

RELEVANCE, SIMPLICITY, AND RECIPROCITY

RAOUL FARCOT, Cipher Systems



THE THREE PRINCIPLES TO ESTABLISH AN EFFECTIVE CI SUPPORT SYSTEM FOR YOUR SALES FORCE

A key challenge faced by CI professionals is establishing a mutually beneficial relationship with their sales force. To do this, one must understand that members of the sales force are just as essential to CI as CI is to them. In my experience working with *sales-driven* organizations, I have noted that three principles are critical to successfully implementing any sales-force CI support program:

- Provide relevant tactical intelligence that can help your sales force generate revenue.
- Don't create any additional work.
- Implement an effective incentive system.

PROVIDE RELEVANT TACTICAL INTELLIGENCE TO IMPROVE REVENUE

Before members of your sales force can begin to reciprocate and become valuable CI contributors, you will need to deliver something that they recognize as valuable. The key terms here are relevant and valuable. Most organizations reward sales representatives with some type of commission. Focus your efforts on providing your sales force with information that is directly linked to customer acquisition and retention issues, such as:

Competitive sales information

The CI department of a large IT service organization dramatically increased its effectiveness among its

sales force by building an electronic competitive sales information library. One of the most popular areas of the newly built library included a collection of competitors' sales pitches gathered during symposia and tradeshows, and from existing or potential customers. This information resided in a secured area of the company's intranet for easy access and downloading.

Customer profiles

A financial services organization significantly increased the recognition of its CI department by leveraging the information contained in its Customer Relationship Management (CRM) database. The collected CRM information generated profiles of the organization's strategic customer accounts.

Capture competitive key drivers such as pricing, products, and services.

Customer information focused on *high-profile* customers who were at risk of being acquired by competitors. The information captured on each account included a detailed profile of the customer's preferences and key drivers such as pricing, products and services, contracting terms, complaints and pending issues. Customer profiles were also linked with SWOT analysis on key competitors. This gave sales representatives suggestions to use in diffusing competitors' sales arguments when competing for a specific account.

Market trends

Tracking tactical indicators such as pricing and emerging technologies, as well as up-and-coming competitors, is particularly important to your sales force. These indicators not only help sales representatives stay current with existing or new market forces, but also assist sales managers to make appropriate decisions as to the long-term positioning and sales strategy of your organization.

SIMPLICITY: DON'T CREATE ADDITIONAL WORK

Our experience has shown that members of your sales force (as well as any other external CI contributors) will not take the time to learn a new technology or a new process to contribute or receive CI. You must leverage the communications and reporting tools that are routinely used by sales representatives to deliver and to capture competitive sales information. Examples of such tools and processes include:

Weekly and monthly call reports

Sales reps have to fill out periodic call reports to log-in their daily and weekly activities. You are guaranteed to get maximum exposure if you include a link to your intelligence reports (or even a key points summary of your CI findings) directly from your sales call report templates. Reciprocally, you will most likely collect valuable information from your sales force by building a CI input section directly in their daily or weekly sales report templates.

Personal Digital Assistants (PDAs)

Sales representatives are becoming increasingly dependent on their PDAs

to manage schedules and maintain customers' contact information. Here again, you can significantly increase the visibility of CI among members of your sales force by allowing users to receive and to contribute information directly through their PDA's interface. (The technology and the skills required to proceed with this type of integration is fairly basic as long as you remain within mainstream technology such as Palm or Microsoft.)

Integration with email

Depending on the culture of your sales force, you can score big by establishing a direct link between your company's email system and a CI central repository. Any members of your sales force should be able to receive customized *competitive alerts* via email on a pre-established schedule.

Emailed alerts should be customized to reflect the priorities and information requirements of each individual rather than the entire sales force. On the other hand, CI managers working in companies with a deep email culture can also increase CI contributions from the sales force by allowing them to email CI information into a central database, using a dedicated email address from the company's address book.

Off-line reporting

Your field representatives can't always access on-line resources and some prefer to work in a *stand-alone* mode when working away from the office. For instance, one of our clients recently asked us to build a PDF template to allow their field representatives to quickly report and save competitive information on their laptops while traveling. They also had the ability to upload the information to a shared database when they returned to the office.

ESTABLISH AN EFFECTIVE INCENTIVE SYSTEM

Establishing an effective CI incentive system among your sales force requires you to understand the psychology and the corporate culture of your sales organization. In my opinion, the most effective incentive systems fall into three distinct categories:

Managerial recognition

Past experience shows that this type of incentive strategy is by far the most important and most effective among US organizations. With this, decision-makers show their sales force that they take CI seriously. Managerial recognition can come through a variety of actions:

- **Make CI a part of the sales evaluation process.** Making CI contribution a part of every sales member's overall performance evaluation not only shows that management is serious about CI, but also demonstrates that every sales member must contribute to the CI effort to succeed in your organization.
- **Send a letter to the top CI sales contributor from the company's senior management.** A few organizations acknowledge top contributors by sending a recognition letter signed by one of their senior vice-presidents (or in some instances their CEOs) to the most active CI sales contributors
- **Acknowledge valuable CI contributions during important internal sales events.** Members of the sales force are competitive by nature and are usually very receptive to public recognition, especially during a public event that involves their peers and their own management.

- **Establish some type of preferred status among the most active CI contributors.** Here again, members of your sales force can be receptive to a *VIP* treatment for top contributors. For instance, give those who contribute the most valuable CI a *preferred partner* award. You can also acknowledge top contributors on a dedicated section of your company's intranet or website.

Special prizes

This incentive system can take many forms and is popular for its flexibility, especially among Fortune 500 organizations. Examples of prizes offered by the CI management of US organizations include a nice dinner for two, a cruise or a vacation package, a digital camera, or camcorder.

Financial rewards

The CI management of some organizations provides sales representatives with cash rewards ranging from hundreds of dollars to several thousand, based on the value and the quality of the information contributed. Although the effectiveness and the soundness of such an incentive system remain controversial, a few organizations claim to have successfully implemented a financially based CI reward system among their respective organizations.

Keeping these concepts of relevance, simplicity, and reciprocity in mind, any organization can develop an effective, ongoing CI collection system that is not only used, but welcomed by their sales staff.

Raoul Farcot is vice president at Cipher Systems. Raoul can be reached at (410) 349-053 or r.farcot@cipher-sys.com. ●