect information safe even when a sales rep is unavailable or leaves the company.

Ultimately, this important information is a corporate asset and is protected as such. One of the big benefits of this approach is the faster ramp-up time for a new sales rep; they won't have to start working their territory from scratch. Who are our best accounts? Which prospects should we call on first? Are there any we should avoid? Why? These are all answerable questions that assist the new rep in getting up and productive as soon as possible.

2. Sales accountability/management visibility, when set up and used properly, can enforce sales accountability without requiring a sales manager watching over the reps on a daily basis. How many calls are being made; how many of them are phone calls vs. face-to-face meetings? These statistics can be quickly and easily tabulated daily, weekly and by sales rep or sales team.

3. Management reporting sales pipeline/forecast reporting can be quickly and easily incorporated with the SFA software, giving management continual visibility of what is scheduled to close in the current month and quarter. Using Excel for your sales forecast reporting is inherently inefficient; it forces the Sales rep to stop what they are doing, collect information, and enter it into the spreadsheet. Once this is done, the spreadsheet goes to the Company's administrative person, who reassembles all of the pieces (roll-up all reps' input into one document); then finally reaches the Sales Manager for review.

4. SFA provides a solid foundation for communications up and down the chain. With a comprehensive Account Profile incorporated into the SFA software, your Company can segment the accounts and deliver a semi-customized message to each identified group. Consistent, relevant communication with each group positions your Company in top-of-mind awareness and over time, will increase sales.

5. Shared View of the Account – If you maintain a professional face to the client when your SFA software is implemented and shared across the organization, interesting and good things always happen. Sales knows what marketing programs are being implemented and customer service information helps Sales reps understand what is happening with their accounts, and when the timing is right to call on them. All involved departments are aware of the progress of prospects through the sales cycle and can make their plans in a more proactive environment.

Increase Sales Forecast Accuracy

The majority of current forecasting techniques we have seen allow for errors to be injected into the very numbers that your business relies upon to operate. The truth is - when it comes to forecasting - there are too many manual procedures influencing the results and much too much guesswork involved.



Three Primary Ways Companies Prepare Sales Forecasts:

1. Past or Previous Sales Information – Trend analysis from Accounting System. This approach has the advantage of history and can be easily calculated.

2. Current Deal Flow – This is where the SFA software really helps an organization. Having a 'real-time' view of the deals anticipated to close during a specified period of time greatly improves the accuracy of your overall forecast. Transitioning from a subjective methodology ("I think we have a 75% chance of winning this business,") to an approach which tracks the sales stages your Company experiences in order to close a sale, offers insight into what revenue they can expect to close in a given period of time.

3. Kentucky Windage - We have often heard comments like, "I take the group's forecast, divide it in half and that's usually pretty accurate." This approach is a lot of guessing and may not adequately account for any changes in the marketplace.

Advantages to Accurate Forecast

Accurate forecasts provide companies with a significant advantage over the competition: consistency and predictability.

Competitive Advantage

In order to secure and maintain superior market share, your sales strategy must be more advanced than that of your competition. Your competitors' advantages must be clearly defined and your sales forecast model must enable your sales representatives to compete to win! Your Company's ability to map your prospect's buying process with your sales forecast model allows you to measure both current and future revenue potential.

Accurate forecasting allows your Company to better analyze sales and inventory data, which has a direct impact on the company's bottom line, and also your top-line revenue and market share goals. As your Company improves the sales forecast accuracy, sales, profits and customer satisfaction all improve.

Other advantages include:

- Improved Cash Flow Management
- Improved Inventory Management
- Improved Operational Management

Conclusion

Every company, including smaller ones, significantly increase the value of their organization by automating best-in-class Sales Lead Management processes and procedures.

By setting up your SFA/CRM software to reflect your Company's requirements, and implementing better sales forecasting techniques, sales revenues, consistency and predictability will all increase. These are all achievable practices to increase the value of your Company!

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