Effective Information Management – A Key Lever to Realizing Sales Productivity Gains
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In today’s fast-paced, competitive marketplace, effective information management is arguably the most powerful non-employee lever to trigger sales productivity and market position gains. Products can be copied. Processes can be cloned. Services can be imitated. Valued employees can be relocated. So how does a sales organization create consistent market growth and a sustainable competitive advantage? The answer lies largely in its ability to acquire, interpret, transfer, share, assimilate and retain quality and timely market-based information. In particular, current customer and order processing knowledge are critical to sales productivity gains.

The success of a firm’s prospect-to-satisfied customer cycle of operations is largely dependent on how well its relationships, both internal and external, remain seamlessly connected. Effective and efficient information sharing is the key to organizations potential to work smarter and faster. Accordingly, numerous sales organizations have adopted the enhanced communication and management control capabilities of modern, customer-focused information technology systems.

A well-organized sales-related information technology toolbox includes the following: sales force automation (SFA) and financial management connectivity, customer relationship management (CRM), e-commerce, and total mobility.

In order to highlight the observations and principles that are contained in this discussion, an actual case history has been provided as an addendum. The study is a large national real estate sales organization that recently implemented a fully integrated information management suite system through the NetSuite Corporation. NetSuite’s CRM products employ leading edge technology and enable users to better collect, organize and manage critical business information.

Sales Force Automation (SFA) and Financial Management Connectivity

Salespeople are challenged to do more in less time and information sharing advancements have become an integral part of the personal selling and sales management process. SFA technology converts manual sales activities into electronic processes through the use of various combinations of hardware and software applications (Rivers and Dart 1999). SFA occurs when organizations computerize routine tasks or adopt technological tools to improve the efficiency or precision of sales force activities. Tools can be applied to diverse tasks like scheduling, contact management, creating sales plans, forecasting, mapping out sales routes, prospecting, documenting buyer objections, making sales presentations, retrieving product information, and configuring product specifications (Widmier, Jackson, and McCabe 2002).

Worldwide spending on SFA tools has grown at an annual rate of 27% to reach $3.2 billion in 2007 and is forecast to reach almost $9 billion in 2012 (Cascio, Mariadoss, and Mouri 2010).
Helping salespeople sell to consumers more effectively and efficiently, SFA has great potential for the collection and dissemination of marketing information and the development of value-added customer relationships (Ahearne et al. 2008).

Organizations have implemented SFA solutions for a variety of reasons, such as a need to decrease the sales cycle, an increased need to share information between departments within a company and with selected outside parties, and simply to keep up with the competition (Erffmeyer and Johnson 2001). If successfully implemented, SFA has offered strategic advantages such as improved speed or response, improved accuracy, greater synergy through improved communications, and cost saving.

A firm’s support systems are important to the success of the individual salesperson in accomplishing both administrative and reporting responsibilities. Such support also has a significant effect on the salesperson’s ability to achieve sales and profitability goals.

Travel reimbursement forms that typically would have been submitted either by hand or mail are submitted using the SFA system (Ko and Dennis 2004).

Sales technology now allows salespeople to determine their commissions earned based on closing specific customer sales, as well as hitting their sales quotas. Also, management forecasts are materially improved due to up-to-date sales cycle entries and the application of company developed probability factors.

Customer Relationship Management (CRM)

Sales by providers of CRM systems have steadily grown in recent years. The relative success of a CRM initiative is heavily influenced by the interplay between three key elements: people, processes and technology. People are those who are responsible for executing an organization’s day-to-day CRM tasks, processes relate to how CRM tasks will work together to help create value for the organization and its customers, and technology serves to either help employees execute CRM tasks or automate the tasks altogether (Zablah, Bellenger, and Johnston 2004).

E-Commerce

Many organizations are changing the firm’s sales strategy from relying primarily on offline channels (i.e., salespeople) to online channels (i.e., Internet sales) when going to market. The increasing emphasis on online sales channels represents a fundamental change in the sales strategy of traditional, brick-and-mortar organizations (Sarin et al. 2010).

E-commerce provides organizations an opportunity to use customer portals to gain visibility for the organization and sourcing of leads, which can be distributed to salespeople. This reduces the time salespeople spend on gathering leads, gives the organization an opportunity to better qualify the leads, and pass on to salespeople leads who are more likely to make a buying decision.
Total Mobility

Business-to-business salespeople operate in a boundary-spanning role, which requires frequent travel and time away from the office. Today’s systems are often web-based enabling salespeople to have 24/7, location invariant access to customer records and be able to make quicker and more responsive decisions.

Such sales technology usage has changed the methods of selling. It enables salespeople to more responsively answer the queries of customers and to more effectively provide competent solutions (Rapp, Agnihotri, and Forbes 2008). With a touch of the keyboard on a mobile device, salespeople can determine current inventory levels in response to customer questions, as well as the status of an order in process. Furthermore, having up-to-date customer information available on a cross-functional basis allows personnel to be well informed about each customer and then respond to customer needs in a more timely fashion.

Creating and disseminating current competitive and market information to salespeople as it becomes available as opposed to printing and mailing materials is another market gain. Subsequently, this can reduce time spent on support activities and thereby increase time spent actively selling.

Silo Approach versus Integrated System Approach

Historically, organizations have used more of a silo approach regarding the management of the back-office (accounting, payroll) and front-office functions with limited communications between these areas. With the introduction of web-based software, even small- and medium-sized organizations are now able to integrate the accounting, customer relationship management, and ecommerce (website, customer portal) into a single powerful application (see Figure). Companies can now better connect departments, automate processes, and gain unparalleled insight into their business. This integrated data approach also ensures that with one data repository, you can be certain that all users view and use accurate and up-to-the-second information. Compared to traditional software, by using web-based software, organizations no longer have to purchase hardware or maintain and upgrade software.

The web-based approach also offers users customizable dashboards that provide invaluable real-time visibility to key performance metrics, supporting intelligent and timely business decisions. Salespeople now have the capability of viewing the status of any activity in their pipeline including leads, commissions, sales revenue, communications, forecasts, and commissions while other functions can view bank balances, receivables and payables, anywhere and anytime. Furthermore, 360-degree visibility into customer relationships and their related orders results in more efficient and highly personalized sales, fulfillment and service processes, engendering improved customer satisfaction, increased referrals, and increased cash flow and profitability.
The Impact on Customer Relationship Dynamics

Notably, modern sales-related information management technology has materially changed the customer relationship and personal selling landscape. Personal selling has progressively evolved from the selling of a product or service to counselor or solution-based selling to what can be described as today’s “experience” selling. A “total” relationship approach necessitates sales organizations to develop technological and system-oriented capabilities to better define, collect, access, analyze and communicate value-adding information with all stakeholders involved in the buyer-seller relationship, including the sales representative who often is the primary customer relationship contact.

Why is New Technology So Difficult to Adopt?

The strategic implementation of a comprehensive information system within the sales organization remains among the most challenging responsibilities of senior marketing and sales managers. Despite the growing awareness and popularity of modern information management tools, reported failure rates for implementations remain remarkably high, estimated to be as high as 75% (Schillewaert et al. 2005).

This level of failure can sometimes be explained if salespeople are not motivated to adopt technology into their sales roles because they cannot visualize what is in it for them, nor believe there is any real organizational support behind the new technology. Therefore, organizations can invest large amounts of money into new technology and experience an unacceptable ROI due to inadequate sales force adoption. A lack of sales management follow up with salespeople can also help explain why the technology is not being properly used. Without buy-in from the sales force and follow up by management, the technology initiative can be doomed. One way to circumvent the adoption hurdle is by soliciting sales force involvement in the early stages of the process and by incorporating this subject in sales training programs.

Other potential reasons that sales technology initiatives fail are:

1. Lack of affective metrics or measures (Erffmeyer and Johnson 2001)
2. Information overload (Beltramini 1988)
3. Increased fears of being monitored by management (Sviokla 1996)
4. Inadequate training (Rasmussen 1999)
5. Poor systems design (Beltramini 1988)
Summary

Modern information technology is an essential tool for the sales organization seeking substantial improvement in sales productivity and market share performance. To be complete, the chosen system should contain the four main platforms or components of a system-oriented business management software suite: sales force automation (SFA), finance and accounting, customer relationship management (CRM), and e-commerce. To maximize the suite’s performance, all components should be seamlessly integrated and dashboard visibility is highly recommended. For ease of implementation and to enhance long-term design flexibility, a web-hosted approach best fits the needs and budgets of small- and medium-sized sales organizations.

After being effectively implemented, sales productivity gains should be quickly realized as a direct result of improved agent sales funnel performance – doing the right things more often and doing them faster as well as more efficiently. Furthermore, the regular and consistent collection, analysis and dissemination of customer relationship details should result in a more value-adding long-term customer experience.

References


Figure 1.1

NetSuite case study

Prudential Locations LLC
Prudential Locations enjoys skyrocketing agent productivity with NetSuite CRM+

“There was nobody out there offering real estate vertical capabilities that we needed, so we knew we needed a solution that was both powerful and easy to customize. NetSuite was the most flexible architecture for our needs. We couldn’t possibly communicate with the kind of frequency and consistency we need without it.”

— Prudential Locations LLC

Challenge

• Prudential had accumulated extensive data on virtually all Hawaii real estate transactions, but lacked efficient way to expose data to agents and sales managers
• Needed a solution which could blend real estate market data with customer data
• No off-the-shelf solution supported the workflow Prudential wished to implement, requiring a platform with powerful customization capabilities
• Needed a solution that would provide cost-effective and insightful customer communication methods in both peaks and valleys in the real estate business cycle

Solution

• Over 300 users now on Prudential’s NetSuite environment
• NetSuite providing a powerful and reliable platform for core CRM and custom functionality
• All agent contacts with prospects and clients now recorded in uniform fashion in NetSuite CRM+, providing full sales cycle history
• Automated e-mail campaigns keep prospects warm with minimal need for agent or administrative action
• Flexible NetSuite platform provides future expansion opportunities to the property management side of the business

Results

• Delivering 1.5 million e-mails on behalf of agents every year
• 98% buy-in from 240 independent real estate agents who pay to subscribe to Prudential’s NetSuite-based service platform
• Integration between NetSuite CRM+ and Prudential Web portal populates browse and search activities into customer records, providing agents with important insights into client desires
• Agents now have more sales tools with which to re-engage past clients and prospects, leading to greater sales among established customer base
• Sales coaches and managers now have impartial data about agent activity and productivity, allowing faster reporting and freeing more time for agent development
• Agents now able to manage up to 10X more relationships than was possible using previous solutions.
Figure 1.2

One Integrated System to Manage your Entire Business
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Chuck Fifield is a Senior Lecturer for Baylor University’s Hankamer School of Business, Marketing Department and serves as the faculty coach to Baylor’s Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant for nearly thirty years to businesses located throughout the U.S. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.