

Sales Methodology: Moving the Sticks

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At its best the selling life can be great fun, full of action and accomplishment and at its worst it can make pushing on a string look like the essence of productivity. As a practitioner, the thing you either love or hate about selling is change. As a market emerges and matures the approaches and techniques that once worked well cease to be effective and a good sales person will continually seek out new and better ways to get the job done. For example, in an early adopter market customer references are not very important. Early adopters inherently know that they are first and they buy business technology solutions to be ahead of the curve so references do not play a significant role in the process. But as a market matures and more conservative prospects enter the picture you can bet references will become important.

Various people disagree about the proper time to introduce a reference into a sales process. Sales purists say that prospects need to earn the right to speak with a satisfied customer perhaps by introducing the sales representative to others in the purchase process. That's a fair point and certainly no vendor wants to expose a great customer to an endless stream of tire kickers. But as markets age and clear leaders become established it becomes harder for new companies to be taken seriously and the need to use references earlier in the sales process becomes more acute.

Reference management

It was a surprise to me to learn that reference management is becoming a serious pursuit at many large organizations. The focus of such groups is not unlike the responsibilities of investor relations, public relations, or analyst relations teams — though each has its quirks the objective is to maintain positive relationships with a key con-

stituency, accessing it when appropriate. Usually a person or small group is responsible for tracking the availability and reference-ability of a company's best customers as well as protecting each one from over use and the burnout that can happen when sales reps go to the well too often.

Not surprisingly, it can be a big deal for a rep to get permission to access a reference customer from the reference management group and some sales forces have already built a step in the sales process for the purpose. A prospect must reach a qualification milestone or a deal must cross a specific threshold before a reference can be used. Very quickly, you can see that the sales force with the best reference management group is likely to be the most successful.

Alternatives to live references

If providing a reference means a live phone call a vendor faces the problem of over exposing the reference customer. Burnout follows over exposure as individuals who didn't mind doing an occasional favor find their time is over booked for non-business related activities. But there are emerging companies that can help vendors avoid this problem by recording a one time interview with a reference customer and then making an edited version (no one is going to listen to the raw tape) available on a password protected Web site.

Recording and posting reference interviews actually helps a vendor move a sales process along in several ways. Since the references are recorded, the number of uses does not matter so a vendor can relax the qualification restrictions on reference use. That means introducing references earlier in a sales cycle especially when later adopter prospects really want to hear from a reference customer before entering into serious discussions.

And as with any recording a vendor can track and analyze use. For example, a vendor can be notified when a prospect accesses an interview and make a timely follow up call. Even more importantly, when a prospect does not access an interview after a reasonable time, the rep can check to determine if there is a problem or if interest may have waned. In either case the sales process can be adjusted accordingly and the forecast can reflect the reality of the situation rather than the rep's assumptions.



Emerging companies

There are two emerging companies that I know of in this space, References On-Line and Point of Reference and each have an approach to providing solutions to the old problem of managing references. References On-line is the godfather of the market and the original innovator and Point of Reference is in hot pursuit. What's interesting to me about both companies is that they operate as hosted services across the Web. They do all the work of organizing the interviews, editing the results, and posting the final product on their secure sites. They are great examples of Web-Necessary applications — solutions that leverage the Internet to deliver solutions in new niches where conventional solutions would not be as effective if they worked at all.

In my mind reference management has all the markings of an emerging market. There is awareness of the need at the highest levels of some very large companies, multiple competitors have entered the market, and the industry is planning a conference in Phoenix this winter. After a prolonged period of cutting costs and weathering the storm, it's good to see these signs of life in software again and it is especially good to see someone take a new angle on sales automation.

About the Author



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Denis Pombriant is a well known thought leader in CRM and he is the founder and managing principal of the Beagle Research Group, a CRM market research firm and consultancy. In 2003, CRM Magazine named Pombriant one of the most influential executives in the CRM industry. Pombriant's latest white paper, "The New Garage" discusses the emerging new enterprise software industry business model.

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About Beagle Research Group

Beagle Research Group is a consulting and market research organization focused on emerging companies and technologies that will have an important impact on the way business is conducted in the years ahead. Our work is based on professional standards of quantitative and qualitative research which informs all of our publications.

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