IBM solutions for social selling

A guide to transforming your sales organization

Contents

Introduction

Almost overnight, the way customers relate to organizations has changed dramatically because of a convergence of new technologies, trends and cultural expectations:

- Mobile devices will soon outnumber desktop computing devices.
- The world is more globally connected than at any time in our history.
- Cloud-based services are becoming ubiquitous.
- Social media is now a significant form of communication.
- Users expect instant access to answers and information.

These new technologies and business trends will require organizations like yours to rethink their processes, including the tools that drive sales. Now is the time to step back and reassess your business to determine how you can streamline your processes, improve your customer relationships and reduce the inefficiencies that will grow as the business world changes.

Organizations in all industries are making concerted efforts to know their customers better. The recession is certainly the short-term trigger, but prudent organizations are taking a longer view—one that includes navigating consumer buying behaviors to build sustained and profitable customer relationships.

IBM makes this point in its global survey of CEOs. Getting closer to the customer ranked as the top priority among CEOs in companies that the survey identified as "standout" organizations. In addition, nearly nine in 10 CEOs told IBM that they will focus on getting closer to their customers in the future. This makes customer focus the number one priority in the new economic environment.

Nearly nine in 10 CEOs told IBM that they will focus on getting closer to their customers in the future.[1]

The ways individuals and communities interact, form relationships, make decisions, accomplish work and purchase goods are changing the way business is done. A social business is an organization that applies social networking tools and culture to business roles, processes and outcomes.

A social business recognizes that people do business with people and optimizes how people interact to accomplish organizational goals:

- Deeply connecting individuals in productive, efficient ways
- Providing line of sight across traditional boundaries and better aligning actions to needs
- Speeding up business with insight to anticipate and address evolving opportunities

Combining social business capabilities into your sales processes can revolutionize your business and increase sales productivity, reduce costs, and improve customer relationships. IBM has developed a solution that will transform your sales organization. The solution marries customer relationship with social media tools and analytics to provide you a competitive edge.

Challenges facing sales leaders today

Sales executives face challenges that were virtually nonexistent a decade ago. Sales managers are still presented with three fundamental priorities:

- Sales productivity
- Customer acquisition
- Customer retention

But new challenges face sales leaders today:

- Portfolios of offerings have become more **complex**.
- Product lifecycles have **accelerated**.
- Competition, including new global players, has **intensified**.
- Customers are more educated and more **demanding**.
- Workforce dynamics have also changed; the churn in sales organizations has **increased**.
- Cost and margin **pressures** have reduced budgets for training and travel.

Here are a few questions sales managers must answer to move forward:

How will I manage unstructured customer data?
Unstructured data from social media can provide you with a rich, deep understanding of real customer needs—information that will affect products and services recommendations, as well as special offers. Your sales processes must incorporate this information with traditional data to create a full view of your environment.

How will I deliver a consistent customer experience? Sales teams must be able to share information consistently across the growing list of deployment options. Mobile apps must mirror the desktop, for example.

How will I keep everyone on the same page? You must enable consistent, contextual and timely data for everyone in your ecosystem, from sales to marketing to customers support.

How will I foster self-learning? We live in a "Google it" world today, where customers and employees require instant answers. You will need to create an environment in which experts are made available and sales teams can continue to improve their skills and understanding of your business.

How will I scale and provide security for my data? As the ecosystem expands and barriers are torn down, you must provide security and compliance, without creating cumbersome systems and requirements.

How will I analyze all of this? Changes to data sources and data types, as well as new user demands, will require a full assessment of your business analytics. Traditional sales analytics—charts, gauges and dials—must be integrated with predictive analyses of your business. The rich data you can now collect, combined with advanced predictive analytical tools, will provide your organization with powerful insight to drive sales.

In a recent study of 541 executives at 500 companies, 40 percent found that they could see specific improvements and increases in sales from social customer relationship management, and 71 percent found that it led to a reduction in time to resolution for support issues.[2]

Figure 1: Traditional sales and customer relationship management systems focus on managing data, not on improving sales effectiveness.

Challenges extend to sales representatives

Sales representatives face many of the same challenges their managers face from intense competition, customer demands and a growing amount of customer information generated by social media. Traditional CRM solutions burden sales reps with complex requirements that reduced selling time. Sales representatives:

- Spend too much time reporting and not enough time selling
- Are required to use tools that don't help them sell
- Waste time on leads that don't pan out because they lack real customer needs and insight
- Spend too much time mining customer data to prepare for meetings
- Cannot easily find relevant and current product information and special offer information

Further, sales reps are expected to understand increasingly complex portfolios with little or no training or mentorship.

Transforming sales force automation into social selling

Historically, CRM and sales force automation solutions have focused on managers managing employees and data with little focus on selling. IBM's Solutions for Social Selling provide managers with the tools they need while dramatically improving sales productivity using social business strategies and applications.

What is social selling?

A social business isn't just a company that has a Facebook page and a Twitter handle. A social business is one that embraces and cultivates a spirit of collaboration and community throughout its organization—both internally and externally. By removing barriers, a social business allows sales organizations to apply expertise and insights that improve and accelerate results.

Technology shifts are empowering people like never before. As a result, barriers among people are disappearing and traditional roles across the business network are changing:

- Employees are self-forming teams around fast moving opportunities.
- Customers are leading the conversations that define brands.
- Partners are becoming on-demand extensions of the enterprise.

A successful social selling strategy takes advantage of converged collaboration, dynamic content and analytics in concert. IBM has built an open standards-based, security-rich platform for social business that combines these capabilities, designed to help sales organizations reach people, engage them, discover new insights and act swiftly to capture value.

Figure 2: IBM's sales effectiveness solution focuses on increasing sales and developing deep insight into customer needs.

- **Reach**—find customers where they live and work; spend more time with them
- **Engage**—apply expertise across the organization
- **Discover**—understand your customers better than the competition
- **Act**—focus on opportunities that create the most profit

If companies could increase their customer retention rates by 5 percent, they could grow their profits by 25 to 100 percent.[3]

Reach: more customers—and more time spent with them
Social selling allows you to reach customers on owned, earned, and paid channels, through the identities they maintain on consumer, business-to-business and corporate social networks, allowing you to:

- Access core opportunity, contact and account data from mobile devices
- Spend less time learning about the customer; you have a 360-degree view
- Spend less time searching for experts and information
- Spend less time filling in opportunity data for forecasts
- Engage customers remotely with a rich set of collaboration and social tools
- Save time and cover all stake holders with one to many communications
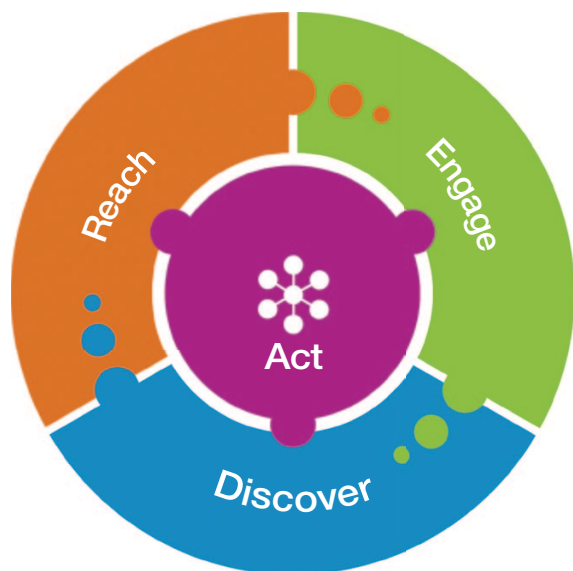- Keep entire team, including channel partners in sync on closing the deal

Engage: connect your entire sales team and apply expertise from across the organization

Connect sales reps in collaborative communities to solve problems and:

- Provide easy access to experts so you get customer questions answered
- Offer sales content recommended based on the specific opportunity
- Easily collaborate with coworkers from across the organization
- Quickly reach out to experts when emergencies arise
- Reuse best practices from other teams
- Pull a solution together via instant web conference

Discover: understand your customers better than the competition

Monitor and analyze identities, social graphs, communication channels and social content to develop a deep understanding of your customers to:

- Understand customer needs through sentiment analysis of social data
- Develop complete customer profiles by integrating social media with existing customer data
- Optimize messaging and products based on analytics
- Understand customer trends and improve forecasting

Act: focus on accounts and opportunities that create the most profit

Integrate social capabilities into the sales enterprise in order to act on new opportunities, make better decisions, optimize processes and:

- Determine the right sales quota for each territory through incentive compensation analysis
- Get recommended pricing based on past deals and best practices
- Understand what product in the portfolio to sell to whom
- Improve pipeline visibility so salespeople know which accounts to focus on that will bring the most revenue/profit
- Understand which customers carry a high support and implementation cost

Real results

The results from transforming your organization with a social selling strategy can be significant and measurable. In his book *The Loyalty Effect: The Hidden Force Behind Growth, Profits and Lasting Value*, Frederick Reichheld revealed that if companies could increase their customer retention rates by 5 percent, they could grow their profits by 25 to 100 percent.

Socially enabling your sales processes will help you create a sales team that:

- Spends more time selling
- Can easily tap into the wisdom of top sellers and experts
- Understands your customers better than the competition does
- Focuses only on critical data and deals

The measurable categories for success for your organization will include:

- Higher close rates
- Lower churn of important accounts
- Shorter sales cycle
- More competitive wins

Twelve success factors for sales effectiveness

Sales strategy and planning
- Precise definition of marketplaces and market segments
- Detailed definition of customer needs and buying criteria
- Effective control of pricing and proactive pricing moves
- Sophisticated understanding of value delivered

Sales management and process
- Disciplined opportunity pipeline management
- Disciplined buyer selection and targeted marketing efforts
- Effective account planning and global account management
- Relationship marketing focus over transaction selling

Sales organization and skills
- Effective identification and sharing of sales methods and approaches
- Individual compensation programs linked to desired sales behaviors
- Clearly defined sales and sales management roles

Technology and tools
- Appropriate sales productivity support tools, not just the latest technology

Getting started: the IBM method

With our extensive research, IBM Global Business Solutions has identified the best practices for top performing organizations and identified 12 success factors in sales effectiveness. IBM has integrated these 12 key findings into a robust sales effectiveness framework, which looks at sales from beginning to end. Our method, combined with our marketplace leading technology, will provide you with a social selling solution designed to help dramatically increase sales revenue, attract and retain more customers, improve productivity, and reduce costs.

For more information

To learn more, please contact your IBM software sales representative, or visit us at: **ibm.com**/socialbusiness

[1] "The Power of Analytics in Redefining and Reinventing Customer Relationships," Graeme Butterworth, vice president, Global Process Services, IBM Europe, January 2011.

[2] "CRM and Social Media: Creating Deeper Customer Relationships," Coleman Parkes Research on behalf of Avanade, Inc., September 2008.

[3] *The Loyalty Effect: The Hidden Force Behind Growth*, *Profits and Lasting Value*, Frederick Reichheld, Harvard Business Review Press, September 2001.

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