



Michael A. Brown's

Business To Business By Phone[®]

Fourth Quarter 1995 Edition

CONFERENCE REVIEW

More than 600 participants gathered in Dallas for the 2nd annual *Business To Business Database Marketing* event. The biggest difference I saw this year was the recognition that database marketing isn't the "cool scheme of '95", but rather a major catalyst in business process redesign.

Conference-goers appeared very willing to discuss and explore database marketing's strategic impact on their customers and their own firms. Provocative ideas included realigning sales efforts according to account groups rather than geographic territories, using the Internet as a lead pre-qualification tool, and sharing certain databases with "friendly competitors."

LABOR LAWS MAY OBSTRUCT SALES RE-ENGINEERING EFFORTS

So you've decided to manage by account groups rather than by geographic territories. You intend for most account managers to be based on the phones, selling their socks off, keeping cost of sales low, and being oh so competitive. Not so fast. Uncle Sam wants to have a word with you.

Under U.S. labor laws, field sales people are exempt employees, i.e. salaried. But most phone-based sales reps are *non-exempt*, i.e. hourly wage-earners. The distinction dates from the contentious labor environment of the 1930's and has nothing to do with selling per se. Rather, labor law categorizes as "skilled professionals" those persons who work beyond the sight and immediate control of bosses, while those under direct supervision are "production workers." In other words, whether you're on a factory assembly line or on the phone managing multi-million dollar accounts, if you and your boss are in the same building, unless specifically exempted, you're hourly!

The business implications are enormous. For example, the non-exempt world is based on an 8-hour day, 40-hour week at the normal hourly wage. Beyond 40 hours, non-exempt people *must* be paid overtime. Commission, if any, has to be part of the wage computation. And if Uncle Sam catches you violating the laws, you face back-pay claims plus fines!

The emotional implications are just as weighty. Try convincing east coast account management professionals to stop working at 5pm even though their California customers have at least 3 hours remaining in the business day. Imagine trying to establish business parity and a sales relationship between a CEO and a "factory worker."

Bob Van Voorhis, editor-in-chief of *TeleProfessional* magazine, suggests that we'll need to approach very big companies wanting to do very big things on the phone, and willing to work smart and hard to change the situation. Bob and I are convinced that this case must not and cannot be made on the basis of the differences between sales and factory work, nor on the basis of inside\phone vs. outside\field. Instead, we need to convince Congress of the *fundamental changes in work itself*, brought on by technology.

For example, remotely networked databases link everyone regardless of their job function or location. So we can and should dispel the practice of categorizing people based on where they are or whether their "boss" can command and control them directly. Likewise, the operational models and relationships of the 1930's, such as "droids" on assembly lines, have given way to people required to think, adapt, and improve continuously.

The good news is that change is happening! House bill H.R. 1226 would amend a section of the Fair Labor Standards Act to exempt *all* commissioned inside sales people from the



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overtime pay provision. Presently, only inside reps in retail and service are exempt. The Washington-based National Association of Wholesaler - Distributors is supporting the new legislation enthusiastically, according to Craig Sadick, their Senior Director of Government Relations.

So clients, the time is right to "head up the hill" and let Congress know we're with them on this one! I'm sending a copy of this newsletter to H.R 1226 authors Harris Fawell (R-IL) and Thomas Petri (R-WI), and to subcommittee chairman Cass Ballenger (R-NC). I urge you to communicate with them also. Let me know about the responses you receive. I'll visit this issue from time to time and keep you posted on our progress.

"SOUNDS GREAT! WHEN ARE YOU COMING TO SEE ME?"

This is one of the 3 most common traps set for phone-based marketers. With the price of a field sales call around \$520, it's a very expensive trap. To avoid it, respond by saying, "Usually, we can accomplish everything right here on the phone. Will that be OK?" Most will agree and you can continue the conversation. But if the prospect/customer still wants a face-to-face visit, move into higher-level qualifying questions:

- What would you need to see?
- Who else, besides yourself, will participate? What are their roles and prerogatives?
- If you *like* what you see and hear, what would happen next?"

If you decide that a field visit *is* necessary, warranted, and desirable, turn it into an *event*, not a "courtesy call." After all, this is the era of carefully targeted direct marketing and sales. The days of "route sales" disguised as account management are over.

Next time, I'll recommend how to respond to the other 2 most common traps.

THE BIG ONE IS BACK!

Get your plane tickets and make your hotel reservations! The excellent *Direct Marketing To Business* conference returns to New Orleans on January 22-24, 1996. Hooeey, it's the big enjoy in The Big Easy! (800) 373-3966.

AM OR FM?

While hearing an AM station blaring from a teen-ager's boom-box, it suddenly dawned on me: business-to-consumer phone selling is AM. Business-to-business is FM. Which do *your* reps sound like? Monitor, coach, and counsel those who sound a bit too "Top 40."

WHAT I DO

- Advise and train your marketing and sales groups to use the phone effectively to find, land, and keep customers, and grow your business.
- Favorably differentiate your calls from consumer "telemarketing" and from your competitors.
- Help you build and ramp-up your in-house phone team, or recommend the best outsourced call centers to conduct telemarketing and telesales for you
- "Fine-Tune" your phone operations, steering you away from the money-pits and toward profitable best practices.
- 800 373- 3966 www.michaelabrown.net

HOLIDAY WISHES FOR YOU!!

Thanks and warm greetings of the season to each and every one of you! As we close 1995 and begin the new year 1996, may the special delights of family and friends brighten your spirits and refresh your hearts. Peace.