



**Making Sales Force  
Automation Work  
...A Step-by-Step Approach**

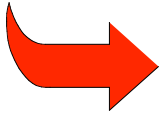
**C. J. Kurtz  
President, KappaWest**

*This white paper identifies and suggests approaches to dealing with key problems likely to be encountered in the implementation of an effective sales force automation process*

# CONTENTS

INTRODUCTION .....	1
PURPOSES OF SALES FORCE AUTOMATION .....	2
THE BIG PICTURE .....	4
<i>Results</i> .....	4
<i>Early Indicators</i> .....	5
<i>Actions</i> .....	5
<i>Attitudes</i> .....	6
<i>Abilities</i> .....	7
<i>Indoctrination and Training</i> .....	7
<i>Operating Environment</i> .....	7
PUTTING IT ALL TOGETHER.....	8
<i>Phase 0 - Project Concept</i> .....	9
<i>Phase 1 - Analysis and Planning</i> .....	9
<i>Phase 3 - Implementation</i> .....	9
<i>Phase 3A - Pilot and Full Implementation</i> .....	10
<i>Phase 3B - Indoctrination and Training</i> .....	10
<i>Phase 3C - Related Systems</i> .....	10
<i>Phase 4 - Success Audit</i> .....	11

Founded in 1974, KappaWest, based in Tustin, California is a worldwide strategic management consulting firm that delivers radical and sustainable improvement in competitive performance for its clients. Specializing in the field of corporate, marketing, sales and operations, Kappa provides quantifiable results through the application of its proven and practical tools. KappaWest has expertise that can positively affect all levels of an organization from strategic decision making to increasing sales effectiveness in highly competitive environments.



## ***INTRODUCTION***

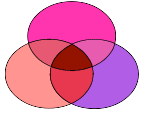
---

The implementation of a successful Sales Force Automation (“SFA”) project involves much more than the selection and installation of a suite of software packages. Unless many other complementary aspects of the implementation are considered, planned and executed, a company runs a serious risk of investing in a large amount of shelfware, and possibly generating results contrary to those it intended.

These notes outline some of the key factors an organization should consider as it evaluates the whole concept of SFA so that it can make a more effective decision about how to proceed. They are based on lessons KappaWest has learned in working for more than twenty years with clients to increase the effectiveness and efficiency of their sales organizations. They also reflect the very practical experience of many Kappa professionals in managing front-line sales forces before joining Kappa.

Questions or comments concerning any of the concepts described in these notes should be referred to either:

C. J. Kurtz  
c/o KappaWest  
Telephone: 714.259.0680  
Facsimile: 714.259.0681  
E-mail: [jaykurtz@kappawest.com](mailto:jaykurtz@kappawest.com) or [info@kappawest.com](mailto:info@kappawest.com)



## PURPOSES OF SALES FORCE AUTOMATION

---

The purposes a sales force automation system is intended to serve is one of the more critical issues that must be dealt with in its design, implementation and use. While any SFA process can serve several purposes, it is vital that its stakeholders agree on which are the driving ones and which others are simply “nice to have”.

Doing so will help significantly in defining the scope of SFA, and avoid making too many compromises that would ultimately result in an approach that satisfies no one.

For purposes of these notes, “stakeholders” are considered to be all individuals and common interest groups that have a strong interest in the proposed SFA program, expect it to do something for them, and who have the power to make it succeed or fail. They are likely to include (but are not necessarily limited to) the following:

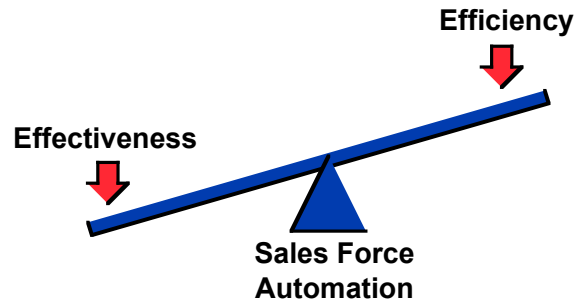
- Sales force
- Sales management
- Financial management
- Sales support

In developing the purposes of a proposed SFA project, a careful balance must be drawn between those aimed at satisfying the company’s management vs. those intended to help the field sales organization. If either party sees the benefits of the project are largely on the other sides while it sees only disadvantages to the new approach, it will resist it, actively or passively, but nonetheless effectively.

Ideally, the purposes of SFA should include some aimed at improving the strategic *effectiveness* of the sales force and others intended to increase its tactical *efficiency*. Any process that focuses exclusively on the latter runs a serious risk of increasing the sales organization’s productivity in the wrong direction.<sup>1</sup>

---

<sup>1</sup> Consider a variation of the classic Tortoise and Hare fable. Assume both are moving towards the edge of a high cliff. The hare, being a more efficient runner will die first. Implementing a SFA process simply to accelerate the tortoise’s speed will produce a negative result. The system must help point the



---

tortoise in the right direction first, then help it to move more efficiently.

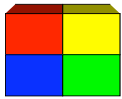


## EXAMPLES

---

The following table provides a list of purposes that might be set for SFA projects. While not all could (or should) be incorporated into a particular implementation, they reflect the range of reasons for proceeding with SFA. A checklist similar to this can be used within a company to help to develop a very preliminary picture of the relative importance of each, and the stakeholders who are likely to want it.

Typical SFA Purposes	Relative Importance	Stakeholders and Notes
<ul style="list-style-type: none"><li>● Increase the accuracy of sales forecasts to help manage cash flow, manufacturing schedules, or product/service support workloads.</li><li>● Increase the focus of the sales force into the markets or types of business the company wants to emphasize.</li><li>● Identify and help to diagnose group or individual sales problems.</li><li>● Shorten the average length of the sales cycle.</li><li>● Improve the quality of proposals and other forms of sales documentation.</li><li>● Increase the amount of the sales force's customer-facing time, by reducing its record keeping workload and other administrivia.</li><li>● Ensure faster follow-up response to leads.</li><li>● Reduce the number of leads and opportunities that are "lost in the cracks".</li><li>● Ease the transfer of territories and accounts from one representative or sales team to another.</li><li>● Increase the quality of sales calls, presentations and other contacts.</li><li>● Assist in collecting and analyzing statistical data to help the development of sales strategies and operational level plans.</li><li>● Collect, process and disseminate market and competitive intelligence.</li><li>● Permit fast confirmation of the status of a particular sales opportunity.</li><li>● Provide a sufficient quantity of lead generation activity to keep a sales force operating at full capacity.</li></ul>		



## THE BIG PICTURE

---

The following figure outlines the “big picture” of what it takes to make sales force automation work in a typical company. It also identifies the things that should be tracked to determine how well a SFA implementation is proceeding.

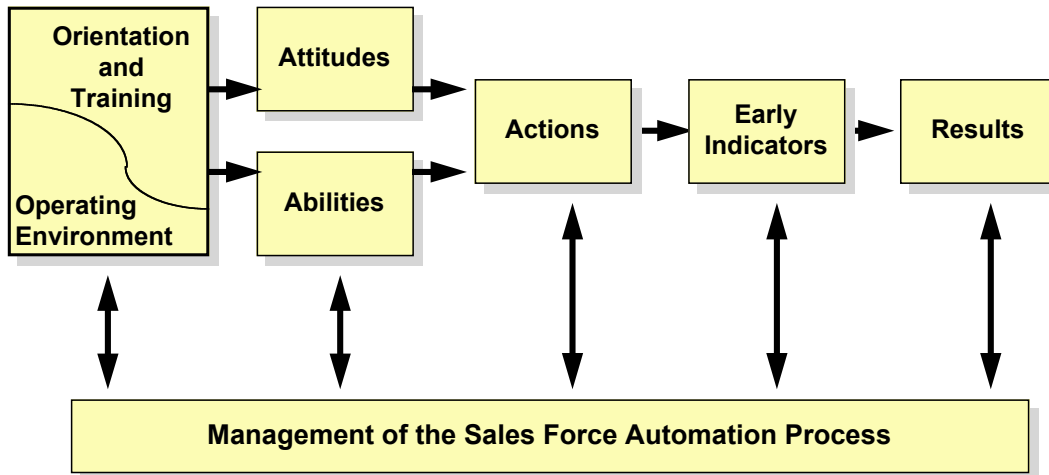


Figure 1

A brief outline and examples of each element of this big picture are provided below. Although these explanations focus primarily on the front-line sales force, the concept applies to all levels of sales management as well.



## Results

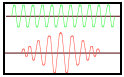
---

*Results* represent the actual accomplishments generated by the SFA process once it is fully operational. Expectations of results should have been defined during the SFA Planning Process (described later in this white paper). Of course, they should also be consistent with the purposes of the entire project.

Depending upon these purposes, these might be defined in terms such as:

- reduce average sales cycle from 36 to 25 weeks.
- increase average deal size from \$75,000 to \$120,000 dollars.
- increase average customer-facing time per sales representative from 17 to 25 hours per week.

- increase average productivity per sales team from \$118,000 to 150,000 dollars per month.
- increase sales forecast accuracy from +5/-55 to ±10 percent.



## Early Indicators

---

*Early Indicators* are measures that can be used to determine how well the SFA implementation is proceeding, often well before the actual targeted results are measurable. Once the process is fully institutionalized, they can be used to predict future results. Doing so helps to identify potential problems early enough to take preventive or corrective action before these problems have taken strong root and become very difficult to deal with.

### Examples of typical early indicators include:

- The number and quality of opportunities in individual sales representatives' funnels.<sup>2</sup>
- Sales force moral and turnover levels.
- Average level of contacts within prospect customer organizations.
- Distribution of deal sizes being worked through the sales force's funnels.



## Actions

---

The early indicators and results outlined earlier are generated by *actions* taken by the sales force. Of course, they lag such actions by weeks, months, or in some sales environments by quarters. In many cases, it is possible to develop preliminary targets for such actions based on objectives set for results and an analysis of statistical data.

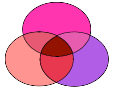
Therefore, it is very important to track actions to ensure real progress is being made, and that the level of such progress is consistent with the targeted levels of performance. When the actions being tracked suggest their level is not sufficient to drive the necessary early indicators and results, swift and aggressive moves must be taken to improve them.

### Examples of actions that might be tracked include:

- Number of sales contacts made on:
  - ◆ existing customers
  - ◆ existing prospects
  - ◆ new name prospects
- Number of proposals submitted
- Number of opportunities crossing phase lines in the funnel

---

<sup>2</sup> The term "funnel" (or Business Opportunity Funnel) refers to a Kappa tool that serves as the basis for planning, tracking and managing real sales progress through a series of specific, results-based phase lines.



## Attitudes

A sales force will undertake a specific set of actions only when it holds an appropriate set of *attitudes* and has the necessary *abilities*.

The following lists a representative set of attitudes that might be met when introducing a new SFA process to a sales force. These examples might appear to be somewhat cynical and pessimistic and it is unlikely that all will be encountered in any particular sales force. However, a good number of them will be represented throughout an entire sales force. In any case, it is vital to understand and deal effectively with such attitudes to ensure the ultimate success of the SFA project.

The orientation, training and on-going management that accompanies the implementation of a new SFA process must create a very different set of attitudes. These will be aimed at generating and maintaining a high level of confidence in, and commitment to use the process as suggested below:

BEFORE	AFTER
<ul style="list-style-type: none"> <li>● "I don't need this kind of micromanagement...I'm already successful."</li> <li>● "This process will make it very easy for my boss to check my real progress ...Its going to be difficult to sandbag when I renegotiate my quota."</li> <li>● "This too shall pass ... Every time the company starts something like this its never really enforced and eventually dies out."</li> <li>● "My manager won't understand it ... She'll be easy to snow."</li> <li>● "I can use all this to justify more time in the office (and less with customers or prospects) to complete all the administrivia the process involves."</li> <li>● "All the data I provide through SFA is used to screw the sales force or else it just ends up in a trashcan somewhere. It's never used in a way to help me".</li> <li>● "Sales force automation reduces me to a computer-driven peddler ... It leaves no room for me to apply my experience and judgment."</li> </ul>	<ul style="list-style-type: none"> <li>● "No matter how good I am, this process will make me even more successful."</li> <li>● "My boss really understands this stuff and will be able to help me if I run into problems."</li> <li>● "SFA will help me to do a lot better job for my prospects and customers, and give me a strong competitive advantage".</li> <li>● "I can see how the company uses the data I provide through SFA to improve our products and services."</li> <li>● "SFA is a very powerful tool, but only that ... My success will still depend very much on what I do, and how I use it."</li> <li>● "SFA" will make it a lot easier to implement what I learned in Training."</li> </ul>



## Abilities

---

The types of attitude outlined above must be accomplished by appropriate *abilities* if the sales force is to initiate and maintain the desired actions. Basically, these refer to the skill sets each representative must have to be able to work with, and benefit from sales force automation.

Too often, SFA training focuses only on the mechanics of communicating with the system. To make it successful, many more abilities are required. For example, a sales representative should be able to use the output of the SFA process to:

- Determine the real potential of business in his/her funnel.
- Help decide where he/she should concentrate his/her efforts during the coming weeks or months
- *Triage* opportunities to focus on those that represent better potential, and to conserve time and effort to exploit them by eliminating those with less potential.
- Select selling tactics that are more likely to succeed in a particular situation, and which are likely to be unnecessary or likely to fail.
- Conduct a "Can Win/Will Win Analysis"<sup>3</sup> of significant opportunities in his/her funnel.
- Determine the type and level of corporate support needed to move an opportunity to the next step.



## Indoctrination and Training

---

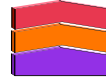
The basic sets of attitudes and abilities needed to ensure the sales force can and will take the necessary actions to generate early indicators and results can be initiated through well-planned and executed training and indoctrination. Such efforts will of course be intensive at the time a new SFA process is initiated within a company. However,

---

<sup>3</sup> A Can Win/Will Win Analysis is a Kappa tool designed to help determine the real probability that a particular piece of business can be won, to ensure it is worth addressing. It then focuses on the probability that it will be won following a particular sales strategy. It considers a series of decisions on the prospect's part, and the likelihood of particular competitor moves.

they should be refreshed and reinforced throughout the system's life.

More detailed information about the types and levels of training that might be appropriate in the implementation of a new SFA system is provided in a later section of this white paper.



## Operating Environment

---

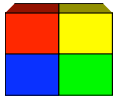
As suggested above, well-designed training can initiate attitudes and abilities. However, its half-life effect will be only a few weeks or months unless it is supported by the environment in which a sales force works. In some cases, this environment can be so contrary to what has been taught that the lessons learned in training are forgotten or abandoned.

Some of the more critical elements of this environment are listed below:

- Sales management must actively demonstrate its:
  - ◆ understanding of the value of, and commitment to SFA
  - ◆ ability to use it competently and to support front-line sales personnel
  - ◆ ability to probe effectively for truth, and to detect misleading information.
- There are no reporting and other processes that replicate or duplicate those imbedded in the SFA system.
- Compensation and incentive programs must support the behavior required by the SFA process and not encourage actions that are counter to it.
- Marketing and other staff functions must use appropriate output from the SFA process in a manner that is clearly obvious to the sales force. They should come to the sales force for complementary information only when it is critical to their mission, and avoid creating the impression that they do not trust or use the data the sales force has generated through SFA.
- The processes, terminology and tools implicit in the SFA process must be the *lingua franca* of

all levels and functions of line and staff executives/managers that work with the sales

force.



## PUTTING IT ALL TOGETHER

Implementing an effective sales force automation process within an organization involves considerably more than installing software and distributing user manuals.

As shown in Figure 2, the typical process is likely to involve a series of phases.

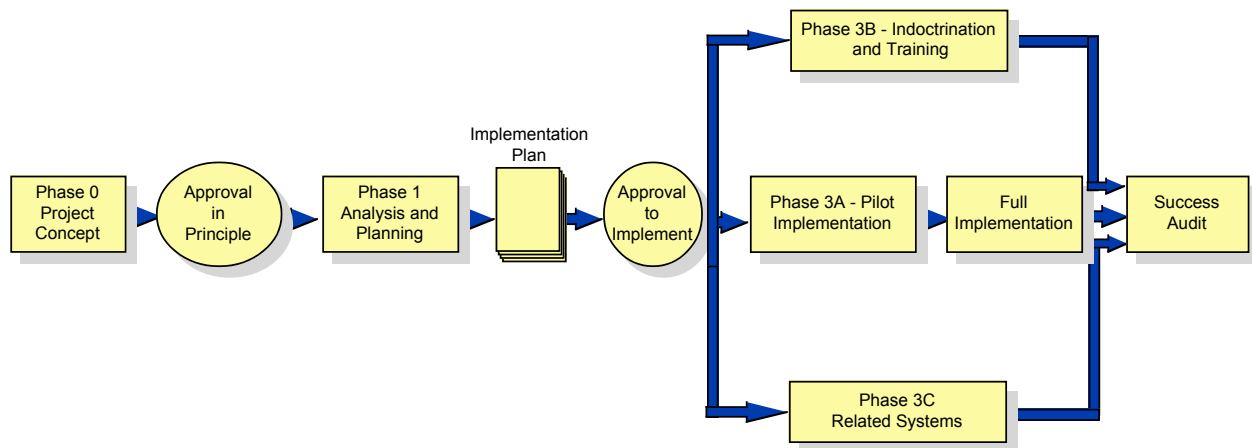


Figure 2

The purposes and representative activities involved in each phase are outlined below.



### Phase 0 - Project Concept

The purpose of this phase is to build understanding of, and support for, what sales force automation might accomplish within the organization, so that a strong sponsor will be identified and approval in principle to proceed with Phase 1 granted.

It is likely to involve most or all of the following activities:

- Briefing senior executives on what SFA is, what it can (and cannot) accomplish, and what is involved in making it effective.
- Preliminary analysis of the company's specific situation in terms of more critical needs of key stakeholders, support or resistance levels expected, and implementation considerations.

- Development of preliminary approaches and cost estimates for each.
- Preparation and presentation of a *Project Concept* to senior executives to gain approval for Phase 1.

Phase 0 typically involves three to four weeks of elapsed time.



## **Phase 1 Analysis and Planning**

---

This phase is intended to develop and obtain approval for the implementation of an SFA project that will meet the expectations of all key stakeholders.

The analysis and planning work involved in Phase 1 will be intensive and is likely to incorporate most of the following:

- Conduct a rigorous “stakeholder analysis” to identify what each interested and significant party wants SFA to do, and to identify and resolve gaps, conflicts, priorities, etc.
- Establish a preliminary set of objectives, constraints and guidelines for the proposed SFA system.
- Survey a representative sample of potential users of the system to determine:
  - ◆ critical needs ... results they need to achieve and/or track
  - ◆ starting attitudes and abilities
- Identify existing systems, processes, reports, etc. that:
  - ◆ can be eliminated by a new SFA approach
  - ◆ will be supportive of, or obstacles to, an effective SFA process
- Assess the benefits, time and costs involved in alternative approaches to implementing SFA in terms of:
  - ◆ specific purposes to be accomplished
  - ◆ timing and scheduling of different SFA applications
- If appropriate, develop and test modules, sample screens and reports to confirm they meet the users’ expectations.

The *Implementation Plan* resulting from Phase 1 should define the all-key elements of the plan that will be used to implement SFA. Without defining in great detail *how* the job is to be done, it will outline *what* must be done, by *whom*, and *when*. As appropriate, it is likely to include most or all of the following components:

- Specific purposes and objectives to be achieved
- Key assumptions
- Overview of the basic implementation strategy<sup>4</sup>, including a list of all key elements, for example:
  - ◆ software customization and implementation
  - ◆ training
  - ◆ documentation
  - ◆ termination of redundant systems, processes and reports
- Definition of the purposes and scope of each element of the strategy
- Assignment of responsibility of each element to specific individuals or units
- Schedule of key milestones
- Progress reporting procedures



## **Phase 3 - Implementation**

---

Once the plan has been prepared and presented to senior management for approval, any required modifications will be made and the plan will be executed. Its execution will usually involve at least three major lines of activity:

- A. Phase 3A - Pilot and Full Implementation
- B. Phase 3B - Indoctrination and Training
- C. Phase 3C - Related Systems

Each of these is outlined in the following pages.

---

<sup>4</sup> In most SFA implementations the project will involve a series of phases. The overall strategy will include the purposes, scope and timing of each.



## **Phase 3A - Pilot and Full Implementation**

This line of activity involves primarily the technical aspects of making the selected SFA system and process operational. Some of the more critical tasks within it are likely to be:

- Customization of software to reflect the company's specific needs and sales processes
- *Alpha* testing of the system on a broad range of examples
- Development of user and support documentation

In situations involving a relatively large sales force it will often be wise to implement the new system on a pilot or *Beta test* basis for a representative group, perhaps a branch office, before proceeding to full-scale implementation. Doing so will help to identify latent problems or suggest ways in which the system might be improved prior to full release. As suggested earlier, there might in fact be several phases of implementation based on a mix of, for example, locations and/or system features and capabilities.



## **Phase 3B - Indoctrination and Training**

The purpose of this line of activity is to ensure all levels of the organization are fully prepared and committed to making the new system effective by initiating the appropriate *attitudes* and *abilities*.<sup>5</sup>

This phase is likely to involve several different forms of program, each aimed at a specific level of personnel, for example:

- *Executive Briefings* to ensure senior management understands what the new system can generate in the way of data, information and intelligence, then how it can be used. These sessions should also prepare and encourage executives to be snowproof and to both "talk the talk and walk the walk" by ensuring they can use correctly, the concepts, models, tools and terminology incorporated in the SFA system during joint calls and other forms of communication with the sales force.

<sup>5</sup> Refer to pages 6 and 7.

- *Sales Management Workshops* to prepare all levels of sales management to "expect and inspect" the full and correct use of the SFA system by the front-line sales force. Complete competence in the use of, and commitment of sales management to the new SFA system on an on-going basis will be absolutely critical to its success.
- *Sale Force Seminar/Workshops* to build the attitudes and abilities of the front-line sales force, as described earlier, so that it will take the actions needed to ensure the targeted end results are achieved.
- *Special Briefings* to prepare other non-sales personnel to use and support the new SFA system as appropriate. These might include for example:
  - ◆ Finance personnel responsible for revenue forecasting
  - ◆ Marketing personnel assigned to develop and manage industries, products or services
  - ◆ Manufacturing personnel responsible for production forecasting and planning
  - ◆ Support personnel responsible for projecting workload estimates

All such training should cover much more than the mechanics of interfacing with the SFA system, entering data into it and interpreting output from it. To be truly effective, and to ensure the full benefits from the system are realized, training must also ensure all concerned understand *what* the system can do to help them in their jobs, and *how* to increase their effectiveness and efficiency by using it.



## **Phase 3C - Related Systems**

This line of activity is aimed at ensuring that all related processes support the new SFA system and that they will not generate attitudes and actions that will prevent its effectiveness. It will also ensure that older systems made redundant by the new ones are terminated, fully and completely.

Related processes with significant potential for impeding the effectiveness of the new system should have been identified in Phase 2. However, it is likely the pilot implementation will uncover others,

and that on-going monitoring of the entire SFA process will suggest even more. Examples of some of the areas that should be investigated for opportunities to modify or eliminate existing systems include:

- Sales compensation and incentive programs
- Sales forecasting
- Product, marketing and industry forecasts and surveys
- Call reporting
- Market and competitive intelligence

Experience suggests that some parts of an organization will resist the termination of traditional systems and reports because they are comfortable with them or do not have confidence in the new approach. However, nothing will delay or prevent the effectiveness of a new SFA system more than an attitude among the sales force that it has *increased* the amount of administrivia involved in their work. Therefore, once the pilot implementation has identified and resolved any operational problems with the new system, a stake must be driven into the heart of all redundant processes, systems, reports, etc. as the new ones are implemented.



## **Phase 4 - Success Audit**

---

Major new systems or processes are often implemented with a high level of interest and commitment, based at least partly on a very well planned and presented business case ... the "opening book-end" of the project. However, it is rare that a rigorous study is completed after the implementation to determine how well its original purposes were met. As a result, a major opportunity to learn some very important lessons is missed.

This phase is intended to exploit this opportunity by serving as a closing bookend to the entire SFA implementation project. Its key purposes are to ensure the full and effective institutionalization of the system and to identify ways in which its value might be enhanced.

It usually involves a reasonably structured series of interviews with stakeholders and other users of the system to determine:

- The extent to which the purposes used to justify the implementation are being met.
- Their level of satisfaction with each significant component of the process
- The extent to which each uses different components, capabilities and features of the system
- Their suggestions concerning how the system might be made more effective
- Their suggestions concerning new capabilities that should be added

Based on this analysis, the audit team will develop and present to senior management a report covering for example:

- A summary of the overall success of the project
- A review of major positive and negative observations
- Recommendations and suggested priorities for enhancing the existing system
- Recommendations and suggested priorities for expanding SFA capabilities
- As appropriate, time and cost considerations in implementing the recommendations
- Specific next steps proposed.