

ACCELERATE YOUR GROWTH WITH CRM

Best practice guide to CRM for the services industry





The sales process in the consultancy sector is extremely complex.

Mandates and projects that are put out to tender are often very detailed, have long lead times, with multiple consultancies pitching for the same piece of work. It's very much a relationship based business too - networking and nurturing acquaintances are an important part of the picture.

The control tends to be in the hands of the buyer. They tend to be demanding and knowledgeable. They really know their own business and want to ensure the consultancy which wins the mandate does too. They won't be afraid to put you on the spot, ask you to prove your worth. And they'll be tough on price – they'll claim that it's more about the right fit of partner, but if they can get that at a reduced cost, they will negotiate hard.

As a result, the approach of your consultancy's sales team has to be far more sophisticated to close the deal. And before you even get in that position – and to ensure that you maximize the efficiency of your sales function and generate as many opportunities as you can – you need to have the right processes and technology in place. CRM can play a vital role in that and underpin your sales efforts.

With CRM, you can:

- Track the win/loss ratio and identify why deals were lost?
- Figure out if marketing is providing sales with the right leads?
- Ensure the sales process is correct and the right decision makers are involved in the process?
- Inform service development and marketing activity?

Are you already exploiting CRM effectively to do all of those. If not, then this guide could help your consultancy get its ducks in a row.



1. IMPROVING LEAD MANAGEMENT

Ask any sales person what would help them deliver better results and the overwhelming response will be “better leads.” CRM plays a vital role in increasing the quality of leads. How does it do that?

The quality of leads that marketing provides are critical to the success of the sales function. If the leads are of mediocre quality, then it stands to reason the sales conversion will be poor. There needs to be a closed loop relationship between sales and marketing – if leads are the wrong size, wrong sector, or not ready to engage in the sales process yet, then marketing needs to be aware of this so they can refine their approach and deliver more relevant leads. CRM can help capture this information.

The next stage is to assess if leads are being well managed. Does sales have the right reporting structure in place to report on the status of each lead? Are alerts set up to let the sales manager know if leads aren't followed up? If they have been, they either need to be “qualified out” or converted into opportunities in the sales pipeline. Sales is all in the timing – and CRM enables sales people to approach leads at the best time.

Lead allocation can be automated to ensure leads are dealt with quickly and efficiently and that each team member receives the leads relevant to their area of responsibility – specific sectors, geographical areas - or it might be your sales team is organised around your consultancy's different service lines, for example, project management, business analysis or change consultancy.

An element of lead nurturing can be automated – specific emails sent out at certain stages of the sales cycle and this can also link to the marketing effort. The right piece of content delivered at the right time can help to tip the balance favorably towards a sale.

Your consultancy's lead management needs to be reviewed at regular intervals – tweaks made, best practice fed back into the process. It's cyclical and over time, these changes will make a big difference.



2. EFFECTIVE MANAGEMENT OF PIPELINE

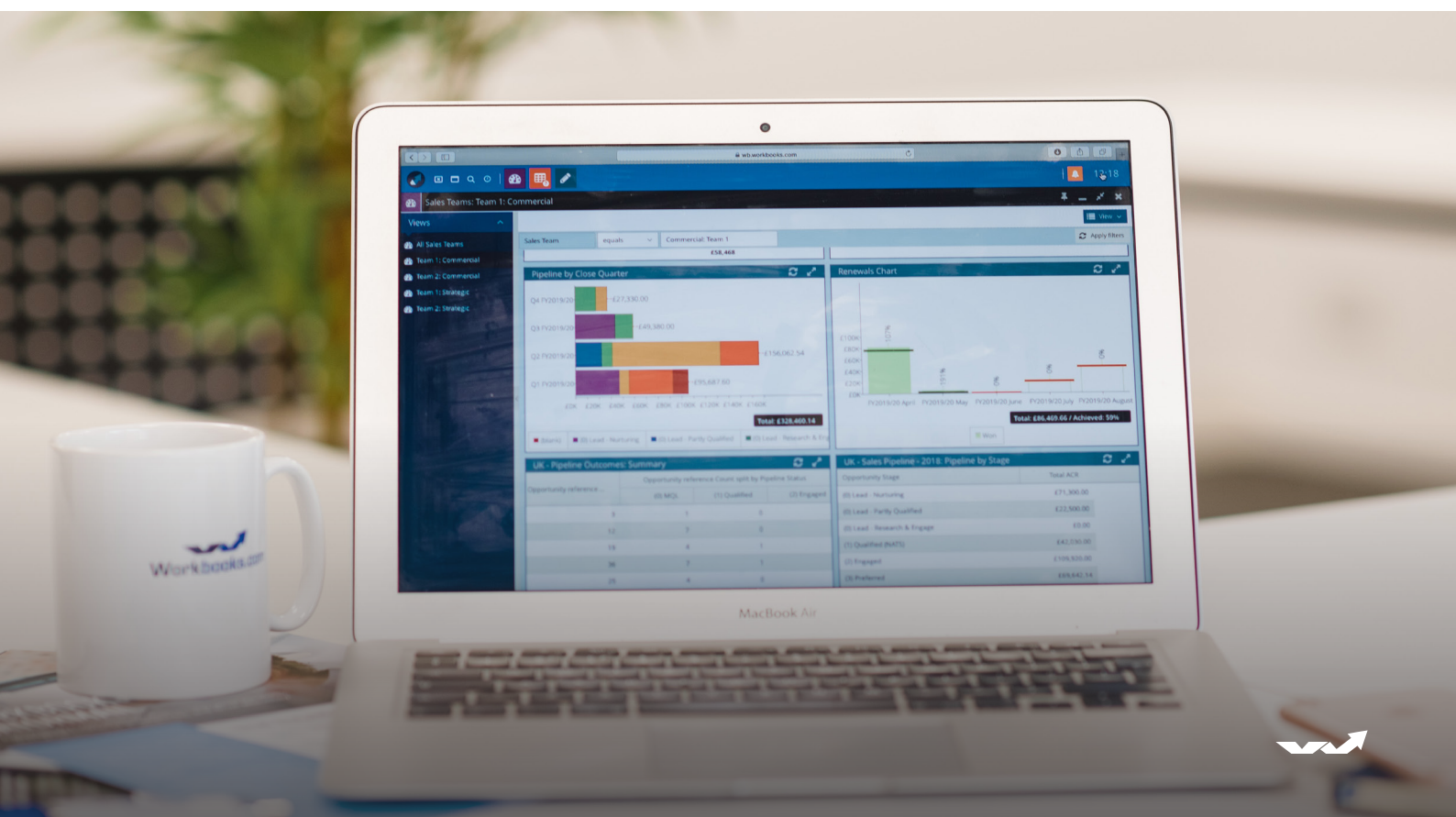
Fundamental to best sales practice at consultancies is a well-managed sales funnel. Consultancies can use CRM to track leads through the sales process to closure – this is essential in helping sales teams meet, or exceed, their targets.

It's really important that your consultancy has a clear understanding of the number of deals it needs at each stage of its pipeline to meet sales objectives. Analysis of data from previous years will provide great insight into what is needed – another example of CRM and sales being cyclical processes. The insight that will benefit your consultancy:

- The overall number of deals in the pipeline
- The position of deals within the sales funnel: stage one, stage two, stage three etc.
- Velocity: how long it takes one deal to move from one stage to another
- Conversion rates

CRM helps to enforce common methodologies, to improve the sales process and help with conversion rates. It can help you generate a plan for each lead, mapping out the steps it needs to go through with whichever owner is relevant to each step. CRM also generates reports, giving your sales teams and management up to date information on opportunities, imminent actions and other valuable intel that can help to guide behaviour and drive actions.

CRM can make sure that your sales team follows a certain methodology, one which works for your consultancy. It will help them to understand where the prospects are in the sales funnel and what they need at each step – this will ultimately help increase conversion rates. It will help you to drive best sales practice across the team and ultimately, increase revenue.





3. SALES FORECASTING

If your consultancy is able to forecast as accurately as possible and say how much of the pipeline is likely to convert, it is much more helpful for business planning. All too often consultancies will rely on a finger in the air or a salesperson's gut feel, but a scientific, informed approach is much more valid and reliable.

CRM can conduct in-depth analysis of previous results and use historical data – matched against the properties of the current pipeline – to adjust future forecasts. Your sales team might then make a call on the percentage of fresh opportunities they might have to source to bulk out the pipeline if they suspect conversions might be thin on the ground; or they might feel they are in the position to inform the business they have to line up resource for projects that might convert imminently.

CRM can help build a reliable forecasting methodology for your consultancy, providing management with an accurate picture of future deals, value and income. And real time reports and dashboards means that all stakeholders have visibility of what's happening. Accurate forecasting puts you on the front foot – from increasing marketing budget mid-way through a sales cycle to address specific requirements, to helping manage future consultancy staffing more effectively, it just enables the business to be informed and proactive.



4. REVIEWING THE SALES PROCESS

An efficient and effective sales process and methodology should be at the core of your sales effort. And again, it's cyclical – information within the CRM system should be used to figure out what works and what is less effective. Analyzing the method that underpins successful sales can help the consultancy define and finetune its sales process – it might be identifying the appropriate targets at prospect organizations, or it could be the messages that resonate at specific stages of the sales cycle.

CRM should track:

- The key people to target within an organization
- Their buying criteria
- Their competitors
- Identifying who will sign off the order
- Procurement involvement and impact on timing of sales

Recording all sales activities within CRM gives valuable information on how well each stage of the sales process is working and allows sales people to build successful elements into the process, discarding ones that aren't. It might be that this sort of information is just known by some sales people, but capturing it in the CRM system will help you to build a best practice sales process for your whole sale steam.





5. IMPROVING LOST AND QUALIFIED OUT ANALYSIS

It's probably true that it isn't in the nature of most sales people to dwell on the past. Most are eternal optimists and would rather look to the future and new opportunities and not mull over what might have been. But if your consultancy isn't doing this, it could be missing a trick.

It's really important to look back over past failures and understand why. You learn more from mistakes than you do from getting things right. From the sales that didn't happen – examining why can help you to take corrective action the next time you are in a similar situation. Did the team miss out because the price of consultancy services was too high compared to competitors? Did the service they offer not quite fit the bill? Did a competitor do something new or different? Were the right people involved in the process?

All of these are important questions to ask when a sale hasn't gone through and it needs to be recorded in the CRM system. This can be analysed against other deals that haven't converted, so common denominators can be found. An informed qualified out analysis can inform a consultancy if change is required – tweaks to the process, more training for the sales team, an adjustment in pricing etc.



6. CONTINUAL IMPROVEMENT

CRM can help your sales team to be more effective. It shouldn't be about policing the activities of your sales team, but tracking individual performance and understanding certain aspects of their behaviour should help you to increase the efficacy of your sales force. Understanding how active they are, if leads are being followed up, the number of meetings, calls and emails they are doing, the accuracy of their forecasting – all of these factors are critical.

And it's also important to look at broader success factors – for example, if the right sector or geographical area has been identified, can you use CRM to find out why? Getting insight into sales performance is important too if you are to improve execution, conversion rates and grow revenue. CRM helps you to easily answer questions such as:

- How many consultancy projects have we sold this quarter?
- Which sales people are hitting or missing their targets and why?
- How much pipeline do we have by stage, by sales person and by service line?
- What are our conversion rates?
- What is our conversion rate in the financial vertical compared to utilities?
- What is our average sales cycle?

CRM can generate reports and dashboards to help you find this information at the click of a button. It gives you the insight to improve and adapt your process as you go and build a better more efficient sales process for next quarter. Ultimately, it puts your consultancy on the front foot.





TO SUM UP

Best practice sales techniques always apply in consultancy, as they do in any other business sector. Reviewing leads and opportunities and tracking trends in sales activities will give you valuable insight - and CRM does this for you.

It ultimately provides a framework to ensure the right processes are being followed and acts as a channel to feedback essential insight to the business to support on-going sales activity.

Automating the whole process means that sales people are relieved of low level administrative work and can focus on what they do best – selling. It also means that everything is recorded, so opportunities are progressed as they should be and follow up activities aren't missed. If sales people miss on average five follow up calls each a quarter, for example, this might mean the business loses out on three major consultancy project sales a year. CRM just closes that circle and ensures that mistakes don't happen.

Having the inside line on the sales process, its highs, lows and potential outcomes can help consultancies develop key metrics and evolve its business strategy in response. All in all, it helps the sales process become more iterative, more switched on, smarter. What's not to like?

