

Sales Force Automation Initiative?

How to ensure you gain the expected value from SFA and avoid the pitfalls – it’s not just a software application!

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SFA is one of many business systems that if poorly defined and implemented fail to deliver the expected benefits simply because companies do not concentrate on the vital project aspects as a whole. This white paper discusses an approach that can release value from what is often more complex than it looks.

1. Introduction

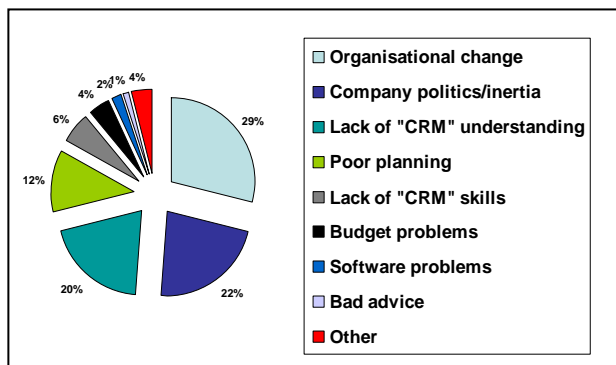
A quick internet search shows that a large percentage of so-called “CRM” related projects (and Sales Force Automation is a subset of these) go wrong. Other research has indicated that this might be as high as 80%. How can it be that so many projects are failing to deliver? What causes them to fail in achieving their high-expectation goals? *What can be done to get it right first time?*

2. What is “SFA”?

Sales processes can be optimised by some form of software programme. There are many sales force automation programmes providing key functions such as customer database/encyclopaedia, contact management, sales management, sales activity tracking, pipeline management, communication history, sales projections. Thus SFA enables Sales to operate more effectively and efficiently, and to integrate their operations with the other functions who need their data such as finance, operations, manufacturing, billing etc.. SFA has effects that are **much wider than just Sales**. SFA *is not* just the implementation of a software system!

3. Up to 80% go wrong – why?

In the context of initiatives as defined in 1 above, the CRM forum¹ have identified, through market surveys, the following



causes of failure:

Let’s look at some of these, which are applicable to SFA implementations and account for 82% of failures.

1. Organisational Change: Automation of the existing processes and operations is not necessarily an optimum solution. Without making the right changes to address the whole Sales operation full business benefit may not be realised. Changes include organisational structure, people skills & skill mix, and performance management system (goals, targets, competencies and reward system).

2. Company Politics and Inertia: power balance shifts, changes in beliefs & “the way things have been done” cause a thriving resistance to change in an environment where there are no common business goals and strategy. There may be huge internal friction to overcome, coupled with a requirement for behavioural change. Driving change from the top is key to creating a belief in the future and alignment to the vision.

3. Lack of SFA understanding: a typical pitfall is to buy an “SFA” software application and implement it without process, training or behavioural changes in the belief that it will, by itself, deliver the SFA capability that the company believes it needs.

Getting the full potential benefits from the functionality is a challenge which requires significant changes far beyond just the software to be used.

4. Poor implementation planning: typically, implementations will take twice as long as the software vendor estimates, will deliver half the functionality promised and will cost twice as much as is budgeted. Stakeholders are not identified to aid solution development and gain buy-in, and the software solution is not considered in relation to other changes needed to utilise it effectively in the organisation. Testing is completed in an ever shrinking window

resulting in a poor quality solution being unleashed on the cynical masses!

4. Six Success Initiatives

Fundamentally, SFA must improve the efficiency and outputs of the Sales organisation, not set it back. To successfully achieve this, several areas need to be addressed coherently. For a successful outcome, you can't fix one area by itself – success requires that all interacting aspects are addressed and fixed together. What you need is

SSI-1. Sales Organisation must be aligned to the business goals and the delivery strategy: This may involve a fundamental review of the design of the organisation, the department interactions, the roles & responsibilities, the skills mix and the performance management system. What measures are needed to support individual and team performance targets? What measures are needed to support the reward process? How are the key performance indicators defined? What measures are required to support improvement?

SSI-2. Processes must be reviewed in the light of SFA and any organisation changes made in SSI-1. Pragmatic process design is about defining processes and interactions that will support people in their jobs. It will also add to the requirements that will drive system selection and development.

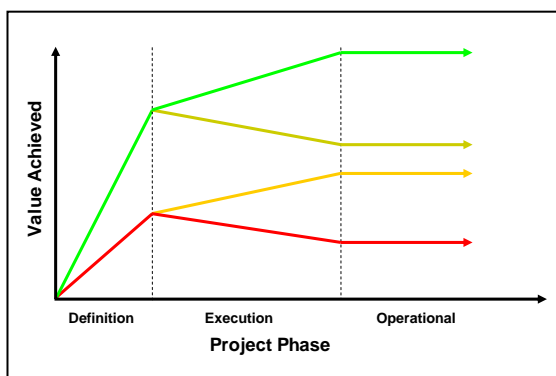
SSI-3. Management Information: many companies measure what they are easily able to measure rather than what they *need* to measure. Measures and reports must be defined to monitor and optimise the real time operational performance. An effective feedback loop is essential.

SSI-4. Systems: these must support the processes and users and automate *only where cost effective*. Critical to the SFA goals is to ensure that the system provides accurate and consistent information to the right people. (this is about connecting other business processes and systems with the SFA inputs and outputs) The result of a lack of SFA understanding often results in buying a complex package without first understanding what the real needs are – a solution looking for a problem!

SSI-5. Behaviour The new SFA system may never be properly utilised without some behavioural change on the part of the

users. This can be achieved by incentives, consequences, and performance management. Change agents and apostles for the new system will drive early usage and behavioural change in others. Management buy-in and usage is key to maintaining the quality of inputs over the longer term. Use it or lose it!

SSI-6. Change & Project management are essential to align the above elements of all company initiatives. Investment in the definition phase of the project will create a higher probability that the required business value is delivered. The chart below demonstrates this.



During execution, the delivered benefit will rise or fall depending on how well the project is managed. However, this effect is much lower than during the definition phase. In the example, a well defined project that is poorly executed is likely to still deliver more value than a poorly defined project that is executed well. How often do you see projects where time has to be made available during execution to recover a poorly defined project?

In the definition phase, the “before” state of the organisation must be measured. With no “before” state to use as a benchmark, the benefits of the “after” state will be difficult to determine. Gartner² predicts that organisations that have a framework to estimate, plan and promote their projects while building up their capabilities in small, piloted steps are twice as likely to achieve planned business benefits as organisations that pursue projects without a framework.

Three other success-essentials should be addressed: CEO/Board level sponsorship, stakeholder buy-in and a quantitative Business Case.

5. SSI Relationship

The table below demonstrates how the six success initiatives address the four core causes that make up 82% of the failures. The next section looks at how to use these initiatives to release all the potential benefits of the CRM project.

Six Success Initiatives		Causes of Failure			
		Organisational Change	Company Politics & Inertia	Lack of SFA Understanding	Poor Planning
Success Initiatives	1. Organisation	✓	✓	✓	
	2. Processes	✓		✓	✓
	3. Management Information	✓		✓	
	4. Systems	✓		✓	✓
	5. Behaviour Change	✓	✓	✓	✓
	6. Change & Project Management	✓	✓	✓	✓

6. The Project Steps

The project starts with agreement that the six success initiatives need to be addressed as a whole.

First step is an analysis (Present Situation Analysis – PSA) to determine which of the six are not complete, appropriately developed or co-joined with the others, and in what way.

Second, put the project together which defines the end result (the Desired Future State DFS), recognises the priority order and integrates and involves, from day 1, all parties that will be involved. Not all parties will necessarily be involved at any given time, but they are all stakeholders and will at least need to be kept informed and to know what and when their involvement will be required.

If this all sounds over-simplified then that’s because the **approach** is actually very simple. The issues arise, as with all things, in aligning people, getting buy-in and support, and holding your nerve with the holistic approach during the period that it takes to make lasting change happen.

7. What you need to address in an “SFA” project

What are the original goals and are they described in measurable terms?

What are the risks involved? How will you mitigate and track them?

What specific deliverables are needed? Think on

- What (new) Processes are needed? What effect on existing process? How do the new processes interact with external-to-Sales entities? How is the process effectiveness measured?

Key to this is to understand the present “actual” processes (which often don’t follow what is written down!) and involve the key stakeholders across the business; in defining and implementing necessary changes. This is will involve not only Sales, but also any departments in the organisation that interact with Sales.

- Definition of the Management Information and reports you require for Sales and, for other departments, what MI and what interfaces? What media will you use? Electronic? Paper? What format? The processes from SSI-2 must support collection of the data required
- Choice of the SFA system. Does it meet the goals? Where does it fall short? Have you done a quantitative analysis of the pros and cons of the various competitors? Will you have to customise the new SFA system? How much will that cost?
- What IT infrastructure do you need? How long will it take to prepare? Where will the data reside? How will it be backed up? Who has access? Laptops or desk machines?
- What Training is required? For whom? Sales people, back-office staff? IT staff? Who will deliver it?
- What testing will be needed to ensure that it all works at go-live. And not just IT testing, but process testing including the process operators.

8. Conclusion

Look at SFA as a whole, treat it as a whole.

Get measurement tools in place to find out if it really works and stays working: put in a feedback loop to ensure that it does

Get project and change management in place, supported and enthused from at least the CEO downwards.

9. References

- 1) CRM forum.
- 2) Gartner research note – 17 Aug 01; J Radcliffe, J Kirkby, E Thompson