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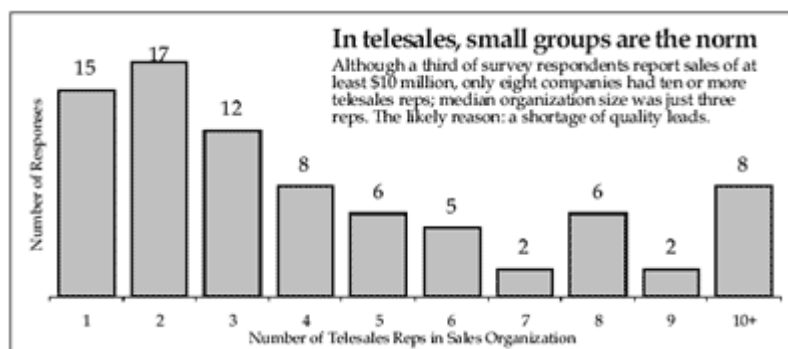
La télévente pour les entreprises de logiciel

Quelques articles (en anglais) :

- Eléments de mesures obtenus sur un panel de 86 entreprises du logiciel aux Etats-Unis
- Comment développer le taux de réponse en télé-vente
- Comment créer une cellule de télé-vente
- Comment créer une cellule de télé-marketing
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- Affectation des dépenses de marketing dans les sociétés de Software
- La bonne façon de faire des concours de vente
- Trucs et astuces autour de la télé-vente (ce qui marche)
- Trucs et astuces autour de la télé-vente (construire des équipes plus performantes)

Eléments de mesures obtenus sur un panel de 86 entreprises du logiciel aux Etats-Unis

Benchmarks: Telesales Metrics (28/02/2002)



As the cost of face-to-face sales calls keeps rising, software marketers have been slowly rethinking the telesales model. Telephone selling to consumers still has a bad reputation (usually well-deserved), but in business-to-business segments a well-run telesales group can usually generate as much revenue as a more expensive field sales force—and at lower cost.

There's just one hitch: A telesales effort takes intensive management, in part because telesales reps typically burn through large numbers of leads every month. Keeping track of leads, close rates, and other internal metrics is not a trivial job; if the process breaks down, telesales can quickly become an expensive boondoggle. As a result, telesales managers tend to be hard-core metrics mavens, measuring and comparing everything in sight.

This wealth of internal data, however, doesn't help managers answer the broader question of how a company's telesales effort compares against industry benchmarks. In fact, telesales benchmarks are notoriously difficult to develop. Terms like "inquiry" and "lead" vary widely in meaning from one sales organization to another, and some telesales groups routinely hand over bigger deals to the field sales force or to resellers, so "close rates" become especially tricky to compare.

Still, it's possible to define at least some rough benchmarks for telesales performance. **We recently collected data from 86 software companies about their telesales efforts, and we've summarized our findings here and in the accompanying charts:**

PRODUCTIVITY METRICS

Despite broad differences in products and lead generation metrics, the most common denominator for most telesales productivity is revenue generation. And it's especially helpful to compare revenue generation and productivity metrics in terms of the size of the telesales group:

- ✍ **Average transaction size:** The sweet spot for telesales deals seems to fall around \$25,000, a transaction size that's usually too large for direct response and Web channels, and too small for face-to-face direct sales.
- ✍ **Sales rep productivity:** The average telesales rep spends about four hours a day on the phone, handles some 500 "qualified" leads per year, and generates \$1,500 in revenue per day. Mid-sized groups (3-6 reps) seem to be the most effective in terms of revenue generation, producing over \$4,000 in sales per day for each rep. However, large groups (7+ reps) tend to have the best close rates: They get at least some revenue from 9.3% of the

prospects they contact. (This higher close rate is offset by the lower average transaction size that prevails among larger telesales groups.)

Productivity Metrics				
	Number of Telesales Rep			
	1-2	3-6	7+	All
Average Telesales Transaction Size	\$25,000	\$25,000	\$11,000	\$25,000
Average Sales per Rep per Day	\$1,000	\$4,150	\$2,436	\$1,500
Average Talk Time (hours)	4	4.75	4	4
50% range	3.0-5.0	2.0-6.0	3.0-5.0	3.0-6.0
Annual Leads Handled per Rep	500	400	438	500
Close Rate	5.00%	7.00%	9.30%	7.50%

Definitions: Average Talk Time = "In a typical day, how many hours does an individual telesales rep actually spend talking to prospects?" Annual leads per Rep = "Total annual number of leads handled by your telesales group divided by total number of telesales reps." Close Rate = "Percentage of total telesales leads that produce some sales revenue." 50% Range represents the middle half of all responses.

LEAD GENERATION

Keeping the sales pipeline filled with leads represents a huge hidden cost for most telesales groups—in fact, lead generation generally represents a bigger per-rep cost than salaries and commissions.

- ✍ **Cost per lead:** Lead generation costs tend to rise with average transaction size: Not surprisingly, marketers are willing to invest more to acquire a lead that might convert to a big-ticket sale than they will for smaller deals. Thus, companies with transaction sizes under \$10,000 typically spend \$75,000 per year to provide a rep with more than a thousand leads, each costing about \$67. At the other end of the transaction spectrum, companies with average transaction sizes over \$100,000 will spend \$133,334 to produce only 370 leads per year at a median cost of \$273. Moreover, high-end companies also seem to invest more effort in the selling process: The close rate for transactions worth more than \$100,000 is 10%, compared to 5% for deals under \$10,000.
- ✍ **Qualified lead ratio:** Ideally, telesales efforts should target prospects who've shown a definite interest in buying—for example, people who requested information, responded to an offer, or were former customers. Finding enough of these "qualified" prospects, however, is usually too difficult or too expensive. To keep the lead pipeline full, most companies give their telesales reps a substantial number of less-qualified leads, which may include magazine bingo card leads, names from directories, or people who just dropped off business cards during a trade show contest. Finding enough qualified leads is a problem at all levels of transaction size, and it helps explain why software telesales groups tend to be much smaller than their consumer counterparts.

Lead Generation Metrics					
	Average Telesales Transaction Size				
	Under \$10,	\$10-\$25,000	\$30-\$99,000	\$100,000+	All
Annual Budget per Rep	\$75,000	\$79,167	\$60,000	\$133,334	\$70,588
Annual Leads Handled per Rep	1,014	1,275	333	370	500
Cost per Lead	\$67	\$111	\$250	\$273	\$114
Qualified Lead Ratio	17.50%	25%	30%	15%	25%
Close Ratio	5%	6%	10%	10%	7.50%

Definitions: Annual Budget per Rep = "Total annual spending for all telesales lead generation activities (including allocated salaries and overhead) divided by total number of telesales reps." Annual Leads per Rep = "Total annual number of leads handled by your telesales group divided by total number of telesales reps." Cost per Lead = Annual Budget per Rep divided by Annual Leads per Rep. Qualified Lead Ratio = "Percentage of your total telesales leads who requested information, responded to offer, were a former customer, etc." Close Ratio = "Percentage of total telesales leads that produce some sales revenue."

COMPENSATION

Salaries and commissions represent the other major expense of operating a telesales group, but—unlike field sales reps—telesales reps are relatively inexpensive employees. Overall median pay (base pay plus commissions) for the reps in our survey is \$51,000; half earn between \$40,000 and \$75,000. There’s some increase in pay in larger sales organizations, but it’s not dramatic: Median pay in the large telesales groups is \$55,000.

Not surprisingly, higher performance translates into significant pay premiums for most telesales jobs. The top-performing one-third of telesales reps earn more than 40% more than average performers; the worst-performing one-third earn about 12% less. But even the best telesales reps are still remarkably affordable—in fact, only the top 25% of the best-performing one-third earn more than \$100,000.

Compensation by telesales organization size

	Average Performers	Top-Performing One-Third	Worst-Performing One-Third
1-2 telesales reps 50% range	\$50,000 \$30-\$75,000	n/a n/a	n/a n/a
3-6 telesales reps 50% range	\$52,500 \$40-\$75,000	\$71,350 \$60-\$100,000	\$45,000 \$30-\$55,000
7+ telesales reps 50% range	\$55,000 \$45-\$75,000	\$73,000 \$60-\$100,000	\$42,500 \$30-\$50,000
All respondents 50% range	\$51,000 \$40-\$75,000	\$72,350 \$60-\$100,000	\$45,000 \$30-\$50,000

Compensation = base pay plus commissions. 50% Range represents the middle half of all responses.

HOW TO BOOST TELESales RESPONSE RATES

"Even with business-to-business calls, we've all become conditioned to think of telemarketing as harassment," says sales consultant and author Herb Fox. But Fox argues that selling by phone can still be profitable, if the campaign is carefully crafted to reach the right prospects with the right message. Fox recently outlined a few useful techniques for fine-tuning a telesales effort:

- ✍ Pitch old customers first: "I see a lot of people ignoring their installed base," Fox says, "but up to 90% of products in the first phase of a campaign are sold to existing customers--people who had experience with the earlier version and may be looking for exactly the features you've added." Calling these people with an "introductory offer" actually builds good will, he adds. "They might even feel neglected if they have to read about your new product in a magazine story."
- ✍ Screen leads carefully: "In direct mail, the quality of the mailing list accounts for 60% to 70% of the response rate, and the same is true in a telephone campaign," Fox says. "I've seen campaigns fail because the people on the phones were buried in low-quality leads." One especially good telesales screening question, says Fox, is whether the prospect actually has the authority to buy or evaluate the product.
- ✍ Avoid cold calls: "Outbound telemarketing as a demand creation device is pretty ineffective these days," Fox concedes. But response rates go up dramatically once the prospect has been exposed to earlier sales messages through ads, mailers, trade shows, and Web site visits. "Once they know something about you, most people are willing to talk."
- ✍ Identify the buyer's hot buttons: Unlike other sales techniques, a phone conversation is--potentially--an interactive experience. So the telesales script (or ideally the lead generation process) should start with questions that help pinpoint the customer's specific needs. You're talking to someone who's asking, "What's in this for me and why should I talk to you?" and you better come up with a quick answer."
- ✍ Create a compelling offer: Don't just offer to send information, says Fox--offer something that "builds commitment and makes them want to talk to you." Free consulting, white papers, and seminar invitations are especially good inducements for reaching high-level decision makers, he notes.
- ✍ Build a lead tracking system: Leads vary tremendously in value and urgency, so it's important to classify each prospect and follow up appropriately, says Fox. "One client built a matrix based on two factors--the value of the lead itself, ranging from 'ready to buy' to 'tire kickers,' and where each prospect was in the sales process. An A-1 lead got an immediate call to close the sale, while a D-3 just got put on the mailing list."

How to Create an Inside Sales Department

“One of the classic mistakes that software companies make is that they start by developing a field sales force,” says SalesRecruits president Steven Morgan. “I ask people all the time, ‘Why do you need to meet face to face with customers?’ They almost never have a concrete reason—it’s just the default. Most of the time, they’d be much better off building an inside telesales organization first.”

Especially lately, telephone selling often inspires feelings of “distaste,” Morgan admits. “But it definitely works for sophisticated high-end software products. When I was at McAfee, we built a \$90 million business primarily through an inside sales group. It’s a sensible way to sell.”

We asked Morgan what he’s learned about building a new telesales group:

- First, hire a few reps: Conventional wisdom says that your first hire should be a senior sales executive to build the rest of the organization. “Trouble is, if that executive is the wrong person, you can lose a whole year,” says Morgan. “You’re better off with a white-knuckle approach—hire two or three sales reps with software experience and manage them yourself. You may not be comfortable doing this at first, but it’s one of the least challenging things a CEO has to do: The people you’re managing are right there in the office, under your direct supervision.”
- Insist on telesales experience: Moving field sales reps and managers into telesales jobs is a bad idea, Morgan points out. “It always falls apart. They’re not used to spending all of their day on the phone, in a closely managed environment. The personality and behavior fit is wrong.” In fact, says Morgan, the single best predictor of telesales success is previous telesales experience. “It’s really that simple.”
- Avoid “door openers”: “I see many smaller software companies that are impressed by seeing a name like Oracle on a candidate’s resume,” Morgan says. “However, many big companies have telesales groups that just generate leads that they turn over to the direct sales force: They aren’t closers themselves. Ideally, you want someone who’s been selling software to the same market you’re targeting—legal offices, for example, or CPAs. The reps you hire should already understand how to close deals with your kind of customer.”
- Pay competitively: Telesales is “a defined position, a vocation,” says Morgan, and reps have a clear idea of prevailing pay levels. Typically, experienced reps will expect a base salary of \$30-\$50,000 and a commission structure that lets them earn upwards of \$100,000 in total. “These are numbers that are much, much lower than you’d see with outside sales reps,” he notes.
- Learn from the experts: Once you’ve recruited a few experienced reps, the reps themselves can probably help you develop sales scripts and demos, Morgan says. Another way to get good systems in place is to start by hiring an outsourcing firm. “There are lots of folks out there who can do everything from simple lead generation all the way to full presentations and closings. They have their own CRM systems and demo tools, and you can watch how they handle the job before you go off on your own.”

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HOW TO BUILD A TELEMARKETING GROUP

Forget the obnoxious boiler-room image of telephone sales, says marketing consultant Bob Brown. The reality is that outbound telemarketing represents one of the software industry's most profitable--and underutilized--sales tools. "The return on investment for a telemarketing group is simply phenomenal," says Brown, who has helped set up telemarketing programs for Borland, Sitka, Shiva, Network General, and Quadram. "A typical phone rep can generate \$40,000 in direct sales a month," he estimates, "without cannibalizing sales from existing resellers."

The payoff from telemarketing is especially high for small startups, Brown adds, because these companies usually lack a strong dealer network to handle leads from advertising, public relations, and trade show activity. "The close rate on good telemarketing leads is usually between 15% and 45%. That's a lot better than you're ever likely to get from the average dealer."

Brown recently offered this advice to would-be telemarketers:

- ✍ **Start with appropriate products.** Telemarketing works best when a prospective buyer already knows a little about the product category or the company's reputation, Brown notes. "We sometimes say the ideal telemarketing product provides a 'two-minute grok'--that is, instant understanding that goes to the core of your being." Products that require long sales cycles or complex technical explanations are usually too difficult to sell over the phone, he says--"though it's sometimes possible, if you can get through to exactly the right buyer."
- ✍ **Build a real telemarketing team.** "Selling is always an emotionally intensive process," Brown points out. Isolated sales reps tend to be less productive than salespeople who work in teams with lots of mutual support. Thus, he suggests that a company should always start by hiring at least two telemarketing reps, and should look for ways to develop "buddy systems" within the company, particularly with tech support staffers. Also, a telemarketing group should be encouraged to develop an aggressive team spirit that helps its members stay enthusiastic and competitive. "At Borland, the telemarketing reps literally swagger around the halls."
- ✍ **Hire real sales professionals.** It's usually "disastrous" to expect customer service reps (who handle inbound inquiries) to become effective outbound telemarketers. Brown recommends hiring career sales professionals, especially "those who think \$35,000 or \$40,000 a year is a big deal." Technical knowledge is rarely important, he adds; a competent rep should be up to speed on a product within 60 days--"about the same amount of time that it takes a tech support person to be fully qualified." Be sure to interview candidates over the phone: "For some reason, good telemarketing reps generally don't present well in person."
- ✍ **Focus on high-volume customers.** A good telemarketing rep can make perhaps 700 sales calls a month, Brown says. It's "totally absurd" to waste these calls on unqualified leads; instead, the sales effort should be directed at accounts that are likely to place multiple-copy orders. "Call big people, not small people," he says. Another way to gain leverage: Encourage referrals. For example, one recent campaign offered customers a \$100 Egghead gift certificate for every referral sale within their company.
- ✍ **Don't get stuck in a rut.** To avoid burnout and boredom among telemarketing reps, Brown suggests that a company should "keep the ground moving" by constantly offering special prizes, contests, and "fun" incentives. For the same reason, it's usually a good idea to introduce three or four new sales campaigns each year. One campaign might focus on a special offer to reduce inventory, another on a new product or upgrade rollout, and another on follow-up calls to dealers to support a distributor's promotional effort.

RUNNING A HIGHLY PRODUCTIVE TELEMARKETING OPERATION

Larry Brennan, vice president of sales at RealWorld Corp., is **convinced that telemarketing is a great way to sell software**. Last year, says Brennan, his company's eleven telemarketing sales reps brought in "a huge part" of RealWorld's \$12 million revenues--and they did it by selling chiefly to small VARs and retailers, rather than to corporate volume purchasers.

We asked Brennan what it takes to run a highly productive telemarketing operation. His advice:

- ✍ **Keep your salesmen selling.** "Sales is really a numbers game," Brennan insists. "If you make a vast number of calls, you'll get a vast amount of sales." To make sure RealWorld's telemarketing reps don't waste their time on unproductive activities, the company set up a separate group of telephone qualifiers who each make "hundreds of calls a day" to verify leads before passing them on to the telemarketing reps (who also have assistants to help write up orders and handle administrative work). As a result, RealWorld reps have more time to talk to real prospects--an average of 40 qualified customers a day.
- ✍ **Watch the daily numbers.** The walls of Brennan's office are papered with charts that help him monitor and project virtually every step in the sales cycle--from the volume of calls that his reps place every day to the number of demo disks and proposals that have been sent out. Brennan says these statistics turn out to be a highly reliable indicator of eventual sales. "We showed out salesmen that if they could make 2-1/2 more calls an hour, that would be worth \$50,000 more a year in income to them." Moreover, Brennan points out, the statistics give him an early warning of problems that might otherwise catch the company by surprise later on.
- ✍ **Reward top performance.** RealWorld telemarketing reps generally get a \$300/week base salary, but most of their income is incentive-based. The company's commission structure is designed to pay higher rates (up to 4.25%) as sales volume increases, and there are weekly contests and spiffs that provide additional rewards. A top RealWorld telemarketing rep can earn \$125,000 a year, says Brennan. "And this is a fun place to work, too."

Benchmarks: Marketing Expenditures

We recently reviewed a report by SoftwareMinds analyzing the level and direction of overall marketing spending in software firms. The report, which examines practices in marketing strategy, market research, product marketing and marketing tactics, also includes detailed budget data. Survey data is based on responses from 129 software marketing executives. The survey results for marketing tactics are broken down into seven areas—tradeshows, sponsored seminars and events, public and analysts relations, Internet promotions, print advertising, telemarketing and co-op marketing.

The range of revenues among the 129 firms participating in the study is quite broad, with revenues ranging from minimal to just under \$1 billion annually. The average fiscal year 2002 revenue is \$45.8 million, with a median of just over \$10 million. Slightly more than half of the companies surveyed experienced revenue growth over the previous year, while the rest remained flat or experienced revenue declines. On average, respondent companies spend 14% of revenues on marketing.

- ✍ More than three-quarters of respondent companies participate in tradeshows, the most commonly used marketing communication tactic of seven examined. In fact, software companies spend nearly 10% of their marketing budgets on tradeshows, but nearly a third of the companies plan to reduce expenditures in this area. Considering the hammering the tradeshow circuit has experienced since the dot.com meltdown, we find this figure very interesting even though many respondents are planning to cut back in this area. We attribute part of the continuing interest in tradeshows to the fact that current alternatives, such as webinars, can't replicate the ability to develop the personal relationships provided by face-to-face meetings at a tradeshow.
- ✍ The three most beneficial marketing communications tactics are seminar/events, public/analyst relations, and Internet promotions, each earning a top three ranking from more than half the respondents.
- ✍ 61% of companies using seminars and events are satisfied with results, making them the highest rated marketing communication tactic.
- ✍ Public and analyst relations is most frequently ranked as the marketing communications tactic of most benefit in achieving company objectives and is the number one tactic for building awareness. We will be publishing more in-depth research in this area in the future.
- ✍ Internet promotions generate 30% (median) of all leads—the largest single source of leads. By an overwhelming margin, Internet promotions are the only communications tactics for which most respondents (61%) are planning to increase funding.
- ✍ Print advertising is largely employed by companies to build awareness and received a relatively low benefit rating compared to other marketing communication tactics. This continues a trend we've noted for years.
- ✍ Four in 10 responding companies employ telemarketing, making it the second-to-least used tactic. Companies using this state the dominant reason is lead generation. Many respondents report integrating telemarketing with other programs is essential to improving effectiveness.
- ✍ Co-op marketing is the least employed tactic among respondents, with only 16% of software companies using it.

B2B Software Marketing: Best Practices & Budgets, by SoftwareMinds, 287 East 6th St., St. Paul, Minn. 55101; 651/215-3060. Price, \$995. Web: www.softwareminds.com.

Satisfaction with marketing tactics

	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Public/analyst relations (n=85)	21%	37%	32%	8%	2%
Seminars/events (n=91)	19%	42%	25%	10%	4%
Internet promotions (n=81)	19%	37%	23%	15%	6%
Telemarketing (n=55)	11%	31%	36%	20%	2%
Co-op marketing (n=20)	10%	25%	25%	35%	5%
Trade shows (n=98)	6%	30%	37%	22%	5%
Print advertising (n=69)	2%	10%	46%	33%	9%

Planned future expenditures

	Greatly Increase	Moderately Increase	Remain Constant	Moderately Decrease	Greatly Decrease
Internet promotions (n=81)	10%	51%	30%	5%	5%
Public/analyst relations (n=85)	8%	34%	47%	8%	2%
Telemarketing (n=56)	7%	38%	36%	13%	7%
Seminars/events (n=90)	3%	27%	56%	13%	1%
Trade shows (n=98)	1%	22%	45%	22%	9%
Co-op marketing (n=20)	0%	40%	40%	5%	15%
Print advertising (n=70)	0%	19%	27%	37%	17%

THE RIGHT WAY TO RUN SALES CONTESTS

When a telesales group begins to show signs of burnout, says Dave Worman, the solution is simple: start a sales contest. Worman, a veteran telemarketing manager who recently published a collection of 79 successfully-tested contests, insists that contests are an essential motivational tool for telephone sales reps (TSRs). "When I ran contests, I found my people were more energized, they sold more, and ultimately, they stuck around longer."

Of course, Worman adds, some sales contests are a lot more motivating than others. (A badly designed contest can even depress sales, he warns.) The best contests usually include the following ingredients:

- ✍ **Brevity:** "The longer a contest lasts, the harder it is to maintain the stimulation attached to it," Worman says. An occasional long contest--up to six months in duration--will add a sense of variety, but the ideal event is short and punchy. "The key to making a long-term contest successful," he adds, "is to implement a collection of shorter contests within the long one."
- ✍ **Management involvement:** "When you absolutely do not have time to be involved in a sales contest, don't run one. Managers must make the time to be truly involved--answering questions, handing out awards and prizes, adjusting rules when necessary, and most of all, recognizing your people in person."
- ✍ **Realistic goals:** "You don't run a contest hoping no one will win," Worman points out. "When TSRs mentally label performance goals as unreachable, that perception will spread like a contagious disease through your telephone environment."
- ✍ **Multiple winners:** One of his own contests fizzled, Worman recalls, because the prize was supposed to go to the first person who reached the sales goal. "Everything started out fine until word spread that one individual was near her goal--just one and a half hours into the shift. This news quickly sucked the energy and excitement out of everyone else." A better approach, Worman now suggests, is to reward everyone who meets the contest goals, and also to offer prizes for teams that perform exceptionally well.
- ✍ **Visible recognition:** A good contest "feeds the appetite we all have to achieve and be recognized in front of our peers," says Worman. Besides tangible prizes, a contest should give high performers a chance to show off during a brief office ceremony. (For example: contest winners get a free throw at a basketball hoop.)
- ✍ **Employee input:** "Think for a moment how you would feel--your contest idea was chosen by management," says Worman. "Everyone else knows it's your idea and you get to announce the objective and rules to everyone else." In fact, he adds, "Not only do I accept ideas from my staff, I have run contests to receive contest ideas."

Props, gags, and gimmicks: "In 1986 I decided to run a contest at Halloween but hadn't put much thought into preparation. There were few--if any--Halloween decorations throughout the office. The contest produced fair results at best. And the thing I noticed most was the lack of enthusiasm and excitement in the air. The following year I ran a similar contest on Halloween, but prepared for it with appropriate decorations, employee costume-related prizes and other Halloween paraphernalia. There was so much more excitement in the air--and by the way, production numbers were up 25% over the previous Halloween."

Trucs et Astuces dans la télé-vente

(qu'est-ce qui marche)

Despite all the rejection and ridicule, telephone selling still makes the cash register ring for thousands of companies. In fact, telesales (direct selling on the phone) and telemarketing (telephone lead generation) **seem to work especially well for intangible products like software, even at price points in the tens of thousands of dollars.** We may resent the bozos who try to talk us into trying a new long distance service, but most of us will listen politely when a caller offers an intelligent solution to a pain issue.

Of course, the best telephone sales people are almost magicians: They inspire instant trust, they intrigue us, they persuade us to share intimate information. **What makes this magic work?** We recently asked readers and friends with telesales experience to share a few insights, and we got back an unprecedented number of contributions.

■ MAKING A CONNECTION

“We first tell prospects how they can solve their current problem without spending any money. They appreciate that. Then we tell them how our product is a better solution, though it costs more money. “

—Dorai Thodla, *Imorph*

“Never, ever read from a script. If the telemarketer can't remember what they're selling and can't carry on an interactive conversation—get rid of them. I got a call one day and actually heard the telemarketer turning the pages as she read to me in a monotone.”

—Tammay Morrissey, *Software Solutions*

“A price point between \$5,000 and \$35,000 can be telesellable. Under \$5,000, teleselling is too expensive. Over \$35,000, customers want to be seen in person.”

—Don McLagen, *Outselling*

"Always find out what the competition has that you don't. It may be easy to change your own product, and then you can call the customer back to announce a new feature you know they think is important.”

—Dick Grande, *Banc of America*

“Make a specific offer—it's too confusing to offer lots of choices. But let your tone tell the buyer if there's room for negotiation, so they'll ask you if there are options, discounts, or other variables to better suit their needs.”

—Amy Wohl, *Wohl Associates*

“‘No' is not a dirty word. Forty-five percent of Americans have initiated a purchase from a cold caller at some point. It's a numbers game. The more people you call, the more likely you'll hear something more encouraging than ‘No.’”

—Lee Duffey, *Duffey Communications*

“Create a blind URL that contains short presentations. When your telemarketers call a prospect who shows interest, you can direct the prospect to the URL and then go through the pitch.”

—John McHugh, Precise

“The 120-day rule states that you should rest a list for 120 days between outbound telemarketing campaigns. You need to give the ‘refusals’ time to forget the fact that they weren’t interested in your product or service the last time it was offered.”

—Rich Simms, DialAmerica

“Have telemarketers spend time on the phone listening to sales calls. The reps will hear what happens after they’ve passed on a ‘qualified’ lead to sales. They’ll get a much better understanding of what sales is looking for in terms of a quality lead.”

—Renee Thomas, Esker Software

Do a voicemail check: Telephone sales people hate to get dumped into voicemail, but telesales trainer Colleen Francis of Engage Selling says it can be useful to call a prospect’s office late at night or on the weekend just to hear their recorded voice. “That’s how you’ll find out if someone named ‘Pat’ is a man or a woman, or if the prospect has a heavy accent. It’s easy to get thrown off guard when an unexpected voice answers, and that little moment of confusion makes you sound unprepared.”

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Treat “gatekeepers” with respect: “Most people either fear or ignore receptionists and administrative assistants,” says Tom Jordan of Adonix. And picking a fight with a “gatekeeper” can even backfire, he points out. “When our receptionist tells us that a salesperson has been rude to her, you can bet we do not follow up with a return call.” Being friendly and courteous may not be enough to get a hearing with the boss, Jordan concedes, but a helpful assistant can usually be persuaded to suggest the name of an alternate contact in the organization “You’ve at least gotten past the gatekeeper.”

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Know who you’re calling: “Before dialing blindly for dollars, do your research,” advises Centrax Corp.’s Edward Pretince. “Ask everyone if they know someone or something about the prospect company and arrange ‘coincidental’ meetings at events. By the time you get to the appropriate voicemail box (or human), you should be prepared to share preliminary thoughts on how they’ll benefit from what you offer.”

Edward Pretince III, president, Centrax Corp., 300 E. Randolph, Chicago, Ill. 60601; 312/946-9360. E-mail: edward@centrax.com

Lay some groundwork: One way to warm up a cold call, says Lee Duffey of Duffey Communications, is to “send a letter, postcard, or something memorable (e.g., an article on a competitor, a flash e-mail, a promotional item that won’t get tossed in the trash) one week in advance of the call. That way, you’ll have something specific to mention when you call to get the conversation rolling.”

Lee Duffey, president, Duffey Communications, 3379 Peachtree Rd., N.E., Atlanta, Ga. 30326; 404/266-2600. E-mail: lee@duffey.com

Make the call sound prearranged: “When I’m cold calling into an account, I call the prospect’s office on my speakerphone,” says Autodesk’s Christii Watkins. “Typically, the receptionist will put me through to the person I asked for. I guess people think that if someone is calling on a speakerphone, they must ‘know’ the person they’re calling.”

Christii Watkins, AEC sales representative, Autodesk, 15808 White Rock Rd., Gaithersburg, Md. 20878; 301/670-0721. E-mail: christii.watkins@autodesk.com

Look for neglected names: “I like to start at the end of the alphabet with the letter Z and work my way backwards,” says Chuck Wilson of the Agency for Instructional Technology. “Most people start with the letter A and seldom make it through the entire alphabet.”

Chuck Wilson, director/distribution & marketing, Agency for Instructional Technology, 1800 N. Stonelake Dr., Bloomington, Ind. 47402; 812/335-7667. E-mail: cwilson@ait.net.

■ LEAD MANAGEMENT

Segment the list: “A highly targeted list is the single most important leverage point for success,” argues Rich Simms of DialAmerica Marketing. “If a few of your list segments aren’t working, you can pull them out, continue with the rest, and dramatically improve your results. If all your leads are mixed together in one big group, your only option may be to pull the plug on the entire campaign.”

Rich Simms, development manager, DialAmerica Marketing, 960 Macarthur Blvd., Mahwah, N.J. 07495; 201/327-0200. E-mail: rsimms@dialamerica.com

Build a future-lead file: Before Susan Cavataio joined Cbord Group, the company sent all leads directly to its sales reps—who only followed up on the 10% or so who were “ready to buy immediately.” Cavataio now screens all leads that come in (more than 900 a year) by asking friendly, open-ended questions “so they feel comfortable sharing information with me.” Hot leads go directly to the sales force for immediately response, she says, but she also maintains a database of prospects with future potential—and these leads get “regular followup by phone and mailings” until they are ready for the sales force to call.

Susan Cavataio, sales associate, The Cbord Group, 61 Brown Rd., Ithaca, N.Y. 14850; 607/257-2410. E-mail: skc@cbord.com

Rigorously define “qualification”: Kathy Anton of Comprose says she was surprised to find that even “seasoned sales people” sometimes couldn’t explain what distinguished a qualified lead from one that definitely wasn’t qualified. “We spent a lot of time putting together a list of the five main attributes a qualified prospect must have,” she says, and we fed this into everything—Web survey, scripts, even our sales database. Then we devised a coding scheme based on degree of qualification. That has helped us plan our time and not jump through hoops for prospects who are not qualified.”

Kathy Anton, Comprose, 2249 S. Brentwood Blvd., St. Louis, Mo. 63144; 800/719-8964. E-mail: kanton@comprose.com

Close the loop: A lead management system should always capture feedback from the sales reps about why a lead didn’t close, says Barry Hanson of CAS Systems. “The feedback must be specific,” he says. “A comment like ‘not a good lead—waste of time’ is useless. With specific feedback, program managers can correct all the marketing tactics that don’t produce leads that close.”

Barry Hanson, chief executive officer, CAS Systems, 505 14th St., Oakland, Calif. 94612; 510/285-3811. E-mail: bhanson@cassys.com

Build a shared database of leads: “I believe it’s key to have an integrated system to manage, track, and report all your sales and marketing contacts,” notes Cathy McCause of Synergen. “When

you have a distributed organization, it's amazing how many people have previous experiences with certain companies, former coworkers, industries, etc. And without a good sales tracking tool, it's impossible to share this information easily, rapidly, and consistently."

Cathy McCause, director, marketing communications, Synergen, 2121 N. California Blvd., Walnut Creek, Calif. 94596. 925/935-7670. E-mail: cathy.mccause@synergen.com

■ INTERACTING WITH THE CUSTOMER

Make a great first impression: "In telesales, if you can't establish a bond in the first 30 seconds, the odds of making a sale approach zero," says John Santilena of Sierra Management Solutions. "The first thing I do is thank the prospect for taking the time to talk with me. Then I take the edge off the call by saying something like, 'Sounds like I caught you at a bad time.' If the answer is yes, I'll ask to schedule a call-back appointment; if no, I ask permission to talk for a couple of minutes. I am as interactive as possible by asking questions and keeping the prospect talking about problems that are similar to the ones I can solve. Since I only asked for a couple of minutes, I keep an eye on my watch and when my time runs out, I stop the conversation and ask permission to continue. The whole idea is that I want them to be comfortable talking to me. I want to sound different: My goal is not to sell them on the phone but to make the first five minutes of our conversation meaningful for both of us."

John Santilena, partner, Sierra Management Solutions, 2377 Gold Meadow Way, Gold River, Calif. 95670; 800/657-3320. E-mail: john@sierramqtsolutions.net

Ask for an application description: "In my company, inbound leads are the lifeblood of our sales," notes Ilog's Jonathan Garven. But because Ilog sells a "highly technical solution," sometimes it's hard to tell if an inbound lead represents a really qualified prospect or not. One way to find out, says Garven, is to "ask the prospect to e-mail a description of their application that we can forward to our engineers. That way, we know what the prospect wants to accomplish and whether there will be a good technology fit."

Jonathan Garven, senior inside sales, Ilog, 144 Turnpike Rd., Southborough, Mass. 01772; 508/485-8803. E-mail: jgarven@ilog.com

Send a post-call e-mail: Mike Wallen of DMG says that after talking to a prospect, it helps to send a follow-up e-mail "explaining and reiterating what the next steps will be." The e-mail message should say that a sales rep will call, and should summarize any areas where the prospect agrees that there's a potential benefit. "We've seen the receptiveness to a sales call increase 50% from this approach," Wallen says.

Mike Wallen, DMG, 2113 Wells Branch Pkwy., Austin, Tex. 78728; 512/990-2000. E-mail: mwallen@leaddogs.com

Leave a compelling message: Since so many phones these days are answered by voicemail systems, telesales expert Darlene Malmin points out that it's important to develop a "concise, effective, and confident-sounding" script for leaving a message. "At the beginning and end of your message, give your phone number. State the purpose of your call, taking care to note the benefit to responding. Limit your message to 15 seconds if possible, and don't exceed 30 seconds."

Darlene Malmin, 408/244-2191. E-mail: integrity50@mindspring.com

Make a "last call": If a prospect doesn't return calls, says Ryall Fox of Rebis, leave a message that this is the "last time" you're going to call. "Re-state your name, company, and phone number and let them know they can contact you any time if they have questions or need product information. If this is done in a polite, professional manner, it actually gets leads to call the telemarketer back."

Ryall Fox, marketing manager, Rebis, 1600 Riviera Ave., Walnut Creek, Calif. 94596; 925-933-2525. E-mail: ryall.fox@rebis.com

Trucs et Astuces dans la télé-vente

(construire des équipes plus performantes)

In our last issue, we explored some of the tactics that our readers have developed for selling software (or generating sales leads) over the phone. In this second round of tips, we take a closer look at **ways to build more effective telesales teams and to encourage higher levels of performance.**

“Define what a lead is, then score it. Scoring forces the telemarketer to think about how the lead fits the definition and eliminates guessing.”

—Linda Green, Softrax

“Business-to-business scripts tend to be long and involved. Unfortunately, the longer the dialog, the faster the telemarketer feels compelled to speak, and then customers can’t follow the details of the offer. Try shortening the script and teach your telemarketers to slow down their pace of delivery. This almost always works.”

—Rich Simms, DialAmerica Marketing

“Always stress the point that potential customers won’t talk to callers they don’t like. Telemarketers are selling themselves as much as they’re selling the product.”

—Greg Meckbach, Communications & Networking

“The key to making a telesales team more productive is to get their input about improving the sales process. If they have ownership in the improvements, people will accept the challenge and will be willing to implement changes.”

—Chuck Weir, H&W Computer Systems

“Hire talented people. If you select minimally-skilled people, you get minimal skills. Look for a positive, upbeat attitude because attitude really does matter.”

—Larry Keefe, Technology2Market

TEAM-BUILDING & TRAINING

Synchronize inside and outside sales teams: “We train and equip our inside sales/telesales associates with the same skill sets—product knowledge, value propositions, and information about the competition—as an outside sales executive,” says Phil Amitin of Witness Systems. “Inside sales people attend most of the training sessions we conduct for the direct sales team, and participate in weekly regional calls. Inside sales team members also accompany an outside sales executive from time to time on customer site visits.”

Phil Amitin, inside sales manager, Witness Systems, 300 Colonial Pkwy., Roswell, Ga. 30076; 770/754-8696. E-mail: pamitin@witness.com.

Build a customer contact database: Bradmark Technologies has been using a telesales model for more than 20 years, and founder Brad Tashenberg says a key success factor has been an “in-house

CRM system that keeps a full history on each account and each contact within the account.” With this system, he says, “our sales people can follow the history of the account, review all sales calls made into the account, see all tech support calls, and follow the progress of current opportunities.”

C. Bradley Tashenberg, chairman, Bradmark Technologies, 4265 San Felipe, Houston, Tex. 77027; 713/621-2808. E-mail: brad@bradmark.com.

Make the job feel exciting: “Put a group of experienced sales people in a room together,” suggests Donna Hatounian of Breault Research. “The competitive factor kicks in and the enthusiasm becomes contagious!” The team leader’s own enthusiasm is especially important, she adds. “Let the team know that you know it’s going to be a *great day*—that you know they can do it.”

Donna Hatounian, software sales, Breault Research Organization, 6400 E. Grant Rd., Tucson, Ariz. 85715; 520/721-0500. E-mail: softwaresales@breault.com.

Create a comfortable workplace: Consultant Sam Albert points out that a cramped, unpleasant workplace can have a significant negative impact on employee productivity. “I know someone who took over office space from a telemarketing firm,” he recalls. “The cubes were like cages at a slaughterhouse, and the areas under the desks had been kicked to pieces because it was the only physical activity the telemarketers could do during a shift. No wonder they went out of business.”

Sam Albert, principal, Sam Albert Associates, 27 Kingwood Rd., Scarsdale, N.Y. 10583; 914/723-8296. E-mail: samalbert@samalbert.com.

Teach listening skills: Good telemarketing involves more than just reading a script over the phone, points out Nerio Vakil of Total Business Solutions. “Team members should be trained to listen effectively,” he says. “They should figure out why and under what conditions the prospect will buy, and only after finding the prospect’s reason to buy should they actually start the selling process.”

Nerio Vakil, president, Total Business Solutions, Jaiji Mansion, Mereweather Rd., Mumbai 400039, India; 9122-2046583. E-mail: neriovak@hotmail.com.

Break up the monotony: Telemarketers are likely to feel burned out after many hours on the phone, Micky Long of Mapics points out. “To avoid this, we have our telemarketers work on additional projects for extra cash, time off, or public recognition. Successful projects include conducting market research, handling surveys, or volunteering for pro bono projects. When the telemarketers get back to making their regular phone calls, they’re more productive, thanks to the break.”

Micky Long, director of corporate marketing, Mapics, 1000 Windward Concourse Pkwy., Alpharetta, Ga. 30005; 678/319-8000. E-mail: micky.long@mapics.com

Manage time in chunks: “I’ve coached my sales staff to chunk down their day into bite-sized pieces,” says Bruce Allen of Teamstudio. “For example, they may commit 8:30--11:00am to concentrate solely on outbound calls. Then from 11:00-12:00, they may work on research issues. With the day divided into specific time periods with specific priorities, they get greater focus during each of these periods.”

Bruce Allen, vice president/Americas, Teamstudio, 900 Cummings Center, Beverly, Mass. 01915; 978/232-0145. E-mail: bruce_allen@teamstudio.com.

■ COMPENSATION & INCENTIVES

Set specific targets: “Goals and compensation guide behavior, so being very specific can help your telemarketers know what kinds of behavior they must demonstrate,” says Linda Green of Softrax. “If you want your team to call on larger accounts, set a goal that is specific to that behavior—for instance, by giving away dinner and a movie for the greatest number of sales meetings scheduled each week in accounts with greater than 500 employees.”

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Emphasize results, not metrics: Lisa Ross of Dart Communications argues that it's important to define simple, clear goals for telesales reps that are distinct from the various secondary metrics that managers usually track. "Sometimes—and I can't say this strongly enough—the secondary metrics get mixed up with the goal. Ultimately, you should be using secondary measurements (e.g., number of calls made or time spent on the phone) only to help when people aren't achieving your goals."

Lisa Ross, general manager, Dart Communications, 111 Dart Circle, Rome, N.Y. 13441; 315/339-8040. E-mail: ross@dart.com.

Pay for leads that result in sales: If telemarketers are responsible for generating leads, not sales, incentive plans can be tricky. One approach, Robin Curle of CEO Partnerships says, is to "keep salaries at mid-level and highly leverage the comp based on qualified leads generated—but most importantly, pay a big hit off those that end in a sale."

Robin Curle, managing director, CEO Partnerships, 7009 Quill Leaf Cove, Austin, Tex. 78750; 512/343-1407. E-mail: rcurle@ceopartnerships.com.

Reward "the extra mile": Gordon French of InstallShield reports that last year he tested an incentive plan to encourage his telesales reps to spend a little more time on the phone. "A telesales person received an extra 20% commission for a given month if their monthly phone time exceeded an average of four hours a day *and* they achieved their monthly revenue quota," he says. "In addition, we penalized anyone who didn't average at least three hours a day by commissioning them on only 80% of their monthly sales. It's worth noting that no one in the past six months has averaged less than three hours of daily phone time."

Gordon French, director of sales and technical support, InstallShield, 900 National Pkwy., Schaumburg, Ill. 60173; 847/969-1391. E-mail: gordonf@installshield.com.

Reward group performance: Most incentive plans focus on personal performance, but telesales trainer Adrian Miller notes that group incentives—especially non-cash items like dinners, tickets, and gift certificates—are also useful. "I find team members help motivate each other, and the group is more supportive of one another's efforts."

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Build a family plan: "As a way to increase productivity, I've issued unsigned incentive checks to a spouse or significant other," says Chuck Wilson of the Agency for Instructional Technology. "The pressure applied to the sales agent to achieve their goals is amazing. The family pulls together to reach the sales objective, and the employee doesn't feel as alone or isolated in doing their assigned tasks."

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