

EMPOWERMENT OR ABDICATION?

If your SFA project is to succeed, your firm's key executives had better have the right attitude. By Glen Petersen

It's rather curious that although sales force automation has been in existence since the mid '80s, the perceived failure rate remains uncomfortably high. Equally perplexing is the fact that during this same decade and a half, the principles for achieving success have not changed.

Still, despite quantum leaps in technological sophistication and system robustness, success eludes many organizations. What's wrong with this picture?

When you look at the reasons for failure, a pattern emerges that suggests that most organizations do not have a clear sense of where they want to go in the first place. The heart of the matter is that if you don't know where you are going, any road will take you there. Unfortunately, the corollary to this is that when you arrive you probably won't like the scenery.

All too often, individuals or project teams are instructed to make sales automation happen and, worse yet, the only guidance they receive from management is to minimize spending. This is not empowerment—it's executive abdication! The result of this type of charter is a misguided project that paves cow paths and achieves marginal, if any, results.

If you think this sounds overly harsh, just attend a major SFA conference and ask people to both define their given charter and report on their success. It will become quickly and painfully clear that sales automation success (and failure) starts and ends with senior management.

FROM THE TOP DOWN

Success in sales automation is driven from the top down because such projects must begin with a complete and realistic assessment of where the company is today. They also should be focused on where the organization needs to go and what it will look like when it gets there. Only senior management can define this vision, and once it does, only senior management can assemble a team to investigate and implement the appropriate SFA or customer relationship management technology.

The bottom line of all SFA/CRM projects should also be achieving and/or maintaining a competitive advantage through the delivery of superior value to the customer. Within this framework, only your firm's top executives can provide the project team—and indeed, everyone in the sales

organization—with a sense of direction and specific expectations. (Hopefully, this perspective will also lead the organization to recognize that technology alone will not solve your firm's performance or customer satisfaction issues.)

In addition to the correct perspective and vision, true empowerment means that the project team has adequate scope and resources to achieve and sustain the desired results. It also implies that senior management remains engaged in the process. Given all these ingredients, it is unlikely that the project will leave the organization in a competitively disadvantaged position.

The reality of corporate life, however, suggests that most of us are caught somewhere between empowerment and abdication. What can we do when this occurs? In past articles, John Wheeler and I have referred to a set of best practices created by the Customer Relationship Management Association that provide guidance for any project team—but particularly ones that are caught in this dilemma. In fact, these standards can be used to achieve a successful outcome despite less than optimal empowerment conditions.

THE RIGHT REASONS

One of the key components to the CRMA standards is education. Why? Because one of the main reasons employees are not empowered is that neither senior management nor the project team is in touch with the true implications of an automation initiative. Sales automation represents organizational change, and successful organizational change requires a carefully thought-out process and a firm commitment to getting results.

Senior management, for example, often assumes that SFA can be approached like back-office automation, where business functions and rules are well established and relatively static in nature. In this environment, the scope of the project has specific boundaries, and design issues gravitate to cost effectiveness. If this mentality is applied to sales automation, the project team is essentially directed to provide the most functionality for the least amount of money. And typically, the field will react with the legitimate question, "Why did you bother?"

One way of countering this is to provide management with an overview of the technology's potential to leverage key operating objectives,

such as revenue growth, margins, profitability and return on assets.

In most organizations, senior management will recognize that a "gap" exists between today's performance and that which is necessary to achieve these and other objectives. The task for the project team is to carefully map out the potential to reduce the size of the performance gap. By successfully making this sort of link, you can reposition the scope and the commitment for the project.

There is a general awareness on the part of senior management that sales automation has a high failure rate, which may contribute to a mindset that pushes for minimizing investment. Although spending more money does not guarantee success either, the best way to protect your investment in an SFA/CRMA project is to follow a proven methodology and establish clear decision points regarding the viability of the approach and the effectiveness of the solution. CRMA's best practices provide this type of progression so that each level of greater investment reduces the risk of failure. Once this is understood, senior management will often be more inclined to follow best practices.

NOW OR LATER

The real issue here is one of leadership. Leadership is characterized by doing the right things for the right reasons. This is often painful. It takes both courage and commitment to honestly address all the appropriate problems up front.

Implementing sales automation, however, is a classic case of "pay me now...or pay me later." The upfront costs are often very visible (and subject to second-guessing) whereas the implications of short cutting are more subtle. To be successful, senior management must be willing to exercise leadership and empower your project team to do the same.

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Copies of CRMA's Audit Standards are available through the organization's Web site, www.crma-saa.org