

I D C E X E C U T I V E B R I E F

Selling Smarter in 2009 and Beyond with Remote Selling

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*Adapted from **Winning the Midmarket: Cost-Effective Strategies to Improve Sales Performance** by Lee Levitt, IDC #212165*

Introduction

Sales organizations face significant challenges selling cost-effectively to businesses today, particularly in the midmarket. In many cases, using traditional face-to-face enterprise selling is simply too expensive and, more importantly, decreasingly welcomed by customers. Tighter sales budgets are restricting travel, while sales complexity increases and sales cycles lengthen. Sales organizations must do more with less — that is, boost sales efficiency and effectiveness with the right approach and the right tools. This Executive Brief examines market drivers behind the shift to a hybrid outside/inside sales approach and discusses the tools and practices needed to make inside selling more successful.

What Midmarket Buyers Want

The plain facts of life for sales organizations targeting the midmarket (defined as companies of 100–999 employees) are that buyers are fragmented and the revenue potential is smaller. Many sales organizations simply approach the midmarket as they would any other segment, too often reapplying the same traditional techniques they are accustomed to using — namely driving, flying, sitting in lobbies, and setting up and emphasizing face-to-face meetings with the goal of building rapport with the buyer.

The habits of old, which rely on personal contact, simply do not work cost-effectively in the midmarket. The number of opportunities and prospects is simply too large. Sales managers must determine more effective and efficient methods to pursue opportunities and close business.

According to IDC demand-side research, midmarket decision makers want relevant, accurate information delivered at the right time — more than they want face-to-face meetings. Moreover, salespeople calling on midmarket buyers are expected to be technical, whereas enterprise account managers are expected to be relationship focused.

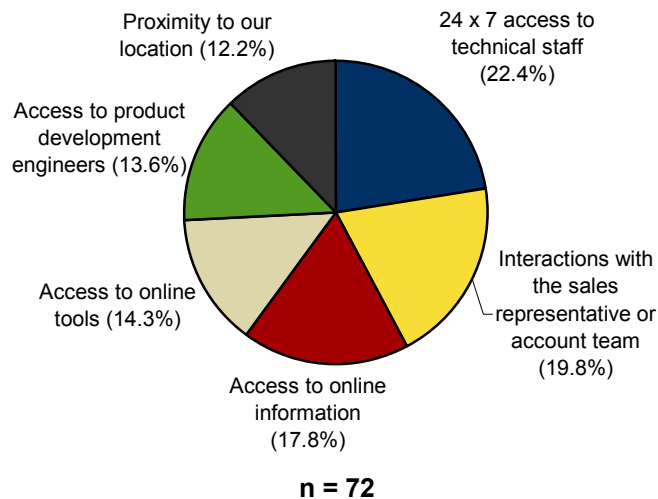
Buyers have also told IDC they are dissatisfied with the quality of response from salespeople and the duration of the sales process. Buyers today are actually willing to trade in-person meetings for good access to technical expertise.

Overall, buyers want to see salespeople far less than the typical sales manager would expect, with many buyers stating that a single visit by a sales rep is sufficient for a given engagement, even one in the \$1 million-plus range.

Midmarket buyers tell IDC that the buying process takes too long. To speed the process, buyers are very willing to do things remotely during consideration and purchase (see Figure 1).

Figure 1

Weight Given to Resource-Related Factors During the Decision-Making Process

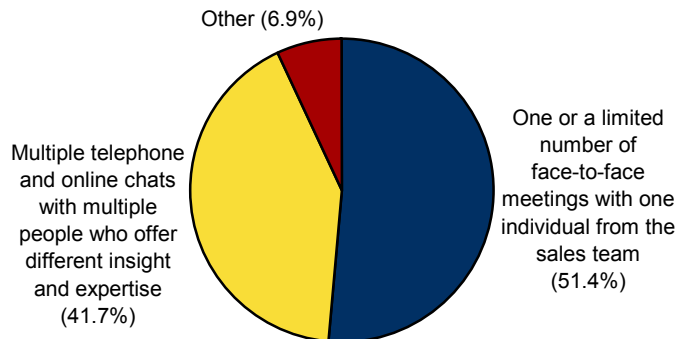


Source: IDC, 2008

Remote activities tend to revolve around access to technical resources, and for almost half of the respondents to an IDC survey, remote activities are seen as more helpful than face-to-face interaction (see Figure 2).

Figure 2

Most Helpful and Important Factor During the Investment Decision-Making Process



n = 72

Source: IDC, 2008

Make no mistake, however — for over half of respondents, an onsite meeting is required to win confidence and, ultimately, business. But when an onsite meeting is required, once is enough. And, once you gain an account's confidence, an onsite meeting is often no longer necessary.

Clearly, a hybrid approach of outside/inside sales and remote contact is gaining broader acceptance, tied to the robustness of the sales organization's remote capabilities.

Cracking the Midmarket: Part 1 — Inside Sales

Many sales organizations have turned to the use of inside sales teams that work to engage from afar. But that effort is almost always accompanied by a field sales force that too often reapplies the same traditional techniques it's accustomed to using, namely driving, flying, sitting in lobbies, and setting up and emphasizing face-to-face meetings.

IDC counsels that it's time to change course in selling to the midmarket. While sales team members may look busy and show a good meeting calendar, their midmarket sales efforts will fail. Occasionally "hitting the big one" with enterprise accounts can cover up shortcomings, but there is no such savior in the midmarket. Sales management must change if it is to succeed and must understand that the work to become more complete, informative, and accurate is well worth the effort.

The best sales executives today are reassessing the role of inside sales in their overall mix of sales resources. They are focused on getting the right balance of inside and outside sales to determine

how best to drive profitable growth. IDC expects the usage of inside sales to grow as sales organizations find increasing productivity and efficiency via inside sales.

The efficiencies offered by inside sales are compelling. From a simple coverage standpoint, an inside sales rep can complete four professional customer interactions to an outside rep's single interaction. (This assumes 30 minutes of prep time for each contact, 45 minutes of commuting time, 90 minutes onsite versus a 15-minute phone conversation, and 15 minutes of post-call reporting time.)

With less prep and reporting time, the inside salesperson may be able to complete six or eight customer contacts to the outside rep's one. And, as previously noted, midmarket customers prefer the shorter, more tactical interaction allowed by remote communications.

For companies that sell higher-end products and services, the days of inside sales just "pounding the phone" are over. In fact, they were over in the late 1980s, when mainframe software was first (and exclusively) sold by inside sales!

Most organizations realize now that the untargeted "dialing-for-dollars" approach no longer works and that successful efforts are targeted, coordinated, and thoughtful. Inside salespeople have answered the call for this adjustment because they can excel at listening, learning, and engaging the prospect in a dialog. Inside salespeople often act as a consultant in the sales process as they uncover real pain, identify new members of fragmented buying teams, and engage existing customers to build on relationships.

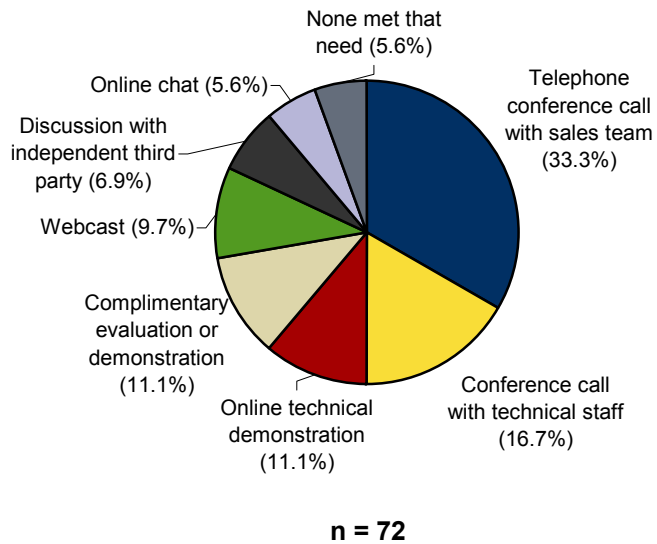
Cracking the Midmarket: Part 2 — Remote Selling Strategies and Tools

Communication with the buyer is the cornerstone to making any remote selling process work. But identifying where, when, and why the communication happens is more subtle. Communication in sales may consist of a conference call with a prospect, but it can also involve an online technical demonstration or Webcast training seminar.

Sales organizations are best off asking buyers what interaction they prefer and understanding that multiple methods can come close to giving the same confidence as a face-to-face meeting, with greater efficiencies and customer satisfaction (see Figure 3).

Figure 3

Preferred Remote Interaction Type Coming Closest to Face-to-Face Meeting



Source: IDC, 2008

Note that after conference calls, more than 37% of midmarket buyers prefer some type of online interaction from salespeople.

The underappreciated benefit of this online interaction is that, with the right collaboration tools such as Web conferencing, unstructured communication can become structured, delivering important benefits. For example, Web conferencing can help connect the "dots" — all the bits and pieces of collaboration, negotiation, and documentation that make up a company's customer prospecting, sales, and retention efforts. These elements are often disjointed, stored in separate places or not stored at all.

The result: Businesses routinely reinvent processes they've already mastered because they can't connect their employees with the processes proven to work best.

Web conferencing can help organize the negotiations, exceptions, and process management of many inside sales efforts today. Complex products and projects are not fashioned by cookie cutters, and for each sales "rule," there can be hundreds of exceptions — the resulting unique discussion and education being as essential to driving future sales processes as quotas.

In addition to sales process recycling — that is, the ability to reuse some parts of the collateral, process, and fulfillment strategies that are essential for companies trying to scale up their available market while reducing costs — other benefits to Web conferencing include the following:

- Web conferencing is widely used and therefore familiar (ease of use has improved significantly, so salespeople can be readily trained).
- Features and capabilities map well to the different needs of the buying cycle, such as education and evaluation (e.g., presentations and demos can be shared on-screen, including software applications; on a discovery call, prospects can show their computer screen and walk through how they currently do something; contracts can be negotiated in real time, with all parties seeing and contributing to the edits being made).
- Inside sales can improve the speed and reach of external interactions with customers and prospects.
- Salespeople can conduct conversations online using Web conferencing that's optimized specifically for a sales call; technical staff can be brought into a Web conference easily from a remote location and handle objections more effectively with the visual communication.
- Internally, sales managers can track and measure actual sales call activity to improve sales effectiveness (e.g., Web conferences can easily record demos and meetings to archive, which can then be reviewed for previous decisions made by multiple stakeholders).

Conclusion

Customers want information rather than smiling faces and glad-handing (or time wasting). A rep in the customer's office is often unprepared for the conversation that the customer wants to have. An inside sales rep, however, will typically have much more information available at his or her fingertips (e.g., presentations, subject-matter experts who know more).

Likewise, a good Web conversation in which a rep shares his or her desktop and demos something relevant to the customer's interest will go a lot further than a canned PowerPoint demo or simple conversation in the customer's office. The Web conference can be shorter, and follow-ups are easy — that is, another ad hoc 10-minute call and the answer is delivered.

Even with Web conferencing, however, an inside sales organization cannot do everything — but it doesn't have to. Take stock of what exists within your organization and what processes are well-defined, and make it known to customers that certain tools, such as Web conferencing, are the best methods of communication during the buying process. A hybrid outside/inside sales engagement strategy, with the right tools and processes, will provide a qualitatively (and quantitatively!) better experience for the buyer, leading to shorter sales cycles, increased close rates, and higher productivity.

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