



SalesChoice

Chapter Excerpt

Four Eras of CRM Selling: Why Big Data and Predictive Analytics will unlock the Science of Selling

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Abstract

This chapter examines the evolution of selling, as well as the software solutions that sales professionals have been using to support customer relationship management (CRM) practices. Tracing over thirty years of selling and four eras of selling, including product to solution selling, customer centric selling, social selling and Big Data: Predictive analytics selling. Underpinning this chapter is the stark reality that after three generations of CRM solutions, less than 50% of sales organizations' worldwide do not achieve their sales quotas. It is time to seriously challenge the current approaches to Customer Relationship Management (CRM), as quota attainment is seriously underperforming, despite what sales software market leaders espouse to customers. Research from CSO Insights & Accenture (2013), and Sales Choice (2014), is compelling enough to pause to *Think Big and Smarter! The next sales era's growth resides in Big Data and predictive analytics as advanced sciences and mathematics will pave the way to unlock productivity and growth challenges that have plagued the first three eras. A brief glimpse into Era V: Machine Enlightenment is also highlighted.*

1.0 Introduction

The future of sales lies in the advanced mathematic and science disciplines to drive top line revenue growth in companies. Current approaches to CRM are flawed. Today, with increased customer communication being driven by text, email and mobile, and increased web/online interactions, the traditional CRM approaches, which only rely on data entry by sales professionals no longer, offer a competitive advantage. With billions of investment into the CRM market, it is now time to move from collecting data to creating connections with “insights” to accelerate growth.

To appreciate the history and evolution in CRM and the science of selling roots, this chapter takes a historical retrospective on the four generations of sales (CRM) to demonstrate the imperative for breakthrough thinking in sales solutions. Our research at SalesChoice (2014)¹ has validated in numerous customer product trials over the last three years that the new order in CRM lies in big data and advanced science approaches that have the power to unlock the hidden patterns to optimize sales quota attainment and disrupt current CRM “input only driven solutions,” as these older methods do not crack the chronic underperforming cycle of sales reps not meeting their sales quota and performance goals.



2.0 Sales 1.0 – The Era of Product to Solution Selling (1980-1995)

During my tenure at Xerox in the mid 1990’s, I was responsible for leading business transformation programs in: Total Quality Management (TQM), Sales and Service Innovation and Business Productivity. Xerox revenue worldwide is currently over \$5.6B, and the company is known for its invention of the first xerographic copier, a machine that outperformed every copying process, then in existence. One of the global programs of strategic imperative in the early 1990’s was Sales and Service Force Automation. At this time, the personal computer growth panacea was in full swing and equipping talent with specialized technology tools inherently was regaled to significantly increase sales and service performance. There were also only a few solution-selling methodologies in the market that were enabling sales professional behavioral foundations to achieve sales excellence. One of the most significant sales productivity approaches developed to improve sales professional selling practices was: SPIN, a solution selling methodology.

Solution Selling Defined

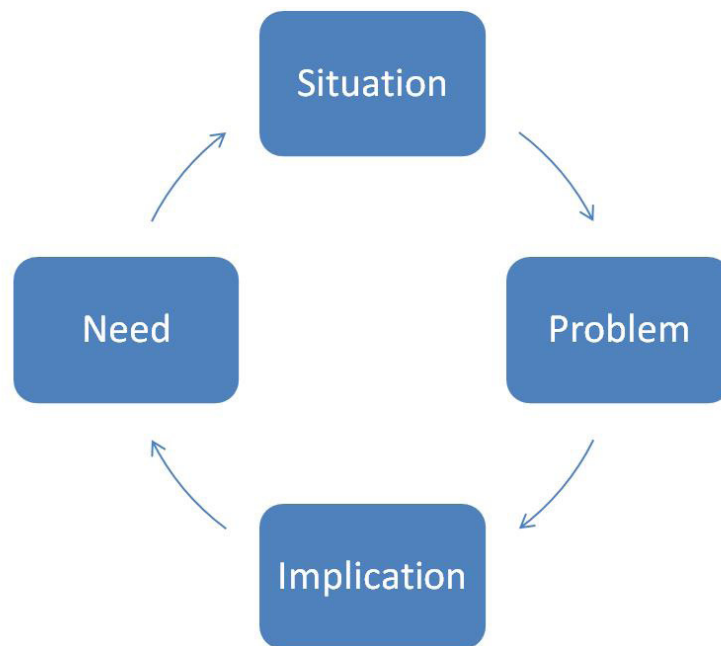
The Xerox SPIN methodology framed the solution selling approach for tackling sales; it remains today as the most dominant form of sales methodology used in businesses globally. SPIN Selling stands for: (S) Situation, (P) Problem, (I) Implication, (N) Need and (P) Payoff.² In 1983, a Xerox’s sales representative, Michael T. Bosworth left Xerox and licensed the Xerox Sales (SPIN) methodology and published the book *Solution Selling*³. His book was very unique, as it created a framework that was particularly useful to sellers selling in an “expert to non-expert” scenario. His book changed the sales focus from selling the features of a product to a situational use by the customer to solve previously unsolved problems.



Ideal for selling disruptive technology to corporations; the SPIN solution selling approach helped sales professionals unlock customer potential, help decision makers visualize how they can achieve their goals and solve their problems, without contextual reference to a product's functions & features. It was not too long after *Solution Selling* had saturated the market that Michael T. Bosworth upped his positioning to market by writing a second book, *Customer Centric Systems (CCS)*.⁴ This enhanced solution selling methodology framework was designed to help companies re-engineer their marketing messages, and help them become more customer-centric.

The CCS framework took the SPIN (Solution Selling) logic a step further to help organizations to identify, codify and institutionalize best practices. Sales Professionals schooled in CCS were trained to delay dispensing product information in favor of asking questions that enabled them to diagnose problems and, help customers to visualize "proposed" solutions more accurately. This helped sales professionals to initiate and manage opportunities with actual decision-makers. Sales managers were also able to quantify the results through an auditable sales process.

Figure 1.0 – Spin Framework



Bosworth's methodology continued to evolve through the years. He subsequently sold the intellectual property in 1999 to one of his original affiliates, Keith Eades, CEO and Founder of Sales Performance International Inc. The development of solution selling was a pivotal contribution to the evolution of the sales profession.

Early Roots of Sales Automation Tools

During the late to early 1990’s period, the early roots of sales software automation were coming on stream to help sales professionals manage their sales operations more effectively. At this time, the concept of CRM, Customer Relationship Management was emerging as a formal category of software. The most significant market leader at this time was Siebel CRM Systems Inc, founded by Thomas Siebel and Patricia House in 1993. Siebel was predominately known for its sales force automation products, and by the late 1990’s, Siebel Systems was the dominant CRM vendor, peaking at 45% of market share in 2002. Siebel was acquired for \$5.8B by Oracle, and remains a brand name by Oracle Corporation today.⁵

The sales force automation software applications that were generated in the Siebel era were very costly and complex to use. These user interfaces was not easy to navigate and despite the promise of sales productivity and having improved sales forecasting, the adoption rates typically fell short. The majority of companies failed to really master accurate forecasting as the tools were bloated in functions, forcing sales professionals to spend a great deal of their time on administrative work. This clearly affected user adoption, as well as data accuracy.

During this period, the industry was plagued with significant management overhead in sales tracking, and the constant pursuit of more reliable sales forecasts. One of the well-known statistics is that 80% of the data in these Sales 1.0 systems were generally inaccurate. Sales Reps in droves put minimal effort into filling in fields, or updating their funnel regularly. Management disciplines were not well streamlined, and consequences on non-compliance were also not mature. Hence in this early period, despite positive ROI business cases, millions of dollars were spent on Siebel systems (and equivalent CRM Systems being sold in the market at this time.). These early, well-intentioned, systems were highly reliant on customization, with custom workflows locking customers into an overly bloated gridlock experience. Sales 1.0 Technology solutions were also primarily on premise solutions (hosted and operated by company Information Technology), with premium operating costs and annual software maintenance fees to the order of 15-20% of software initial licensing costs. Outlined in Table 1.0 is a summary of Sales 1.0 - Sales Automation tools, capabilities and user experience design approaches.

Table 1.0 – Sales 1.0 – Sales Automation Toolkit Capabilities & User Experience

| Sales 1.0 Sales Automation Tools | Capabilities | User Experience |
|---|---|--|
| Goldmine (1989) Pivotal(1989) Siebel (1993) | Single View of One Client Pipeline Funnel Management (contact to contract close) Account Prioritization | Designed Ground Up in A Portal Context vs. a Native Mobile or Unified Communications Context Full CRM functionality *(Integrated end to end) was weak |

In summary, the early Sales 1.0 automation tool user experiences were very transactional, highly customized for different customer needs, and seldom integrated across functional business areas like marketing or customer service operations, resulting in more silo communication practices, with limited collaboration, etc.

Typically, sales professionals are minimalistic in their data entry, and it is well known that over 60-75% of these behemoth early systems were filled with inaccurate data, resulting in poor sales forecasting accuracy, compounded by the majority of companies having dual sales forecasting methods. This world was a combination of management's best conservative forecast, realized by discounting pipelines or inflating estimates from inaccurate sales funnels. The price of an inaccurate sales forecast was acute especially in publically traded companies. Stock prices can drop easily by 5-6% due to inaccurate sales forecasts; CEO's cannot afford this risk, but they are highly reliant on their sales executives ability to provide an accurate sales forecast.

Sales 1.0 - Sales Software Era Summary

The Sales 1.0 era was driven by complexity in user interface and more often than not the architectures were closed and proprietary. Table 2.0 summarizes Sales 1.0 - Software Era's attributes and characteristics.

Table 2.0 - Sales 1.0 Software Era Summary

| Attributes | Characteristics |
|-------------------|--|
| User Experience | Complex UIs, Bloated, too many key strokes, navigation difficult |
| Functionality | Feature Rich, but usage of features low |
| Architecture | Closed & Proprietary |
| Cost | Expensive to use and maintain |

Looking back, this era was a period where sales fundamentals were developed and refined. It was a period where sales process smarts like: Solution Selling, Customer Centric Selling methods and practices shaped global sales management disciplines. Timeless sales selling skills were developed in this era. Software platforms like: Siebel, Pivotal, and Goldmine were during this period spreading their wings and laying foundations to help modernize selling management processes.

Unfortunately, this era was also still plagued with complicating the lives of sales professionals, versus simplifying their lives. A Sales force automation software platform investment more often than not met requirements or asks of sales management, but the joy in fulfillment of sales reps needs was still missing. Complexity is the one word to describe Sales Era 1.0

3.0 Sales 2.0 – The Era of Customer Intimacy (1995-2010)

The promise of change cast forward into the Sales 2.0 Era period from 1995 to 2010 brought a new era of approaches and software innovations, as the discipline of sales continued to intensify towards customer intimacy mindsets. This growth period was a shift from historical sales methodologies to integrating web and internet tools, leveraging Software as a Service (SaaS), off premise applications.

Software as a Service sometimes referred to as “on-demand software” supplied by Integrated Service Vendors (ISVs), or “Application-Service-Providers” (ASPs) is a software delivery model in which software and associated data are centrally hosted on the cloud. There was a major focus during this period to lay foundations that provided sales intelligence leveraging websites that provide information on companies and prospects. I was fortunate to write a book, *Why Buy The Cow* with the Founder and CEO of WebEx, Subrah Iyar, the grandfather of SaaS Innovation⁶. This book venture allowed us to interview diverse SaaS market leaders, like the founder of Right Now Technologies, Greg Gianforte who sold his company to Oracle for \$1.5B, Bob Young, Founder of RedHat, and Lulu.com, a disruptive SaaS publishing company. We also researched SaaS grow in company CEO’s like Mark Benioff, CEO and Founder, Salesforce.com. These leaders and their stories allowed us to understand what drove them to invent the future. What was consistently clear is that they all had a passion to create a more intimate and improved customer experience, and wanted to simplify the world through their “eyes,” leveraging the power of the web as a distribution model to reduce the total cost of ownership.

Sales 2.0 - Sales Software Era

What started to happen during the Sales Era 2.0, period, is that a new generation of sales automation tools emerged, predominately taking advantage of SaaS offering sales professionals the continued promise that their tools would be easier to use in more accessible sales toolkits, taking advantage of mobility and diverse access devices at lower costs. Table 3.0 outlines four dominant CRM market players, still very prevalent today.

Table 3.0 – Sales 2.0 – Sales Automation Toolkit Capabilities & User Experience

| Sales 2.0 Sales Automation Tools | Capabilities | User Experience |
|---|---|---|
| SalesForce.com Microsoft Dynamics NetSuite SAP CRM Cloud | SaaS – software delivered securely in the Cloud Designed Ground Up in a Multi-Tenant, SaaS Environment Open API/Architectures, with license type restrictions in some cases. Third Party Integration(s) Functionality offerings; Vary in function | Function/Feature Rich Plagued still by 75% of the functionality options sales professionals still do not use (Overload of function/features) |

Information Overload

During this period, the major SaaS sales software providers had traditional layout designs with drop down menus, with an overwhelming number of functions and features for full CRM enablement. Unfortunately the reality for sales professionals using these mainstream systems is that they used on average 20-30% of the sales functions and features that are available to them. Hence, companies were usually overpaying for these CRM solutions, and the ROI still remains questionable. What we also learned from this period is less is more. As a result, an untapped desire to return to the basics to collect the critical few data points versus reams of unfilled fields in sales CRM databases became more acute. Companies started to minimize admin burdens to help refocus sales professionals on the real customer conversations, which was happening outside of CRM software tools.

With the reality business is faster paced; information overload in companies is high. Over 24% of a sales professionals' time is spent looking for information, which costs approximately \$2.6B in lost revenue for a Fortune 500 company, which translates to 9 out of 10 sales people lose an opportunity, because they are spending time dealing with information overload. In addition, updating information can require up to 4 screens and 16 clicks to update or enter new information. It is so true that the old adage, time is money. It's imperative to understand the amount of time and energy that is wasted on an ineffective CRM program. The less time your sales team needs for data entry, the more time they can give to focus their efforts on tracking leads and landing new deals.

While there is tremendous power in purchasing a CRM solution, not every software program is created equal. While there are plenty if not too many CRM programs on the market, not every one is going to work best in every situation. A lot of issues can arise from purchasing the wrong program. While these leading global brands are pervasive, more often than not, when you talk to a Vice President of Sales, you find that they are still having the same issues as in Sales 1.0, in terms of sales reps spending too much time on administrative tasks, or looking for information versus actually selling, and in having accurate forecasts or quota attainment ratios are also still problematic.

Sales 2.0 Sales Software Era Summary

Sales 2.0 Era further improved Sales 1.0 experiences in that function and features increased, more integration between CRM and Enterprise Resource Planning (ERP) started to become more common as well. This era's attributes and characteristics are summarized in Table 4.0.

Table 4.0 - Sales 2.0 Software Era Summary

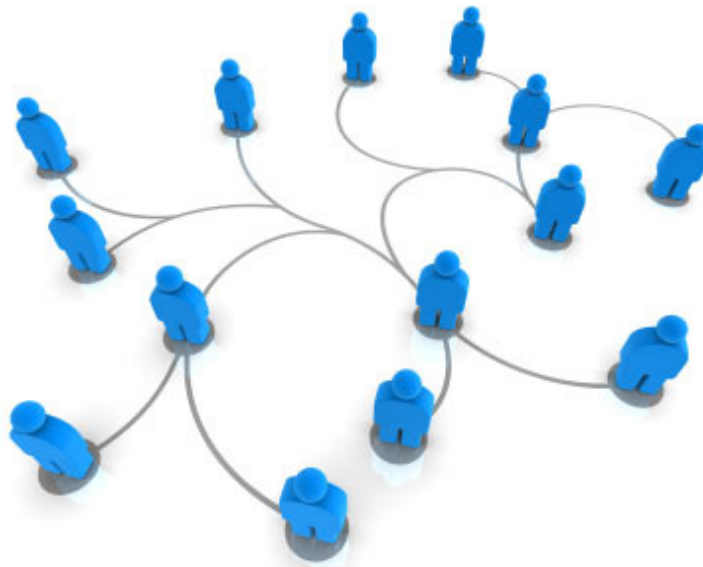
| Attributes | Characteristics |
|-------------------|---|
| User Experience | Navigation remains complex, with too many keystrokes. |
| Functionality | Feature Rich, but usage of features selective to role and perceived value. Richness a premium cost for buyers |
| Architecture | Open Integration to API Layers, vs. closed systems more main-stream |
| Cost | Less expensive as SaaS & Cloud Solutions reduce technical complexity overhead. |

In summary, Sales 2.0 software automation solutions are by in large not easy to use, nor attractive to look at. The real facts remain, 40% of sales quota is not achieved across all industries ~ this problem remains acutely real. The next promise of connecting the dots to improve sales professional productivity is the promise of Social CRM.

4.0 Sales 3.0 – The Era of Social CRM (2010-2013)

This period is marked by an intensification of customer and sales intelligence in real-time, where tougher sales problems are being solved. It is a time when the buying influence has shifted to circles outside the customer conversation with sales professionals. It is a well-known fact that inner circle trumps at decision time: 58% of Americans say that people that they know well and trust are the most important single factor in the final decision on major purchases (GfK Group, 2013).⁷ In the book *Sales 2.0: Improve Business Results Using Innovative Sales Practices and Technology*, Anneke Seley and Brent Halloway⁸ argue that sales professionals who leverage social media and the web often outperform the most senior sales professionals in key activities. The emergence of social media in particular provides an opportunity for sales organizations to reduce their acquisition costs. If sales people can use social media to engage with customers and produce better quality leads—without hopping on planes or wining and dining prospects—the deals they close will be that much more profitable.

Studies now reveal findings: that “buyers conduct 75% of their research before talking to a vendor” and that “the majority of buyers claim *they* were the ones who found the vendor, not the other way around.” Sales 3.0 is about using technologies and processes that adapt to this new selling paradigm; a paradigm brought on by the transfer of power from the rep to the buyer due to the vast amounts of information available on the Web. This new normal context has created smarter buyers demanding more control and power. Some people call this Sales 2.0, but they missed the understanding between Sales 1.0 and Sales 2.0 as summarized in previous sections.



Sales 3.0 is more focused on sales professionals engaging prospects where they reside, and will not wait for a lead to come into the system. Location intelligence will become a more acute sales communication and experience factor. Privacy sensitivity will also be heightened, as engagement ease and reach barriers will improve.

Foundational emphasis will still be held on customer needs and how sales people can help them through an informed buying cycle. Sales people who haven't yet mastered the art of delivering great customer solution selling orientation will still need to go back to Sales 1.0 fundamentals. Without a solid foundation of the basic principles of Sales 1.0, no level of technology or marketing alignment will help achieve a sales outcome. Sales 2.0 and Sales 3.0, for that matter cannot replace Sales 1.0, as the basics are behavioral in customer interaction smarts. We often refer to emotional intelligence IQ, perhaps we need to refer more to customer intelligence IQ for sales professional skills development, anchored on four tenants: Voice of the Customer (VOC) Trumps; Position Solution Value, Challenge Customer Thinking, and Create Lasting Memories.

Sales 3.0 – Social CRM Software Solutions

What is clear is that Social CRM will deliver the greatest payback when the project scope is clear and effort is applied to an existing problem or opportunity for which social is aptly positioned to add value. In time, we will see which Social CRM technology solutions will win the market leadership position. Canadian up and comer, Real Sociable offers customers' insights perpetually so sales professionals can focus on their customers conversations, while Real Sociable mines insights and surfaces them up to increase sales rep productivity, by reducing the time they are taking in pre-call planning or re-searching for information. So knowing where your customer is always has become an innovation area for rethinking sales and marketing experiences in Sales 3.0 approaches.

Table 5.0 – Sales 3.0 – Sales Automation Toolkit Capabilities & User Experience

| Sales 3.0 Sales Automation Tools | Capabilities | User Experience |
|---|---|---|
| HighRise | SaaS, Multi-Tenant – primarily sales enablement vs. full CRM | Designed to integrate sales tracking with sales contacts insights to collaborate using social channels to develop more intimate customer relationships. Ease of use of software experience more noticeable in these software experiences compared to Sales 2.0 Sales Automation Tools. Partners SalesChoice and Salesforce.com |
| NimbleCRM | Social CRM functionality – social media tools integrated into sales experiences. | |
| Real Sociable | Focuses only on Social Contact or lead generation interactions and plugs into leading tools like Salesforce.com and SalesChoice.com | |

Sales 3.0 – Summary

Sales 3.0 Era can be summarized by these attributes and characteristics.

Table 6.0 - Sales 3.0 Software Era Summary

| Attributes | Characteristics |
|-------------------|--|
| User Experience | User experiences in newer CRMs have more simplified interaction experiences, leveraging more collaboration and social engagement to mine more customer or employee interactions. |
| Functionality | Feature Rich, but usage of social features is not demonstrating in many cases the ROI, so jury is still out on the incremental value of all the capabilities of social CRM. |
| Architecture | Mixed Architectures, some are very open with open API's others closed. |
| Cost | Costs are coming down dramatically with some solutions costing / user in the cloud \$15.00 to \$25.00/seat |

It is still relatively early days for Social CRM for sales professionals' usage. We do believe increasingly individual sales reps will start to embody social selling. In particular, Gen X&Y will demand it, or will source these aids, without company approval to increase their sales performance.

Although many organizations are apprehensive to embrace the notion that reps can, and even should, have their own personal brand in their markets and see controlling communication versus looking at each sales rep as a brand ambassador/influencer. Everyone in a company needs to sell and be encouraged to do so. Social media provides a powerful platform for accessing customers as they learn, and have conversations that were prior, simply not possible.

5.0 Sales 4.0 – The Era of Sales Insights: The Science of Selling (2014-2018)

To borrow a phrase from Star Trek’s Dr. McCoy, “*It’s sales, Jim, but not as we know it!*”

Sales 4.0 practices will rethink the past and create simplified real-time experiences that continually mines sales and prospect /customer interactions, resulting in optimizing contextual meaning to improve sales quota conversion success outcomes. This generation will crack the toughest nuts in the history of sales, and bring together both the artistic disciplines, as well as the rigor from linguistics, math, physics, statistics, and science disciplines to *put not just the friendlier back in sales software experiences, rather this era will be known for bringing smarter insights into Sales.*

In a growing number of industries, salespeople no longer have the luxury of making multiple site visits, meeting with various people within an organization, and deciphering the decision-makers early in the sales process. More and more, prospects today are well into their purchase process before they invite a salesperson to speak with them.

As a result, salespeople must arm themselves with customer information culled from numerous channels and administered through a variety of devices. The knowledge overload is unprecedented, as Cisco’s Visual Networking Index predicts a 4x increase in the size of Internet, reaching nearly 19 billion connections in 2014. Without smarter algorithms, taking advantage of Big Data approaches methodologies will only lead to increased complexity when it comes to sales success.⁹

The Earlier Eras: Sales 1.0, Sales 2.0 and Sales 3.0 solutions and methods were primarily designed with senior management in mind as the primary customer, and the reality is that without the sales rep inputting reliable and timely data, all the functions, fancy graphics and analytical tools have limited ROI value.

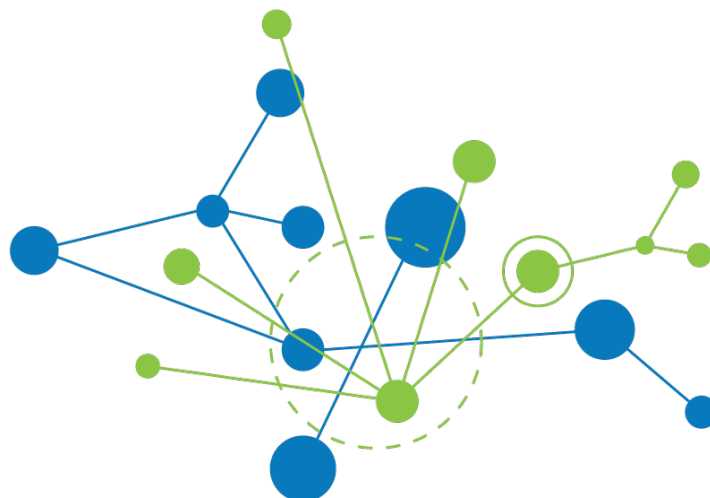


Table 7.0 – Sales 4.0 – Sales Automation Toolkit Capabilities & User Experience

| Sales 4.0 Sales Automation Tools | Capabilities | User Experience |
|---|--|---|
| Insightly PipeDrive SalesChoice | The Challengers: SaaS, Multi-Tenant – primarily sales enablement with Social CRM integration Open API for ease of integration to best of breed solutions in marketing or ERP Social CRM functionality or integration partners Advanced Predictive Analytics in SalesChoice, only | Designed to be easier to work with, creating a more enjoyable working experience, and are proving out adoption rates are higher. Also leveraging big data and predictive analytics approaches, these solutions are predicting sales forecasting more reliably. |

The Science of Selling – Cracking the Sales Performance Gaps

Sales 4.0 solutions will not only crack the simplification of user interface experiences, they will also focus on gathering relevant information from numerous sources, and in real-time will interpret the signals to generate more predictive sales intelligence to improve a sales rep’s performance. With increased interactions from diverse sources: sales behaviors, customers, markets, employees, and intensified needs to grow revenue, sales has become more complicated and often less accurate, despite what sales software solutions say they offer to close this gap, the business realities persist.

With less than 40-50% of Sales professionals still not achieving their sales plans, something is still fundamentally wrong, despite the major investments companies have made in sales force enablement tools. One of the major insights I learned from Xerox in Total Quality Management (TQM) is that 80% of the issues in performance are not the people; rather the business process or often the underlying logic, foundation assumptions are flawed.

The game changer to disrupt Sales will be Big Data leveraging sales prediction analytic sciences generating insights to help guide sales professionals to unlock new possibilities in large data sets that identify hidden math patterns.

Consumer marketers are adept at driving revenue based on predictive analytics. However B2B large global sales forces have not benefited from these types of capabilities in any significance. New market predictive analytics sales software player, SalesChoice, believes that as selling costs are high, sales probability is low, resources are expensive, and sales achievement is impacting growth, then how can one count on management to solve this problem anymore?

Today, B2B buyers spend more time interacting with companies online than they do with sales people in person or over the phone. For every successful sales call they attend, a typical prospect may spend hours interacting with content, reading forums and blogs, and testing sample products. In today's world, every buyer action leaves a trail of digital clues that signal their context, needs, purpose, and intent. This is why CRM and social intelligence and customer mining are imperative to integrate into Sales toolkits for professional sales.

Most B2B organizations with CRM and content marketing capabilities have enough data to score prospects on purchase probability, likely problems or interests, and potential solution needs, and mine customer conversations on the internet to trigger alerts or "buyer propensity to purchase" based on a number of intelligence factors.

Even as the typical portfolio of products and solutions becomes more varied and complex, B2B sales and marketing messages tend to be narrow and are often too simplistic. The patterns that work most consistently are destined to be repeated. For prospects, this means that they are often hit with messages and a pitch that ignore the nuance of their particular needs and segmentation. For many prospects, this is a big turn-off, so real time insights that trigger key "customer pitch possibilities that act like an intelligent sales aid," we can expect will come more into Sales 4.0 product innovations.

An important point is sales and marketing funnels are based on probability:

- Typically, 2% of targets respond to a marketing campaign, 60% of leads are accepted by sales, 50% of accepted leads become opportunities, and 25% of opportunities close.
- When you look at the full marketing and sales funnel, a pathetic 1:667 targets becomes a closed deal.
- Using predictive analytics to improve any stage of the funnel has the potential to create incredible value.

This is further validated from the 2014 CSO Insights and Accenture Report ¹⁰that validated that the percentage of sales representatives attaining their quota is not improving.

What this research further validates is that we have had three generations of Sales CRM software solutions and billions of \$ of investments www on CRM, and the most important variable to support growth requirements is ensuring sales reps increase their annual quota win rates. Current trends are 30-40% of sales reps meet their plans. This is simply not good enough.

In some industries, perhaps it is now time for a major rethink on tool approaches, and also recognize sales is predicated on math and science to predict successful outcomes. After thirty years of input CRM logic, it is now time to optimize the tools we give to our sales professionals so work goes away and they start to wake up in the morning with joy, as their life is made easier by more simplified and intelligent tools.

Sales resources are expensive and easily tiered: It's not uncommon to see a three-tier sales model with tele-prospecting/demand generation representatives, inside sales, and field sales. Typically, these teams are divided with the goal of aligning the highest cost resources to the highest value opportunities. Unfortunately, the allocation of accounts is typically very crude with simplistic measures like revenue or employee count determining which accounts go to a particular team. By using predictive analytics to allocate resources based on real-world potential, sales teams could also increase revenues while reducing the cost of sales.

While smart organizations are beginning to put the foundation in place to better leverage data in the marketing and sales process, real obstacles still exist to utilizing efficient use of predictive science in most B2B organizations. First of all, the legacy of sales-sourced CRM data is often a mass of information that is inconsistent and difficult to leverage. Second, the new art of data-driven marketing and sales requires a new set of skills that are hard to find in most B2B organizations. But with the current B2B shotgun marketing and sales techniques working just 1 out of 667 times, the upside for effective change is immense.

Leveraging predictive analytics, and machine learning and other forms of mathematics and computing science harvesting methods, will create the 4th Era where science and selling come together in ways that will be ingenious and finally crack this tough nut that humans simply have not cracked in over 30 years. This change is going to happen very very fast.

Sales 4.0- Sales Software Era Summary

Sales 4.0 Era can be summarized by these attributes and characteristics.

Table 8.0 - Sales 4.0 Software Era Summary

| Attributes | Characteristics |
|-----------------|--|
| User Experience | Simplified UIs, focus on critical few vs. critical many, mobile centricity “light as air.” |
| Functionality | Features will be highly configurable, full range from basic to richer functions, so organizations can select those most important to their business. Increased verticalization of Sales Software leveraging leading practices, vs. trying to be so unique that onboarding is complex. Increased dependency on interaction intelligence and predictive analytics to guide sales professionals and managers on sales alerts/triggers to be inform; like millions of sensors running in real time – creating sales possibilities, leveraging mathematical and scientific intelligence techniques. |
| Architecture | Open & Elastic; Cloud, Mobile Centric. Open APIs, Big Data, Interoperable and Predictive Analytics will underpin many new emerging sales solutions. |
| Cost | Low Cost and Easy to Maintain – focus will be on bringing these capabilities to mass markets vs. enterprise pricing being that much different than same tools to SMBs. A flattening out of more simplified pricing will challenge older paradigms of tier based pricing approaches. |

Rethinking the Past – Striving for Simplicity

Sales 4.0 approaches will rethink the past and strive for simplified, yet powerful experiences that perpetually mine customer connections in order to improve the accuracy of sales forecasting and increase sales conversion rates. With sales quota achievement in the majority of Fortune 1000 companies, being so low, it is time for new market players to crack this code. To take sales to the next performance level, this will require a tremendous amount of transparency and account sharing, both of which are new to the more traditional sales organization that operates in silos and keeps information close to their vest.

As discussed, Sales 4.0 means that everything happens in real time: insights, debates, decisions, and strategic direction changes. As a result, the speed of the movement of information and the flow of ideas will create an ever-increasing ability to act more quickly. Sales professionals will no longer be invisible. Each footprint will be captured in user events that will trigger insights both on customers and also on sales professionals.

Sales 4.0 as a result will naturally flatten a sales organization, whereby information on clients, on the markets, on potential targets and on deals is available to everyone. Sales representatives will need to have an affinity for using technology, a willingness to be open and collaborative in their approach to sales, and an ability to use the intelligence that technology offers them to create compelling ideas and solutions that will provide value for their clients.

Undeniably, the role of the sales professional is changing, driven by tremendous shifts in the way customers buy. Even the role of the sales person as a consultative, solutions oriented, trusted advisor is no longer sufficient to meet the changing demands of customers or our own organizations. Even the role of the sales person as the “organization’s face to the customer,” no longer appropriately describes what is critical to support revenue generation and business growth in the future. New skills that help customers innovate and challenge their thinking in substantive ways to be heard will all come together in Sales 4.0

Figure 2.0 summarizes the Four Eras of selling that we have been examining in this chapter. Each of these periods has evolved the sales profession, and brought improved approaches to business. Now that the customer first orientation is squarely in our minds, social insights are being realized to enable ongoing customer activity to spark new conversations, the Era of Sales predictive analytics fueled by companies like ours, are striving to simply connect the conversation dots, as it is clear input driven CRM’s need optimization solutions to bring more value to customers.

Figure 2.0 – Four Eras of Selling

| | Era I Product Era | Era II Customer Intimacy Era | Era III Social Era | Era IV Insight Era |
|---------------------------------------|-----------------------------|--|---|---|
| Sales Conversation | Features/Benefits | + Customer Needs | + Social Networks | + Insightful Predictions |
| Sales Rep Profile | Talking Brochure | Consultative | Partnering Orientation | Challenging with Insights |
| Stakeholder Engagement (Who) | Decision Maker | +Coaches/Influencers | + Community Advocates | + Mobilizers |
| Customer Engagement (When) | Customer Assesses Options | Customer Validates Needs | Customer Appreciates Learning Reach | Customer Seeks Out Predictions/Analytics |
| Customer Purchasing Experience (What) | Customer Places Order | Customer Coaches on How to Win Order | We Coach Customers on Social/Event Triggers | We coach customers on insightful predictions they cannot easily see |

Looking Ahead

It will take over ten years for the Science of Selling and predictive analytics and Big Data approaches to germinate in CRM practices, as the internet of things, and intelligence patterns start to manifest with a degree of accuracy that confidence in these new sensory approaches take hold.

In my new book, *The Big Data Nest: Unlocking The Science of Selling*, Era V is explored in more detail, than this chapter can highlight. Era V will have increased machine sales reps integrating into the workforce. There will be an increased reliance on human learning integrated with machine learning and this for the first time in mankind's history will form a trusted symbiotic relationship. The world is simply much more complex, and humans cannot cope anymore in the constraints of current Sales or CRM tools. The only pathway forward is help every person in sales know what patterns of behavior they should follow, to increase their odds of success. Technology can help us create this new experience highway; it won't be easy, but this is now achievable.

The reality is there are only a few more rabbit holes left for CEOs or Chief Sales Officers, or the new term Chief Revenue Officer, starting to peek out in corners of the C-Suite. There is also Chief Data Scientist Officer (CDSO), titles emerging given the increasingly complex challenge of Data Management, and the tremendous growth of Big Data and analytics, as our world continues to explode in data everywhere.

The new rabbit hole is a very promising one, as companies are increasingly turning to sales analytics solutions that provide an enterprise-wide data flow to maintain a competitive position in the market, companies are turning to sales prediction analytic solutions that provide an enterprise-wide data flow intelligence into the forecasting process, (The Aberdeen Group, 2013).

The Aberdeen report (based on a survey of 422 broadly representative enterprises) found that 65% of its Best-in-Class respondents had in place “customized data integration between sales and other information silos that requires little or no support from IT.” Compare that figure to 45% of the Industry Average Group, and just 28% of Laggards. Similarly, 81% of top performing companies had CRM/SFA dashboards that integrate goal vs. actual sales forecast data—compared to 47% of the average group, and 37% of the lowest performers.¹¹

Well-executed sales analytics can assist the business by creating a more refined snapshot of future revenue and empowering more efficient, margin-driven sales activity, as well as more pure selling time by the sales team itself. Some of the benefits are impactful, not only can you increase your revenue attainment odds from 20-50% as you are tightly focusing the sales rep on opportunities that are valid and worthy to chase. Turning off sales folks from chasing prospects without firm interest qualified beyond historical trends requires a big red sign, saying STOP.

Most CRM systems simply don't have this type of opportunity intelligence embedded into their basic sales enablement platform. A new breed of sales prediction analytic companies are starting to emerge, looking well beyond just the sales prospect lead scoring, and moving into full opportunity scoring, mining both CRM inputs, and associated activities, with sales reps and customers, ranging from email activity, mobile activity, developments in the market impacting risks to deals, etc. Sales intelligence (SI) solutions have been increasing over the past few years (especially in the B2B space), the focus has been on pushing actionable information directly into the sales organization. With a faster, fatter information pipeline, plus automated triggers, it's easier to identify prospects at just the right time—and there are increased opportunities for up selling and cross selling, based on an enhanced view of the customer.

The focus on Sales Predictions has been very much focused on Sales Prospects (Lead Scoring) versus full Sales Opportunity Funnel Predictions with numerous vendors sourcing more relevant sales prospects, based on criteria for the predictive analytics to predict validity of leads to help focus sales call activities on higher scoring leads, vs. lower scoring leads – all with the vision of accelerating sales quota attainment. This could be based on a social media (Twitter trigger where a prospect is saying I need to buy a new car, thinking of a Honda), that is mined and sent to a Honda sales representative in the location closest to the Tweeter, and a sales rep engages in the conversation immediately on the social channel, saying: Hi I am *Sally*, I am the Honda rep on 50th St., a link to our new models, want to chat?

Recently, SalesChoice Inc.¹² analyzed over 40,000 Salesforce.com records over four years with SFDC data, and Marketo data, and found insightful hidden patterns and findings in a major Canadian IT professional services company. Frustrated by inaccurate sales forecasts, the CEOs & Chief Revenue Officer wanted to mine hidden patterns in their sales data to appreciate how they could improve their business performance, specifically, top line revenue growth. Their salesforce.com data set was loaded into SalesChoice's insight engine, and the research results found that where the company thought it had high competency in were proved to be false.

For example, the company prided itself that as sales relationships moved from their current account to a new company, they believed their success rates on conversion loyalty was high. This was proved not to be the case. In addition, purchasing content syndication was perceived to be a valuable marketing investment leading to positive growth, while the sales outcomes demonstrated content syndication was a negative growth indicator. Being able to analyze, correlate and mine relevance of all the sales opportunity – full data set patterns all at once allows sales predictions to bring facts to the table, based on both historical and current data patterns, leveraging statistical relevance stripping away inaccurate facts so the predictions are valid. These advanced mathematical and scientific approaches will enable sales professionals for the first time to have a real-time scientifically proven method to guide their sales rep activity, and also allow sales management to engage in real time coaching, with triggered insights never seen before.¹³

The Science of Selling: The Insight Era

This new Era is the Science of Selling – Insight Era, where for the first time, diverse disciplines are coming together from: Advanced Math, Artificial Intelligence, Text Mining, Bayesian statistics, Genetic Programming, etc. wrapping predictive analytics to analyze, both structured and unstructured data patterns inside CRM solutions and also external to CRM solutions from diverse data sources.

The implications to business results are already increasing sales activity relevance by 20-50%, with case studies being carefully hidden due to the competitive nature of these investments. In addition, sales reps can be rapidly advised where there is greater value and propensity to advance an opportunity, benefit from the behaviors of successful quota performing reps, by seeing their activities in real time, this provides for a 3Dvisualization that I refer to as a SalesGPS. This is nirvana for sales professionals to know when they are on ramp or off ramp in their sales activities; being able to increase my odds of achieving a sales goal by trusting the intelligence of software predictions that are more accurate than intuition will augment human intelligence – where machine supports man more to increase the ROI on CRM investments.

This new brave world will challenge marketing programs in ways that are unprecedented, and sales executives will be able to make tough calls on talent much earlier, based on their behavioral patterns. Some of the research we are doing is with Dr. Kumar Murty, Chair of the Math Faculty, at the University of Toronto. His research interest is to help inform sales management if their sales resources will ever have the potential to make their plan simply based on their behavioral patterns.

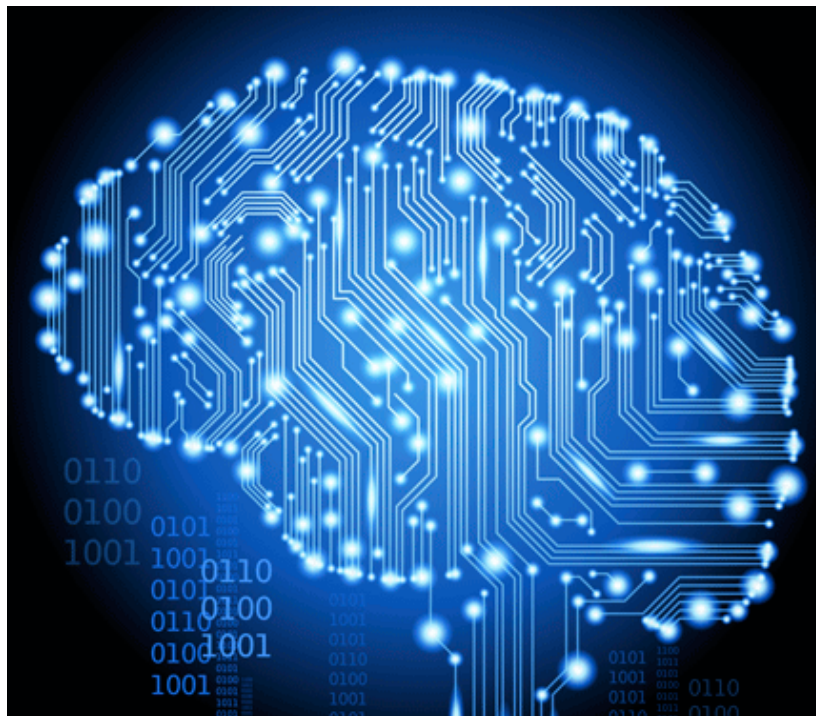
As new approaches bringing the science of selling to higher levels of precision are just now hitting the worldwide stage, this creates a very exciting time to be involved in the Sales Enablement field, as the methods are rigorous, and designed to unlock hidden patterns, creating new conversations to unlock new possibilities. This is what innovation is all about – pushing the edges, and finding pioneering customers that recognize the race is on to invest in these solutions to improve sales quota attainment, and take advantage of the opportunity that Big Data and Sales Prediction Analytics can have on their company's future.

6.0 A Glimpse into Era V: Machine Intelligence Era (2018 - 2030)

As we look ahead to Era V, as our future is fast approaching, this new period will be called the Era of Machine Enlightenment. In the 2011 book, *Race Against The Machine: How the Digital Revolution is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment and the Economy* authors Erik Brynjolfsson and Andrew McAfee¹⁴ argued that “technological progress is accelerating innovation even as it leaves many types of workers behind.” Indeed, over the past 30 years, as we saw the personal computer morph into tablets, smartphones, and cloud computing, we also saw income inequality grow worldwide. While the loss of millions of jobs over the past few years has been attributed to the Great Recession, whose end is not yet in sight, it now seems that technology-driven productivity growth is at least a major factor.

Such concerns have gone mainstream in the past year, with articles in newspapers and magazines carrying titles such as “More Jobs Predicted for Machines, Not People,” “Marathon Machine: Unskilled Workers Are Struggling to Keep Up With Technological Change,” “It’s a Man vs. Machine Recovery,” and “The Robots Are Winning.”

Early AI pioneers were brimming with optimism about the possibilities of machine intelligence, combined with Big Data. Over 40% of the investments made in the VC community in North America, were investments in Big Data, and Predictive Analytics. One of the highest areas for investment was in applications that supported CRM approaches. CRM is where growth levers live so companies can innovate, generate a return for their stakeholders, so it is not surprising that VC’s care about finding investments that drive a positive ROI to customers.



7.0 Conclusion

Each Sales CRM Era has helped evolve the sales profession and its practices, methods and technology solutions. The next period proves to be the most exciting as there is such a big base of large sales data sets to mine and help predict patterns across the world-wide web, the CRM solutions and also patterns emerging in other large data sets. What we can count on is that the world of sales will finally be friendlier and for sure be much smarter as rather than just collecting data, we move to making smarter connections and deriving insights that help us achieve top line revenue growth to increase an organizations capabilities to win in a world that is increasingly more competitive.

The Big Data Edge leveraging advanced mathematics and science disciplines will strengthen the foundations of three CRM decades.

“Our world will never be the same as we will increasingly rely on smarter sales enablement fueled by smarter math and smarter sciences.”

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Definition of Terms:

Advanced Mathematics – (n) Field of mathematics leveraging diverse mathematical disciplines that are from: algebra, calculus, geometry & topology, combinatorics, logic, number theory and also applied mathematics. Increasingly these fields are being used to look at large data sets and help identify the hidden math patterns in business processes like in sales activities, or online web patterns.

Bayesian Statistics – (n) Bayesian statistics is a subset of the field of statistics in which the evidence about the true state of the world is expressed in terms of degrees of belief or, more specifically, Bayesian probabilities.

Big Data – (n) Big data is a term for any collection of large and complex data sets that it becomes difficult to process using basic database management tools or traditional data processing applications. The trend to larger data sets is due to the additional information derivable from analysis of a single large set of related data, as compared to separate smaller sets with the same total amount of data, allowing hidden patterns or correlations to more easily surface. Analyzing trends in business processes, like in Sales data will become a new field of science in sales as these approaches continue to evolve.

CRM – (n) Customer relationship management (CRM) is a business process for managing a company's interactions with current and future customers. It involves using business process and technology to organize, automate and synchronize sales, marketing, customer service, and technical support into a unified business process.

Machine Learning – (n) Machine learning, a branch of artificial intelligence, which focuses on the construction, and study of systems that can learn from data. In CRM approaches, large decision models and ongoing data pattern recognition forms a new path for advancing science into sales practices.

On-Premise – (n) On premise means when software is installed and run on computers on the company premises using the software, rather than at a remote facility.

Predictive Analytics – (n) (Predictive analytics encompasses a variety of statistical techniques from modeling, machine learning, and data mining that analyzes current and historical facts to make predictions about future, or otherwise unknown events. In sales, predictive analytics can be effectively used to predict relevance of sales leads and also to analyze sales opportunities to identify the patterns most relevant to a successful outcome like closing a customer order.

Social CRM – (n) Social CRM (Customer Relationship Management) is use of social media services, techniques and technology to enable organizations or companies to engage more effectively with their customers, leveraging social channels. Some new approaches in social crm can be called perpetual sales prospecting where triggers found in social channels can support a new conversation with a prospect or customer.

Software as a Service (SaaS) – (n) Software as a service is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted on the cloud by independent software vendors (ISVs) or application service providers (ASPs).

Solution Selling – (n) Solution selling is a sales methodology. Rather than just promoting an existing product, the salesperson focuses on the customer’s pain(s) and addresses the issue with his or her offerings (product and services) with a specific solution approach.

A little About the Author:

Dr. Cindy Gordon is the CEO & Founder of SalesChoice Inc. a Toronto Headquartered company, focused on developing Sales Enablement Solution(s), leveraging Sales Predictions Analytics. Dr. Cindy Gordon, CEO, is well recognized as an innovator in Canada, and she is a recent recipient of the Governor's General Award for Innovation. Cindy is also the author of 14 books in: Big Data, Collaboration, CRM, eCommerce, Innovation, Knowledge Management, Portals, Software as a Service (SaaS), Social Media and Web 2.0/3.0. She has also held senior executive roles at Accenture, Citicorp, Xerox, and is an active in commercializing early stage software companies. She has been an angel in commercializing brands like Eloqua, sold for \$1.2B to Oracle in 2013. Other early stage software companies she is currently commercializing include: AcceleratorU, Corent, CoursePeer, GetKula, iCrowdfund Social Media, RealSociable, Medworxx, and TouchTown TV, to name a few. She is also the Founder and CEO of Helix Commerce International Inc., a company that specializes in Innovation Strategy based on leveraging new growth acceleration methods. She can be reached at her office in Toronto, Canada at cindy@saleschoice.com or by calling (416) 230-6538.

SalesChoice Benefits:

Improves Sales Forecasting: Bridge the Gap between Sales and Marketing

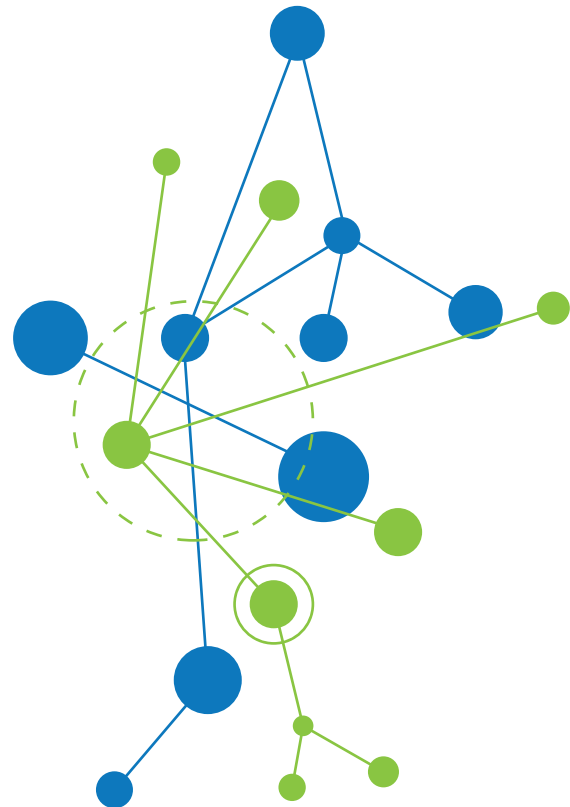
- Improve lead ROI measurement to help determine marketing budget(s) priorities given facts on lead sources to conversion success.

Helps Sales Professionals realize their sales quotas

- Provide real-time insights for sales management to engage in sales activities to increase odds of quota attainment.
- Provide sales reps with a reliable method to predict their odds of success of a lead to convert to a successful sales outcome.

Increases Competitive Advantage

- Access to real-time predictions on sales quota attainment to improve your odds of success, and reduce business risks.
- Increase Sales Coaching insights to sales reps on risks in their sales cycles
- Grow top line revenue by understanding odds of winning and losing, using smarter sciences to predict future outcomes.



“Big Data leaders (e.g., companies that effectively use Big Data to guide decision-making) beat out their competitors by an average of nearly 8 CAGR percentage points.”

(Source: McKinsey, 2013)

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