



## Sales Outsourcing 101...Steps to Successful Sales Outsourcing

Sales Outsourcing ain't no passing phase. As more and more organizations begin to embrace the sales outsourcing process, they're learning how to better reap its benefits by following several key traditional outsourcing rules.

The outsourcing phenomenon has exploded. Ten years ago, IT outsourcing was the primary interest of most companies. Most other tasks, except for perhaps payroll processing, remained within the organization. Few organizations trusted key processes to outsiders. Today, however, the buzzword in the outsourcing industry is BPO or Business Process Outsourcing, with an emphasis on the growing interest and acceptance in Sales Outsourcing.

Not long ago, there was a misconception that a sales force could only be developed and managed within the organization but that misconception has thus been put to rest. Sales Outsourcing already comprises approximately 15 percent of the total outsourcing revenue with a 30 percent annual growth rate. Organizations have discovered that just like traditional outsourcing, Sales Outsourcing is a surefire way to achieve goals better, faster and at times, even cheaper.

**Why outsource your sales?** In addition to the traditional motivators of outsourcing - reduce and control operating costs; improve company focus; gain access to world-class capabilities; and focus more on core competencies - specific benefits of Sales Outsourcing include more effective prospecting, reduced turnover, better relationships with prospects and clients and lower cost per sale. In other words, Sales Outsourcing is not just a passing phase; it is yet another outsourcing process that is enabling organizations do what they do best and let the experts do the rest. This relationship can be mutually beneficial as long as both parties begin and end on the same page, a simple task to perform if key proactive steps are taken.

**Identify your objectives.** Although outsourcing has become so justifiably popular, organizations that are even considering a Sales Outsourcing relationship must still weigh the pros and cons of entering into one, as they would with any major business decision. Very simply, ask yourself what you want and expect from the relationship. For example, do you hope to save money, sell more or increase your speed to market?

Knowing the answers to these simple questions will ease the vendor selection process and once commenced, make the relationship run that much more smoothly.

**Do your homework.** When you outsource your sales, some other sales expert – not yours – will be face to face with your customer, representing your product or service. Some buyers of Sales Outsourcing may consider this to be one of the major drawbacks to outsourcing their sales. However, if the buyer does a thorough search, checking references and the vendor’s overall ability and experience to handle the project most efficiently, what may initially be viewed as a “drawback” can transform into the relationship’s greatest benefit.

Research by The Outsourcing Institute shows that choosing the right vendor is one of the most important factors for successful outsourcing. According to industry consultant Alan Deichler, some red flags to look out for include the following:

- The vendor has never performed your objective.
- The vendor does not have a large enough staff to handle the project.
- The vendor is unable to provide enough sales “expertise.”

If the vendor does not have enough expertise but is willing to hire those who are experts in your industry, then that may be fine, says Deichler. But be wary of the “Jack of all Trades” who is limited in resources, as well as experience, he warns. Then you are probably dealing with a small company, and “that may be a risk.”

Make sure the provider understands what kind of people they need to hire and put in writing that if you are not satisfied with their recruits, they will be replaced at no penalty to your organization.

**Establish measurable goals.** After you identify your expectations, it is best to put a number to it, says Deichler. How many weeks should it take to sell x amount of your product? Setting goals and a means to measure them will help you to see where you are throughout the contract.

**Implement a reporting system.** Once the contract is up and running, there should be regular reporting taking place every week. Paper, telephone, electronically – whatever – but it must be done. Furthermore, keeping good, clear records will allow you to see how the relationship has progressed from start to finish, not to mention, serve as proof of error should there be issues with the provider’s performance.

**Educate the outsourcing staff.** The outsourcing staff needs to understand your product or service so they can best promote it and convey to your customers how it will meet their needs. According to Deichler, “It is worth investing some extra time and dollars in a kickoff training session,” which will bring all the players together before fresh faces arrive on your customer’s door. “Kick it off the same way you would a beginning-of-the-year sales event; this way the new players can be trained on your product or service and the old ones can become better acquainted and comfortable with the new arrangement,” Deichler suggests. This will result in an overall camaraderie between both parties and ultimately a much higher level of success through the contract’s duration.

Consider a shared risk. A recent IDC study, sponsored by Accenture, determined that executives are demanding more of outsourcing service providers, focusing on contractual commitments to achieve

business outcomes. There is an increasing desire for the outsourcing provider to become a business partner by sharing the risks and rewards associated with an arrangement. According to the study, 64 percent of executives noted that they consider an outsourcing provider's willingness to share risk when making the decision to select a partner.

**Maintain an open line of communication.** This is not the same as “reporting.” In a Sales Outsourcing arrangement, it is not that simple to just drop in and see how the outsourced staff are performing. Designate an individual or individuals who you can rely upon for feedback beyond special reports, someone who is either accessible via telephone or email, for example. In return, you or another qualified party in your organization should be just as accessible to the outsourced staff. As in all outsourcing agreements, an open line of communication should allow both parties to feel comfortable addressing any comments or concerns at any time throughout the relationship.

Make the Commitment. “Outsourcing is similar to a marriage,” says Frank Casale, president and founder of The Outsourcing Institute. You will forever hear this analogy used by experts when they describe outsourcing relationships. Hard work and careful attention to detail are critical in making the relationship a success. Sales Outsourcing, especially, takes true teamwork, communication and trust.