



Michael A. Brown's

Business To Business By Phone[®]

Happy New year 2002 Edition

HAPPY NEW YEAR!

May all the joy and kindness and peace of the holiday season carry forward with you as we start anew in 2002. May you delight your customers, help them be successful, and thereby prosper.

MANAGERS' COMMUNICATION SKILLS

We executives and managers need to be every bit as good on the phone as our callers who earn their livings doing it. So how good *are* we? Are we practicing what we demand of our reps? How do we sound? And who evaluates *us*?

Best Advice: Record your own calls! Conduct the same kind of audio critiques as with your reps. Listen to your own voice, your own delivery, and your own ability to influence. Then, *play the tapes for your reps and your peers.* Solicit their opinions.

Ask a fellow manager to audit and critique your meetings, too! Are they hearing "I" or "we?" Are they hearing isolation or collaboration? Negative or positive behavior? Wow! This is hard! And oh, so valuable.

TRAINING: NOT AN EVENT, A PROCESS

Most professions require ongoing training. Airline pilots, surgeons, attorneys, accountants, and computer technicians all have to retrain and re-qualify often to keep their standing and advance their careers. So how come some marketing and sales organizations believe that training is something to do only once?

Best Advice: Plan and budget for ongoing training that parallels your business growth curve and the intended career development path of your reps. Conduct quarterly progress reviews and semi-annual refresher, reinforcement, and/or advanced programs.

Does ongoing training pay off? Absolutely! These numbers are from a San Francisco client:

Tenure	< 3 Mo	3-6 Mo	> 6 Mo
# of Trained Reps			
At\Above Median GPM	1	6	68
Below Median	4	5	25
# Not Trained			
At\Above Median	2	4	16
Below Median	4	5	12

JUST WAIT 'TIL THEY GET VIDEO PHONES!

Seems that a Dutch phone service bureau was having a really tough time finding new callers. So they ran an ad recruiting nudists! A Reuters story picked up by *DM News* reports that the ad headline read, "Always wanted to work in the nude?" So far, at least 75 responses!

I FEEL A CONTEST COMING ON!

OK phone phans! Let's write some *alternate headlines* for the nudist caller ad! I'll start: "The naked truth about telemarketing." "Natural talent needed in Holland." "New phone opportunities in business casual atmosphere." Send yours and I'll run the best next time.

"THE SKIES ARE NOT CLOUDY ALL DAY"

Well, sometimes they are. But at too many companies, people who dare observe that the sun might *not* be shining get fired.

I witnessed this unfortunate phenomenon for the first time in 1986. My employer, Fortune 127 at the time, had launched a technology subsidiary that "looked good on paper" but quickly galloped through its initial \$40 million. The marketing and sales professionals and their managers could see the



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clouds gathering and talked about the clouds among themselves. But in the presence of senior executives, seldom was heard a discouraging word. That's because when two branch general managers *did* hint at the possibility of impending problems, they were let go. The clouds turned out to be quite real and dark, of course. The company soon was "raided," sold off piece by piece, and doesn't exist any more.

Now here we are in 2002. How quickly some companies' fortunes have reversed, especially in the technology sector! No doubt a few brave souls in these firms saw the cloud buildup and spoke out. But maybe no one else listened. As Thomas Weber wrote in the *Wall Street Journal*, "Arrogance, greed, and optimism plus fear of being left out blinded people to the risks." Others in troubled companies, not wishing to be sacked for discouraging words, kept quiet even while updating their resumé's.

As I talk with executives, marketers, and sales people at conferences and elsewhere, I am struck by how many of them are telling "skies are not cloudy" stories about their companies. The prevailing theme: all is sunshine and blue sky until the layoffs are announced. There is a better, more constructive way for people to communicate and behave even in times of adversity: tell the truth.

Best Advice: Trust your experience and your internal compass. If you are being asked to ignore or suppress the truth, or to overtly lie, your career decision is easy. Move on. If you are asking others to ignore or suppress the truth, or to overtly lie, well ...

CRM AND DATABASE MARKETING

Colleague and friend David Foley of Toronto is a database marketing expert. I sent him this message: "*DM News* reports that fewer than 400 people attended a National Center for Database Marketing event v. about 900 last year. On the other hand, *CRM* magazine says that traditional database marketing is getting more attention and respect within the CRM world. What's your take on this?"

Here is David's reply: "CRM is the invention of software companies and, daily it seems, another software firm is climbing aboard the CRM wagon. Some of these so-called 'solutions' cost \$1 million or more. It is frightening that only about 30%-40% of high-end CRM applications are successful, i.e., they met, or came close to meeting, the project's initial objectives. I do not know what the success rate is among sub-\$1 million installations.

We *do* know that CRM is about business strategy enabled by technology, not about technology itself. Naturally, the software people do not sell that way -- their way is painless marketing where the software does all your marketing thinking for you.

True story: I was at a Siebel event in Toronto and I asked a senior sales type how the software determined which records in the database would be selected as prospects for a particular promotion. 'It's all in the algorithm,' he told me. I pressed on: 'But, what is the algorithm based on? Does it use RFM?' 'What's RFM?' he replied!

So here is my conclusion: among those companies and individuals who 'get' CRM, database marketing is a valuable tool, along with customer analytics. For everyone else, there is software that may or may not work."

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