



Michael A. Brown's

## *Business To Business By Phone*<sup>®</sup>

Fourth Quarter 1999 Edition

### CUSTOMER RELATIONSHIP HYPE-DOUSING

In a recent issue of *Sales & Field Force Automation* magazine, Susana Schwartz wrote, "mass marketing campaigns are being replaced by multi-channel, targeted campaigns that will ultimately lead to 1-1 customer relationship management." If only it were so.

There's way too much 1-1 "talk," way too little "walk." Indeed, mass marketing thrives in the CRM industry itself. For example, Siebel's software was mass-marketed between pages 18 and 19 to all subscribers of the very magazine in which Schwartz's article appeared. I now have 3 such CDs to go along with the dozen AOL CDs mass-marketed to me.

Worse, CRM trade shows feature carnival-barking and CD-hawking that would have been right at home in the ancient agora or desert bazaar. It's *bizarre* that CRM vendors, whose software enables the individualized direct marketing that we all allegedly endorse, would behave exactly the opposite.

No doubt Ms Schwartz believes in the CRM concept, as do I. The problems with CRM lie in the gap between the concept and its genuine execution. In my experience, companies' CRM success derives not from the software, but from their *will* to do what CRM truly implies.

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### QUOTABLE

"There are only two industries that refer to their customers as 'users' - drugs and computers." Edward R. Tufte in *Sales & Field Force Automation*.

"What framework you put in place now tends to grow roots and become your strategy. A lot of basic business principles still need to be applied to the Web." Emmett Higdon in *CIO Web Business*.

"A substitute for profits ... more money coming in than going out ... has not yet been invented." Jack Falvey in the *New Hampshire News*, on the "value" of many Internet companies.

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### THE "TELE" THING, REVISITED

Shelley Rogers of Calgary was frustrated. She had spent half a day at a meeting that featured yet another debate about the difference between "telemarketing" and "inside sales." Some of her colleagues argued that the former is intended only to "heighten awareness" and "communicate messages," while the latter means actually selling things. Others rebutted that there should be no difference.

To Shelley's company and the other firms caught in this persistent struggle, I say, "*STOP!*" More than semantics distinguish the two phrases; it is the *business premise* behind the phone strategy. Consider 3 key factors:

Neither "heightening awareness" nor "communicating messages" is measurable in terms of the most important criterion: what the prospect or customer *does* as a result of the call. Absent an observable, definitive action by the recipient, there is no evidence of anything other than the call itself and, therefore, the communication has failed.

That's why no one in direct marketing should be allowed to budget even a dime to conduct ill-defined "awareness" or "message" campaigns, (also called "general advertising") without accountability for specific results.

Second, "awareness" campaigns and "communicating messages" represent traditional mass marketing. But the phone is not a mass marketing medium! It involves one person speaking directly with another. Woe to the business marketer who violates the *individual imperative* and instead conducts "billboard in your ear" calls.



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Third, why call it “inside sales?” That your reps are inside, on the phone, is self-evident to prospects and customers. So the “inside” moniker exists mostly to placate others within the company, especially field sales reps and HR.

*Best Advice:* First, be sure you get the business premise correct. Delete “tele” and “inside” prefixes and instead call it Marketing, Sales, or Customer Care. Write an explicit phone *charter* defining, with observable, measurable **verbs**, what the reps do and don't do. For example: “*perform* all activities within 15% of Group medians (standards) for aspects including, but not limited to, call length, administrative overhead, and conversational quality.” And if you get corralled into a “what should we call it?” meeting, read them this article and encourage them to phone me. **800 373-3966**

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### GOOD FLYING, DRIVING, EATING, SLEEPING

Despite all the much-publicized travel problems this year, it still is wonderful to get out and around. I recommend:

*Airlines:* United, KLM, Alaska

*Rental cars:* Hertz #1 Club Gold

*Restaurants:*

Louie's 106, Austin (Mediterranean)

Penelope, Toronto (Greek)

Aqua, San Francisco (Elegant seafood)

Mimi's, New York City (Neighborhood Italian)

Original Bookbinder's, Philadelphia (History)

Café Baba Reeba, Chicago (Spanish)

Hy's, Calgary (Steaks)

*Hotels:* Westin (except downtown Boston), Canadian Pacific, most Hyatts, newer Marriotts

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### THOUGHTS WHILE FLYING

How come so many CEOs are trying to emulate dot-com companies rather than using the dot-coms to advance their own? E-business is a slogan, not a strategy or a panacea. Valuation is nice. Enduring profitability is even nicer.

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### THE SALES FORCE

Guess what? The old “hard sell” lives! Yes, even with all the relationship marketing talk, when the going gets tough, some sales reps still apply big pressure to get “ink on the pink.”

Some of them *force* because of how their companies count and report. Monthly quotas all but guarantee “hockey stick” selling: slow until week 4, then a sudden spike of closings, often heavily discounted. Quarterly quotas work better.

Others *force* because they have territories in which many accounts are contacted infrequently, if at all. So when the rep does make a sales call, it's a matter of get in, muscle the order, and get out. To stop such behavior, end the reps' “territorial annuities” (commissions on all sales in the geography), and pay only for sales into accounts actually worked.

*Best Tactical Advice:* Sales reps, sell higher and deeper rather than wider, and get good at “marketeting.” Marketers, go out and sell something. It's the very best “reality check” of your perspective and your campaigns. Executives, make sure your people market and sell by the *golden rule!*

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### HOLIDAY WISHES

May the lights of menorahs, trees, cities, and the heavens thrill your spirit and gladden your heart. I hope the season is happy for you and that the new year brings wonders, delights, and success.