

**Editor's Note**

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Best Regards,

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## CRM Trends, Part I: Sales Force Automation

When customer relationship management (CRM) first became a significant part of e-business in the late 1990s, it was powered by sales force automation (SFA). This makes SFA the perfect segment with which to begin this three-part CRM newsletter. The next articles will cover marketing and service and conclude with a look at the benefits of integrated CRM suites.

Initially, Sales Force Automation (SFA) was a response to two business problems. The problems were:

1. Having too little information (specifically, about the customer) spread across too many sources;
2. The balance of power to make or break a deal was often concentrated in one pair of hands—those of the sales person.

Many recognized the first problem of too many customer systems, and an increasing number of software buyers wanted SFA to solve it.

After all, it was undeniably true that very few enterprises had comprehensive views of their customers, and that the information necessary to close a sale could easily be dispersed across different desktops,

siload front-office software implementations, and back-end enterprise systems. Gathering this information was intended to be the work of CRM software.

That gave CRM a lot of momentum, but not without some friction directly related to the second problem, which is that the power of a sale still remained in the hands of a few. Many sales people saw SFA as a technology that could take away their autonomy, contacts, mystique, or, ultimately, even their jobs.

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**Enterprises and sales people are similarly struggling to "own" customers in what could easily become a zero-sum game if, say, certain sales people quit...**

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This misgiving occurred within the context of an existing tension in sales organizations—A tension characterized by a manager's need for the success of the entire enterprise versus the sales person's need to accumulate personal sales and attain personal sales quotas.

Unfortunately, these are not always complementary needs, as enterprises and sales people are similarly struggling to "own" customers

in what could easily become a zero-sum game if, say, certain sales people quit.

From the perspective of management, SFA was an excellent technology that gave the enterprise a better opportunity to own its customers even while they were still only prospects in a sales cycle.

Some SFA solutions served as a central repository of information, or the “system of record” of the sales cycle. Additionally, a limited few SFA solutions, whether through native integration with incumbent products or through their own adapters, could reach out to certain information stocked away in databases, enterprise resource planning (ERP), and other sources.

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### What’s on the horizon is a more powerful and versatile variety of SFA solution...

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Such systems, into which management had at-will visibility, had the ability to break up information fiefdoms costing enterprises actual sales or at least ownership of their prospects, and potential customers.

That takes us directly to an emerging trend in SFA: breaking up the information monopoly via the proper application of roles.

#### **Roles**

Some sales people instinctively dislike the idea of group selling, because it can cut into individual commissions. But enterprises are increasingly sold on this philosophy because it means leveraging the talents of the entire organization in every engagement. Think of it as being able to send nine batters up to the plate instead of taking your chances with only one slugger.

Team selling can mean a sharing of information, but not always uniformly. The concept of roles is very important. An enterprise can establish a hierarchy in which, for example, there is increasing information visibility from the sales person up through the regional, national, and global sales management hierarchy. The sales person, as part of a team or operating alone, wants access to accurate customer information whereas various layers of management will additionally

want to see pipelines, forecasts, and other data beyond the scope of the individual sales person.

Software vendors are increasingly coding their applications to handle roles. This means not just delivering relevant information to users, it means weighing priorities and resolving ambiguities when roles conflict—as they may well do when enterprises have created dozens of roles with overlapping privileges. The point is that handling roles properly isn’t something that can be easily hand coded in a productivity application, or even into a basic contact management system; in the case of SFA, it requires an underlying logic best delivered by a focused CRM application vendor.

Thus, strictly from an organizational perspective, a good SFA system is a way to enforce and empower the distinct roles whose productive interplay is at the heart of every enterprise. It’s a card game in which everyone gets to see the hands intended for them, and which no one player, or even group of players, can easily disrupt.

#### **Customization**

Like card games, business realities are constantly shifting. You typically need certain basic rules in place—for example, keeping players from seeing each other’s cards, or letting the dealer see all the cards, as in the role-based scenario. However, there are millions of possible individual games, and sometimes you need a modified set of rules.

SFA can do this for you too. The idea is that different verticals (automotive, life sciences, high-tech, etc.) have different processes and sales cycles, and hence need different supporting features and functions in an SFA solution. This is fairly intuitive, and many companies have already prioritized within their SFA deployments; however, what’s on the horizon is a more powerful and versatile variety of SFA solution.

Imagine having an SFA system that not only aligns with your industry’s needs but also uses the logic of that system to create supporting applications. For example, if your company sells enterprise software, the interface you use to tweak your SFA system could also be used to create a system to track bug reporting and fixes. Or, if you’re a cable company, you could use the SFA logic to create a construction management system feeding off cable orders placed by hotels.

These examples are possible because SFA is not just a role-based but can also be a rules-based system. This is part of a larger trend in e-business in which, because of the flexibility of underlying standards and the increasing tendency of vendors (perhaps nudged by open source) to give their customers more development power, where you can buy one product and create several systems.

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### If you neglect to search for these hints, you may be left without a clue at the next bake-off...

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SFA is a good launching pad for such functionality. However, as we shall see in future newsletters, a good CRM strategy blends together SFA, marketing, order management and service customization so that the segments act as one enterprise system. Call it a “CRM grid”.

## **Analytics**

No matter how far you take your SFA deployment, there’s always one step left—analysis.

Analysis is an activity that mines the past in order to prepare better for the future. Picture closing an important customer; you’ve won not just business but information that you can extrapolate and apply to future engagements. You’d like to be able to know how your sales organization tackled the sale, from cold call to contract, and you’d like to be able to isolate the performance of individual links in that sales chain.

When you compile this valuable information and analyze it, you can make it a part of workflows, obtain decision support for making better business decisions or just pick up a few nuggets of organizational wisdom that you might include in your future sales training practices.

It is particularly important to use analytics and available tools to try to understand why you closed a sale. Ronald J. Walsh’s recent book, *High Stakes Selling*, makes the point that the substantive differences between technology companies are less apparent, so it might be just one or two subtle factors that cause you to win a bake-off against your closest competitors. You might not always find these

factors through SFA analytics but, since SFA is where the engagement begins, it’s the first place to look for clues as to your overall sales performance, no matter the outcome. If you neglect to search for these hints, you may be left without a clue at the next bake-off.

So, no matter how robust the SFA system you’re considering, consider asking the software vendor if it has native analytics capabilities, or if it connects to some other analytics system. Be very clear about your business needs, as different vendors have different implementations and interpretations of analytics.

## **Further Research**

A good place to continue your investigation of SFA is on [Line56.com](http://Line56.com), which has covered the segment in nearly one hundred articles over four years. Line56’s cross-referenced format allows you to develop a nuanced understanding of the category and how it has evolved, bringing full context to your evaluation of today’s vendors, tools, and models.

*Next Issue: We’ll present an overview of the CRM marketing marketplace, including a discussion of the rising importance of analytics and the connection of marketing initiatives to systems sitting beyond CRM; support of collaboration and workflow; and how technology helps to integrate individual campaigns into a larger marketing strategy.*

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