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## Editor's Cut



I have a colleague who is actually the editorial fire power behind the articles that appear in this newsletter. She spends countless hours scouring for the best content to provide to you each month. She also spends countless hours tracking me down for this very note. The reason I mention this is because this month she sent me a photo of a fluffy white puppy wearing a dinosaur suit. The message: Get me your monthly note, or the puppy is toast. Yes, ladies and gentlemen, threats and fear...it runs the content for the CLOSE eJournal.

So, why mention the puppy-blackmail? The reality in today's economy is that fear is often the most powerful motivator, especially in sales. If you think back to this last month, how many calls have you received from sales executives in a recession-driven panic? How many emails that start off with saying "just wanting to check in and see..." but are met with no response as you are feeling similar pressure to drum up business? There has been fear in the air - fear for our companies, our jobs and our livelihoods.

But there has been a renewed sense of optimism that's been creeping into marketing and sales. This sense that we've seen the worst the economy has to throw at us - and we are poised to hit the road to recovery -- has slowly crept into our messaging and our mindsets. The real challenge will be to turn this new found optimism into action.

To help recharge and re-energize after all these months in the recession-despair-spiral, we have selected articles that will help spark new tactics and thinking in how we engage with, attract and close business with customers. It's not about how many doors we knock on, but how we engage with the customers on the other side.

I'd also invite you to check out a study that focuses on the needs, challenges and strategies employed by marketers in the communications industry. *Service Invention to Increase Retention* shines a light on a subject we are all faced with: increasing customer churn and cut-throat competition. To download the executive summary of this report, visit [www.customerexperienceboard.org/report](http://www.customerexperienceboard.org/report).

Until next month!

Liz

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## Reading



### The Sandler Rules: 49 Timeless Selling Principles and How to Apply Them

By David Sandler

Early in his sales career, David Sandler observed that some salespeople work hard and struggle for every deal, while others consistently, and almost effortlessly, uncover new opportunities and close sales. Why is it, he wondered, that two salespeople selling the same product in the same market can have such different results? Using Eric Berne's Transactional Analysis, Sandler devised a selling system and distilled forty-nine unforgettable rules that are frank, sometimes fun, and always easy to put to use.

[Available from Amazon »](#)



### Coaching People Into Sales Champions: A



## Around the Sales Net

### Resilience During the Recession: Focusing on the 3Rs

By Donovan Neale-May, Executive Director of the [Chief Marketing Officer \(CMO\) Council](#) and the [Coalition to Leverage & Optimize Sales Effectiveness \(CLOSE\)](#)

Customer retention, reactivation and recovery are essential areas of focus for recession-proofing global organizations. Consider some of these startling statistics from recent CMO Council/CLOSE surveys of global marketing and sales executives:

- 76 percent of senior marketers believe they are not realizing the full revenue potential of current customers.
- 67 percent of have no formal program for re-activating dormant or lost accounts.
- Just 50 percent have a formal strategy for further penetrating or monetizing key accounts.
- Only 46.5 percent say they have good insights into retention rates, customer profitability and lifetime value.

Now, more than ever, it is critical for marketing to do a better job of identifying and targeting predisposed prospects, delivering sales-ready opportunities into the pipeline, and optimizing the value and return on customer relationships. The sales force, in turn, must rely on marketing for more relevant messaging, content and campaigns that trigger buying and repeat purchase. Members of the channel have to leverage their customer proximity to drive continuous engagement and seek opportunities for up-sell and cross-sell.

Here are the CMO Council's 10 Steps for Riding Out the Recession:

1. Look internally at untapped revenue potential in the existing customer base.
2. Make sure you are doing everything to retain loyalty, and recover or reactivate lost accounts.
3. Dig deeper into customer data for up-sell, cross-sell and add-on marketing opportunities.
4. Grow customer affinity and connectivity through more co-innovation; create communities to continuously engage and listen to customers.
5. Empower frontline employees to further conversations and relationships at every touch point - turn customer pain into competitive gain.
6. Use the power of advocates to mobilize word-of-mouth and increase referrals and recommendations.
7. Add more value, dimension or appeal to the sale, instead of discounting merchandise or services.
8. Devise smart tie-ins or linkages with ancillary products or services to co-op the cost of marketing and increase perceived value.
9. Drive more interactions and communications to the web to increase market reach and the efficiency of spend.
10. Protect and enhance the customer experience; don't cut corners on customer handling or compromise product quality.

## Slam Dunk



### Are you creating customers? Or are you just selling?

By the Customer Manufacturing Group

### Tactical Playbook for Managers and Executives

By Keith Rosen

If you're responsible for coaching or managing anyone, especially salespeople, this remarkable new book from Keith Rosen will help you make the transition from manager to coach by developing the missing discipline of leadership - executive sales coaching.

[Available from Amazon »](#)

## Events

### Body Talk for Business - Can You Walk the Talk? The Institute of Sales & Marketing Management

September 16, 2009,  
Birmingham, UK

There are key moments of business when your personal impact makes all the difference. In this seminar you will learn how to get better results from networking, presentations, sales and negotiations. Richard will teach you advanced body language skills, interactive exercises you can use at work every day, the six key elements of body talk that will give you the extra edge and how to make anything you say more desirable and compelling.

### Econsultancy's Peer Summit: Online strategies explored, explained and shared

October 8, 2009, New York, NY

Responsible for your organization's online marketing? If so, you are invited to attend Econsultancy's Peer Summit, a free, invitation-only roundtable event exclusively for client-side marketers. Discuss and explore the latest best practices on e-marketing procurement, business cases, investment, ROI and supplier selection with your peers. Three keynotes from industry leaders and three roundtables on your choice of topic ensure you get maximum learning in one day.

Are your sales all you would like them to be? Is your ability to manage your sales activities as good as it should be? If the answer to either of these questions is no, perhaps the cause is because you're people are "selling" rather than helping the right customers buy right.

Assuming that you have a product (or service) for which there's actually a market, most sales efforts fail today for one of two reasons:

- Your sales activities are just that - a set of activities, rather than a true process.
- You have the wrong sales process.

Addressing the easy one first: a set of sales activities not organized into a process is nothing more than a chaotic, random group of events. These result in - surprise! - a chaotic, random group of outcomes. Without a true process in place, there is no way to implement fundamental management tools that are required in any function, such as:

- Measurement and management
- Process improvement
- Reporting, coordination, and prediction.

The only way to "manage" or "improve" a sales function that is not process driven is to swap out sales people (or sales managers) and hope for better results. Sound familiar? That's the way many sales organizations are run.

#### **But you say you have a sales process**

More sophisticated sales organizations today, however, claim to have a process in place. To the extent to which this is true, it is often the wrong process. That's because too many sales processes have one of two origins:

- They have evolved over time to be "efficient" in terms of dollars spent and internal work flow.
- They were modeled after one of the popular sales programs sold in books and by consulting firms.

#### **Are you creating customers?**

The problem with these approaches should be apparent. Sales processes constructed for internal efficiencies do little to make it easier for your customers to buy (this is one reason that re-engineering efforts comprising sales processes often failed.) And sales processes mirroring an abstract one-size-fits-all approach are unlikely to have relevancy to your customers. Most organizations - from retail stores to large industrial corporations - have lost sight of the very purpose of sales: to make it easy for your customers to buy from you (causing them to initially desire or be aware of your product or service is the job of promotion - not sales).

#### **Understanding buying processes**

The key fact is that your customers have a distinct buying process that they go through. They perform a distinct set of buying actions at specific times (or during specific time periods) throughout their process. Further, at each buying step in their process they require value of some kind from you. It might be information - a brochure, pricing, specifications, deliveries, etc.; it might be a visit; it might be a demonstration; or something else...or it might be to be left alone.

The buying activities of your customer and the timeline along which they lie is depicted by the lower line in the diagrams below. The colored shapes represent the different buying steps, and the distance between them along the line represents time. The colored arrow going upwards, towards the upper line, depicts the value they expect from you at each of their buying steps.

Focus on customer needs-not yours. Don't try to sell the customer something you wouldn't buy if you were in their shoes. It is totally irrelevant whether or not this purchase suits your needs; what is relevant is whether it suits the customer's. That perspective empowers you to upsell effectively and with integrity.

### **American Banker's 7th Annual Financial Services Marketing Symposium**

*October 15, 2009, New York, NY*

The "same old" approach simply isn't going to work anymore. It's time for something new. Attend American Banker's 7th Annual Financial Services Marketing Symposium on October 15, 2009 at the Marriott Downtown in New York City. Spend one full day with industry experts from Best Buy, Capital One, Key Bank, TD Bank and more. CMO Council members save \$100 off the current rates.

### **The Loyalty Leaders Dinner Dialogues Hosted by the CMO Council**

*September 30, London, UK  
October 6, New York, NY  
October 14, Chicago, IL*

## *New Research*

### **Marketing Outlook 2009**



The 2009 Marketing Outlook Study, the largest independent assessment of senior marketing executives today, is an annual global benchmarking initiative undertaken by the Chief Marketing Officer (CMO) Council. Given the economic challenges and market pressures worldwide, this year's review of '08 performance and '09 challenges and intentions is far deeper and wider than before. [Download report »](#)

### **Customer Experience Board: Service Invention To Increase Retention**

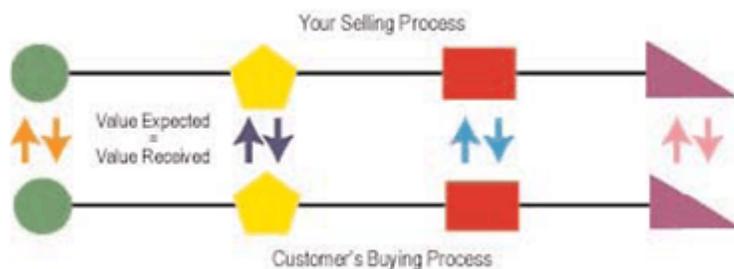


Competitive crunch and convergence in the \$4 trillion dollar global communications marketplace is fueling increased customer churn, and testing customer loyalty. Marketers are facing unprecedented challenges in building loyalty and retaining customers as cut-throat



Now, the upper line in this diagram represents a typical sales process. Note that the steps it performs are not mirror images of the buying steps that the customer goes through. Nor are the selling activities synchronized with the customer's buying activities. The sales process starts and ends at different times from the customer's buying process; the one sales step that is a reflection of a customer's buying step is performed at a different time than the customer's; the value delivered to the customer at each selling step is not the value expected by the customer.

If you have ever bought a car - or a multi-million dollar industrial system - you immediately recognize the dissonance we are describing between the buying process that you wanted to use and the selling process that was imposed on you. (This misalignment between the sales process and the buying process is a key reason that so many CRM implementations have failed - they have simply automated a bad process).



Now look at the figure above. This is how a sales process should look: aligned with the customer's buying process. Every customer buying activity is mirrored at the appropriate time by a selling activity. The value expected by the customer at each step of their buying process is provided at that time by the selling process.

With such an aligned sales process you can measure and manage the sales function effectively. Now throughputs and fallouts from one step in the sales process to the next reflect what is actually happening in the customer's buying process, and predictions made about future sales events have a relationship to some real event in the customer's process. Now process improvement - sales productivity - is actually possible, because the "quality spec" of each activity in the sales process is known: it is the alignment of that activity with the appropriate customer buying activity.

### Designing the right sales process

How do you construct such a selling process? Here are the steps you need to go through to do so:

1. Map your customer's buying process
2. Create a selling process that mirrors and adds value to your customer's buying process

You've just designed your sales process. Now you can stop selling, and start creating customers.

competition and new service models undercut pricing, prey on lucrative customers and disrupt established markets. The industry study -- Service Invention to Increase Retention -- benchmarks how the communications industry is responding to interactive digital media channels, social networks, mobile messaging devices and online communities, leaving companies scrambling to retain subscribers, induce loyalty, improve customer satisfaction, and deliver appealing revenue-producing services. [Download report >>](#)

### Scenarios and Solutions: Mapping the Traps and Sales Effectiveness Gaps



In any sizeable company, the functions of marketing and sales are crucial to success. No matter

the product or service, marketing must drive demand and sales must develop and maximize opportunities. Successful execution of these functions has always been challenging, hinging on the sometimes strained and troubled relationship between sales and marketing. The Chief Marketing Officer (CMO) Council's strategic interest group The Coalition to Leverage and Optimize Sales Effectiveness (CLOSE) gathered scores of global sales and marketing executives for in-depth brainstorming sessions in six cities around the world to probe the roots of the issues and create frameworks to resolve them. Scenarios and Solutions details the findings of these workshops. [Download report >>](#)

## Sales Poll

**Organizations lose 50 percent of their customers every five years.**

# Feature Article

- True  
 False

Vote

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## Contact Us

CLOSE welcomes your thoughts, suggestions and material submissions for consideration in enhancing the content and programs offered. To submit your content, please contact us.

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## Salesforce.com: What the Marketing VP Needs to Know

By David Taber

**Marketing departments are often deeply involved in CRM initiatives, and may be the most intense users of the system's data. What do marketing VPs need to know -- and do -- in conjunction with a salesforce.com or other CRM implementation to make it truly effective for the business?**

Your company's CRM system is turned on. Leads are flowing out to the sales team. Now what? Where do marketers need to spend time in the system? What decisions will the marketing team have to make? How should you measure success? Here are some marketing executive guidelines for the first few months of system usage. While much of this article applies to any modern CRM system, we've focused here on the specifics of Salesforce.com

### 1. Focus on Lead Quality, not Quantity

The knee-jerk reaction is to measure marketing based on lead flow. Unfortunately, lead quantity by itself is almost meaningless and is easily gamed ("I just bought 10,000,000 leads on this \$14.95 CD-ROM!"). As you'll see below, it's more meaningful to produce a few very high quality leads, delivering them to reps in a way that reduces information overload and improves call-back time.

If you want to go even further, don't focus on leads at all. Most leads are ignored anyway. Instead, optimize the marketing and lead cultivation process to produce sales cycles. This means producing fully qualified, converted leads: people who are interested in taking a sales call. In SFDC terms, this means the sales reps should be seeing only opportunities and contacts, not leads or campaigns. While producing "sales appointments" can not be the sole responsibility of marketing, working closely with your telesales (or sales development) reps can have a big impact on business results.

### 2. Get the Cultivation Process Right

Before you can really make headway, you need to make sure that both sales and marketing are working with a coherent model. The model needs to describe the life of a lead: how they evolve, who handles them at each stage, and the major sales-marketing interactions that happen on the way to closing the deal.

Nail down things like lead qualification criteria, sales stage trigger events, and probability-of-close percentages. From this model, create a service level agreement (SLA) - that is, a contract between sales and marketing about who does what to make the revenue happen (check out the "Define and Document the Sales Model" section in Chapter 9 of my book). This task can be achieved in an afternoon if you're serious, but it's one of the most highly leveraged things you can do to ensure that the marketing staff is on the same page with the sales team (as well as helping marketing personnel get on the same page with each other!) A key issue to watch out for: how long it takes for you to first "touch" a new lead. Timeliness is critically important to lead quality, as leads are very perishable early on. Research studies indicate that over half of the leads that register at your website today will not even remember your company name 48 hours from now. So marketing's process must get leads-filtered and scored-into SFDC within 24 hours, so that your first "personal lead touch" can be done by the telesales (or inside sales, or sales development) reps while the leads are still warm. Salesforce.com should be configured (typically with add-on products) to initiate an automated email "drip sequence" of information relevant to the lead's inquiry, to keep their interest level up even if a phone conversation hasn't occurred.

If your firm doesn't have a sales development rep (or equivalent) function, you need to work closely with the sales VP to get the right budgetary and organizational changes made.

### 3. Know the Score

Lead ranking often boils down to "HOT" and "don't bother." In many organizations, 95 percent of the leads will be effectively ignored-and the bigger the lead flow, the more important it is to score leads so that the sales folks spend time the right ones. Whether you adopt lead scoring from a marketing automation product or you

build it yourself using workflow rules and APEX triggers, here are the important things to look for:

**Profile scoring** assigns a static number based on the individual's demographic or descriptive information (job title, company name, industry, etc). Add points for "more fields filled out on the page" and subtract for data indicating irrelevance (the person is from a country your company doesn't sell to) or unattractiveness (e.g., a yahoo email address).

**Behavioral scoring** yields a dynamic number that results from the individual's choices and patterns in interacting with the company. Points are added for any action taken by the individual, and special points are added for behavioral sequences that match a quick sales cycle. Points are deducted for behaviors that indicate "tire kickers" or other low-yield activity.

**Decay scoring** lowers the score of inactive leads every week or so, thereby demoting stale leads in the priority list over time. After 30 or 45 days, inactive leads should disappear entirely from view because of the decay, and be relegated to your newsletter queue.

All three of these scoring methods are subject to a lot of faulty assumptions. Spend time experimenting to set the correct point values and time factors, "tuning" the resulting priority list for the sales folks.

#### 4. Test and Tune

In the T.V. series Mad Men, fantastically effective advertising campaigns spring from the inspired genius of Don Draper. But away from TV-land, things need to be a bit more methodical. Use SFDC in conjunction with your web site and marketing automation tools to test your messaging and execution.

Salesforce.com should have the data for you to conduct A/B "split testing" at every level of your prospect and customer interactions. Test your new alternative ("A") against the baseline ("B") to improve the effectiveness of ads, landing pages, call scripts, messaging, collateral, product packaging, pricing, and segmentation. To improve the power and results of your marketing effort, there is simply no substitute for real-world testing with your company's prospects and customers.

#### 5. Set Executive Expectations

Marketing teams have an admirable analytical bent, and it is very tempting to create lots of analytics and dashboards evaluating the effectiveness of marketing campaigns and sales pull-through. But the quality and depth of data take time to mature: just because your SFDC system has clean records and a low duplicate percentage doesn't mean that the data is meaningful enough to support good business decisions.

For almost any meaty marketing decision, it will take at least a quarter before the data is meaningful, and many decisions really need a year's worth of data (due to seasonality and other effects). Set expectations with your executive colleagues from the outset, so you don't get bushwhacked at some staff meeting 6 weeks after system go-live.

#### 6. Measure the Right Things

It's easy to ask for data, and even easier to show metrics about how busy marketing is. But busy-ness doesn't lead to business: the fact you had 150,000 "impressions" this month doesn't help any sales rep make his number. Instead of showing "activity," model and measure the real cost of customer acquisition and the importance of repeat business-the most profitable revenue that any company has. By aligning the marketing effort with the most profitable revenue sources and improving the quality of sales cycles, the marketing team will automatically align itself with the goals and objectives of the sales team and the stockholders. Here are examples of meaningful measures that you should bake into your salesforce.com data collection and analytics:

- Time to "first touch" of a lead
- Number of converted leads per rep per month
- Average time to convert
- Number of fully qualified leads accepted by sales each month
- Number of sales cycles started due to marketing efforts
- Value of sales pipeline started due to marketing efforts
- Proportion of leads rejected (and neglected) by sales
- Marketing cost of acquiring a new customer
- Value of sales pipeline influenced by one or more campaigns (SFDC's new campaign influence feature makes this much easier to measure)
- Profitability of new customers due to marketing efforts
- Loyalty of new customers
- Percentage of repeat business

One final note: resist the temptation of (alternately, don't let yourself be cornered into) measuring the sales teams. That is the job of sales management, and your measuring the sales team will put you in the role of being a policeman. This is just begging for political trouble.