

# Maximizer™

The CRM Company

Win new customers

A four-phase approach  
to sales success



A CRM Spotlight from Maximizer Software's Business Agility Series

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## The | selling environment in 2005

“The economy grew at a 4.4% rate in 2004, boosted by a 13.4% jump in business software and equipment investment. The faster pace of economic growth was reflected in the 2.5 million payroll jobs created since August 2003.”

US HOUSE JOINT ECONOMIC COMMITTEE  
Accounting Today, March 2005

According to economic forecasts by the United States Federal Reserve, economic conditions are becoming more competitive with each passing year. As a result, companies today are more actively using technology to solve their business challenges than at any time during the past four years.

Is your company prepared to win more customers as each customer relationship becomes more valuable?

Competition is tough. Organizations that have survived the economic downturn are stronger, more nimble and better equipped to win new customers. On the buyer side of the equation, internal budgets have grown modestly and there is significant pressure to do much more with existing resources.

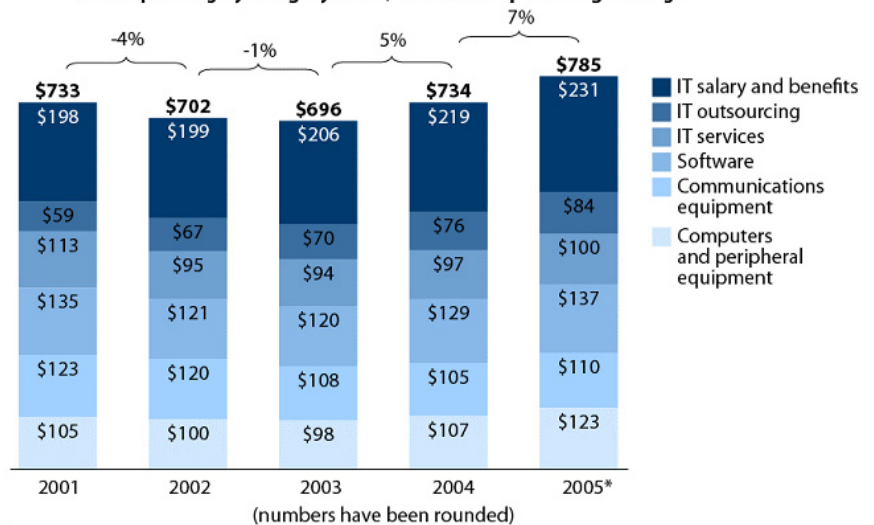
So how do companies address this situation?

They use sales effectiveness best practices. These best practices enable companies to compete more effectively, create confidence by forecasting more accurately, and enhance the buying experience, which is so critical to winning new customers.

This CRM spotlight will help you understand specific ways your organization can adopt a four-phase approach based on sales effectiveness best practices that can be automated using Maximizer Software’s customer relationship management (CRM) solution to boost your bottom line and remain competitive year after year.

US IT spending from 2001 to 2005

Total spending by category in US\$ billions and percentage change



\*Forrester forecast

Figure 1. SOURCE: US IT Spending in 2004: How The Year Ended, Forrester Research Inc., March 2005.

## The | sales opportunity

Companies have a compelling opportunity to become more successful by adopting sales effectiveness best practices into their customer and prospect management strategies. This proven approach also enables companies to differentiate themselves from competitors by offering prospects and customers a positive, value-added experience with sales people.

Before examining actual sales effectiveness best practices, two questions need to be answered:

1. What would compel sales people to adopt new sales methods?
2. Why is it important to adopt these new methods? In other words, what is the win for companies and for sales employees?

### **Motivation: What all sales people need**

Processes and tactics that drive additional commissions motivate all sales people. If your sales staff invest their time and company resources in high-quality opportunities, and use the right skills they will become successful.

Every company needs to provide high performing sales people with a structured, repeatable process that produces results and shortens sales cycles, which can lead to a dramatic increase in an individual sales person's chances of success. This success is strengthened based on the absolute confidence that others before them have succeeded and the company's commitment to supporting these buyer-focused methods or best practices. If you show your sales people that efficient engagement with buyers leads to the correct alignment with these prospects' motivations, then their chances of winning more customers will significantly increase.

Overall, your company has a tremendous opportunity to leverage the compound interest effect. That is, to:

- Build a sales force that is confident of success
- Improve your chances of dominating your defined market space
- Invest the right resources at the right time
- Train your sales people to efficiently align with their prospective buyers' intentions
- Increase market share and maximize shareholder value by winning more customers

## Sales effectiveness = | winning new customers

There are only two reasons why sales teams lose a new customer opportunity:

1. You did not properly qualify your prospect (i.e. you are competing in the wrong venue)
2. You were outsold by the competition (i.e. you lost to your competitors)

There is no third alternative, even in the situation where your sales team has the perception that you offer your prospect a better solution at the best price.

Either your selling process is not aligned with your prospect's buying process, or you are not an existing primary supplier with whom they already do business. Replacing an incumbent is always more difficult than making a new sale to a prospect that does not currently use your products or services.

In either case, the trick to measuring sales efficiency is examining whether or not you have invested in a lengthy sales cycle and received poor results, or if you have engineered a timely sales process that generates predictable success.

There are three ways to win more customers:

- Establish credibility
- Build confidence
- Create a win-win proposition by committing to the success of the buyers' initiative

Engineering sales processes into your customer management strategy to achieve these three goals will result in an environment that motivates your sales people to invest in your buyers' purchasing cycle by having the confidence to win a well-qualified opportunity.

## Effective sales | A four-phase approach

Working on an opportunity that is not the right fit for your company's product or service is a waste of your time—and of your prospect's time. Not only does losing opportunities waste precious finite sales resources and time, it also reduces sales confidence. Sales effectiveness best practices guide sales people to achieving a better understanding of prospect buying methods while instilling the confidence to walk away from a losing proposition or to recommend an alternative in the event there is a poor fit with your offering.

Sales effectiveness best practices are rooted in a positive customer experience and provide for mutual agreement resulting in a win-win proposition for buyers and sellers alike. They focus on methods that cultivate confidence on both sides.

There are four key phases to an effective sales practice approach:

1. Discovery
2. Validation
3. Proof
4. Agreement

Throughout the entire sales cycle and at each phase, the sales person must make the decision on whether or not to proceed to the next phase. This decision is based on clear criteria such as the openness of the prospect to entertaining the product/service offering and the relative odds of winning the business.

As the prospect progresses through each stage of the sales process, some will be abandoned since no clear win-win can be identified. The prospects that remain in the pipeline are much more likely to purchase at the end of the cycle, building sales confidence along the way and helping sales professionals identify where they should most effectively be spending their time.

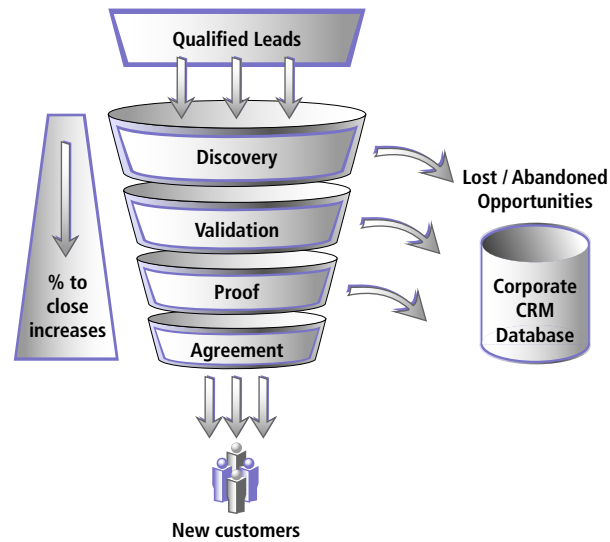


Figure 1. SALES FUNNEL: As the sales cycle proceeds, two things happen: 1. There are fewer and fewer deals; and 2. The chances are higher (%) that an opportunity will close as it progresses through the phases. This means it is very important that your sales people can effectively identify the opportunities with the greatest potential as early as possible.

### Phase 1: Discovery

To effectively perform discovery practices with the buyer, a sales person needs to decide to invest in a winning sales cycle or campaign. He or she must then commit their time and company resources to winning the new customer or up selling to an existing customer.

#### Understanding buyer motivations

The 'best practices' approach requires the sales person to understand what convinced the prospective buyer to consider an investment in your solution.

Effective sales people identify the key decision makers for each level of the decision. There are often a number of stakeholders who need to evaluate an offering, each from a different point of view, including economic, technical/specific use and business use. Acceptance at all three levels may be important to making certain your sales efforts are successful.

Buyer Type	Economic	Technical/Specific	Business Use
<b>Title</b>	CEO, COO, CFO, VP	Director level	Department Manager or Staff Member
<b>Proof Required</b>	Return on Investment Cost of Ownership	Can we/Should we use it? Does it meet our requirements?	How well does it work? Usability & adaptability

Figure 2. BUYER PROOF REQUIRED: Knowing your buyer is a crucial part of the Discovery phase.

Once the people making the purchasing decision have been identified, the sales person can then uncover the top business challenges associated with each decision maker. Also, sales people must gain a clear understanding of the buying process and the timeframe in which they want to complete their purchase. During this phase, the sales person must obtain or develop a list of the capabilities that the company requires in order to assess if there is a good fit.

### Phase 2: Validation

Validation focuses on building credibility with the buyer. Your sales people must identify the buyer's real alternatives in terms of your competition. For each competitor you must identify a compelling reason why your offering is more appropriate for the buyer's business challenges by presenting a clear return on investment argument for your solution over others.

In the Validation phase, determine if your products or services meet the technical and specific business functions identified in the Discovery phase. During the Validation phase, the more a sales person knows about the specific industry of the prospect the better. If the sales person understands the industry, he or she will be able to use the same terminology as the buyer and are more likely to present a compelling financial argument.

In addition, this is the stage at which the sales person can take a consultative approach and offer the buyer suggestions for improvement, which will align the best interest of the buyer with your solution. Your sales team needs to create the most compelling win-win strategy with the fastest speed and greatest influence. Their credibility, confidence and commitment will result in success for both sales and their buyer.

As a final milestone in this phase, the sales person will create a mutually agreed upon plan to provide proof that your offering can solve the buyer's business challenges at all levels, providing a return on investment and meeting their technical and specific functional requirements.



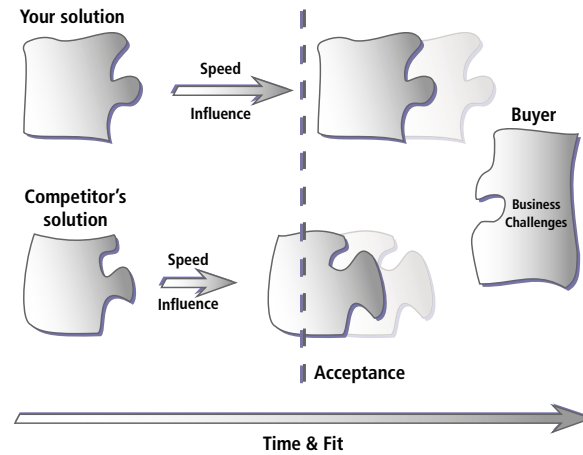
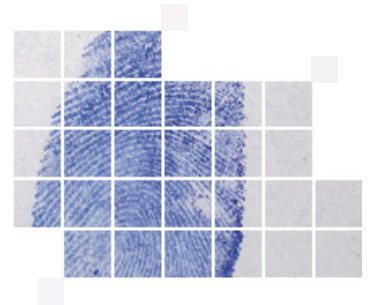


Figure 3. TIME & FIT: Your sales people must learn to recognize worthwhile deals and to walk away from improbable deals. If your competitor has a good fit, and your solution is not as appropriate, your sales person will spend a large amount of time trying to convince the prospect, against evidence. This is not time well spent. He or she is better off finding a company with business challenges that fit your solution.

### Phase 3: Proof

Providing proof is straightforward because of the detailed understanding that you will have gained during the Discovery and Validation phases (proof can be in the form of a product demonstration, customer testimonial, or other third-party validation). Showing your solution to your prospective buyer allows both of you to build confidence that you are the right partner to invest in. Building the win-win proposal during this step is critical to your success. A clear understanding of budgets and terms between your company and the buyer is the key ingredient to your proposal.



### Phase 4: Agreement

Mutual agreement will be reached once accurate costs are communicated and your buyer then legally binds the company to the purchase of your company's products or services.



## Learning - gathering business intelligence

Finally, if there is no agreement then organizations must evaluate the sales process to understand why the agreement didn't occur. This is the learning phase. In the learning phase, the "agile organization" will demonstrate whether they are capable of adapting to changing market conditions. "Win," "lose" or "abandon", all represent equal opportunities to learn—and remain competitive—in the face of constant innovation. The application of sales intelligence methods are critical to maintaining the competitive "edge" your business needs to thrive.



## Two critical skills | for sales people

The two most critical skills that salespeople require are:

1. The flexibility to understand and align with the buyer's process
2. The ability to negotiate value

The ability of salespeople to engage with a prospective buyer in a way that respects their terms, time frame, and priorities will enable a successful sales campaign or cycle and can result in a new customer win. Salespeople who negotiate for access to people, information, resources, and authority are the ones who end up creating the most compelling win-win proposals that ultimately result in new customers.

## Gain the | advantage

Sales effectiveness can help companies win more customers. Sales effectiveness often results in:

- More accurate forecasting
- The confidence that enables companies to feel their investments in customer relationships will provide a clear return on investment
- Satisfied boards of directors
- Maximization of shareholder value and market capitalization

In the long term, corporate viability depends on the ability to foster strong, positive relationships with customers. Effective sales approaches are a key ingredient to your winning sales strategies.

## About | the author



“Enhancing your competitive edge in the face of increasing competition is mandatory to survive. Today’s successful sales organizations are competitive because they incorporate a structured approach to winning new customers. Bringing your selling approach into alignment with your buyers’ buying cycle will result in immediate success. Always remember that for long term success the approach you adopt must be easily learned and repeatable.”

– **Peter Callaghan, Vice President of Sales and Marketing, Maximizer Software, Inc.**

Peter Callaghan is the vice president of sales and marketing at Maximizer Software Inc. Peter was recently named to CRM magazine’s list of “Who’s Who in CRM,” and is frequently quoted in a variety of other trade and business publications, including CRM Guru, VARBusiness, and Sales & Marketing Management magazine. With over 18 years of sales experience in the software industry, Peter is responsible for managing Maximizer Software’s direct sales, channel sales, marketing and public relations activities. He has held senior sales and marketing positions at Pivotal, Computer Associates, Cognos, and Sybase. Peter participated in Pivotal’s successful initial public offering on the NASDAQ and helped the company grow its revenues from US\$1 million to US\$ 100 million over sixteen quarters. Peter has received numerous awards for superior sales performance. He holds a Bachelor of Science degree from the University of Waterloo, in Ontario, Canada.

## About | Maximizer Software Inc.

Maximizer Software Inc. provides proven and affordable customer relationship management (CRM) and contact management solutions that help small and medium-sized businesses increase sales and win new customers, streamline marketing to attract new prospects, and enhance customer service & support to increase repeat business. Maximizer Software has helped over 7,000 Maximizer Enterprise™ customers and more than one million Maximizer™ users grow their businesses by building profitable customer relationships with award-winning solutions.

### Awards



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