

**PAS 8401:2014**

# Implementing an inside sales management methodology – Guide



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# Foreword

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## Use of this document

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## Presentational conventions

The provisions of this standard are presented in roman (i.e. upright) type. Its requirements are expressed in sentences in which the principal auxiliary verb is “should”.

Commentary, explanation and general informative material is presented in italic type, and does not constitute a normative element. The word “may” is used to express permissibility and the word “can” is used to express possibility, e.g. a consequence of an action or an event.

Spelling conforms to The Shorter Oxford English Dictionary. If a word has more than one spelling, the first spelling in the dictionary is used.

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# 0 Introduction

The costs of the sales function are constantly under scrutiny. Many organizations now conduct sales activities which might previously have taken place at a customer's premises, over the telephone. Besides the cost advantage, with customers having less time for discussion with suppliers, inside sales can offer more convenience to customers.

This PAS is a guide intended for use by leaders of the business development function within organizations that have or are planning, inside sales, or telesales as they are otherwise known.

When considering the deployment of telesales, most organizations examine whether to deploy their own staff (insourcing), or to outsource. This is a major decision which is based on a range of multiple criteria such as relative costs, access to skills, flexibility of options, reputational risk, availability of internal staff or external suppliers, and the organization's ability to manage inside sales operations. The decision whether to insource or to outsource needs to be also examined from a range of managerial perspectives. Another consideration is the degree to which the sales process can be managed online. For example, for frequent re-orders, customers may prefer to have access to a customised portal.

The context of this guide is inside sales, which implies telesales managed in-house. Its guidance might also be relevant to organizations who manage telesales activities on behalf of clients. This PAS provides a methodology for corporate sales organizations to efficiently plan, execute and control inside sales activities (ISAs), as part of a wider inside sales management (ISM) strategy to help achieve sales revenue and growth objectives.

It is important that individuals within organizations, who are responsible for achieving or supporting sales-related business objectives, understand methods for implementing ISM, including:

- introducing ISAs effectively at the appropriate stage of the sales process;
- planning ISAs appropriate for achieving sales targets;
- building a sustainable system to understand, analyse and implement improvements to ISAs;
- training relevant employees to effectively implement ISAs, within an ISM environment.

Sales processes in each organization vary depending on industry sector, size of organization, attributes of customers, characteristics of products and services, and the depth of relationships with customers. In order to efficiently achieve sales targets, it is extremely important to have a clear view of these sales processes, and to position optimal business resources to execute them. Activities within sales processes vary based on the status of relationships with customers and the stage of business negotiation with them.

It is likely that each organization has a different configuration of activities within the sales process which do not require physical customer meetings and may therefore constitute ISM. Using inside sales to effectively build relationships, understand customer issues and implement follow-ups can be a more efficient way to manage relationships with multiple customers. Accordingly, ISM offers potential to reduce costs. ISM also incorporates the building and maintenance of good business relationships with customers. However, the primary goal considered in this document is the role of ISM in achieving sales revenue and growth objectives.

The fit of ISM within the organization's business strategies and competitive environment needs to be carefully considered and it is important that ISM is carefully positioned within the overall sales process. The procedures and the elements for considering these are described in detail in Clause 5.

Within ISM, it is essential that ISAs:

- are properly positioned;
- have defined functionality;
- are flexible;
- are designed to achieve the organization's business objectives;
- are designed to deliver benefits (such as convenience) for customers.

A systematic approach based on the PDCA (Plan-Do-Check-Act) cycle is helpful when implementing ISM and analysing the results of ISAs. PDCA, also known as the Deming cycle, is a simple project management model designed to ensure the efficient operation of functions. For the purpose of this document, *check* encompasses analysis, and *act* describes the adjustment of plans.

The core purpose of this PAS is to discuss methods for establishing ISM as a practical capability. Tracking the progress of sales activities, their results and issues, etc., is important to the overall success of ISM. An information system is needed for ISAs that differs from those used to monitor traditional sales meetings, but that also links into the overall sales process. Information systems and infrastructure features beneficial for establishing ISM are discussed in all parts of the document.

This document is organized in the following way:

- Clause 3 Process map (for sales overall).
- Clause 5 (Plan) explains the planning necessary prior to implementing an inside sales function. It covers:
  - concept development (includes objectives, scope and positioning);
  - System design (processes; people and skills; information systems); and
  - Design of performance indicators.
- Clause 6 (Do) provides detailed guidance about ISM operations, including:
  - operational planning;
  - activities and tasks;
  - operational support (e.g. scenarios);
  - operational management analysis; and
  - implementing improvements.
- Clause 7 addresses checking and analysing (Check) of the cycle.
- Clause 8 proposes improvement measures (Act).
- Clause 9 discusses information systems and data views.
- Clause 10 provides guidance about training and developing inside sales staff.
- The annexes provide peripheral information, supporting the implementation of ISM.

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# 1 Scope

This PAS provides guidance on the design and implementation of inside sales management (ISM) including all relevant inside sales activities (ISAs), as part of an overall sales strategy.

This includes selling through the use of all methods for communication at a distance, including:

- telephone (inbound and outbound);
- internet chat (inbound and outbound);
- video conferencing;
- web-based software.

It is applicable to all sizes of organization operating in business-to-business sectors in all industries. It is intended for use by senior managers, especially those responsible for sales strategy.

This PAS does not address management of field sales activities (i.e. face-to-face meetings with customers).

# 2 Abbreviations, terms and definitions

For the purposes of this PAS, the following abbreviations, terms and definitions apply.

## 2.1 Abbreviations

ISA inside sales activity(ies)

ISM inside sales management

ISR inside sales representative

PDCA plan, do, check, act (cycle)

ROC reason of call

## 2.2 Terms and definitions

### 2.2.1 account management

maintaining positive relationships with existing customers, leading to the generation of repeat business and extending share of wallet

**NOTE** Usually, account management involves face-to-face meetings with customers and an account manager is therefore usually a face-to-face sales role. However, inside sales organisations can undertake some account management tasks, such as reminders about regular orders, providing information about product upgrades, etc., or be wholly responsible for managing relationships with customers who are small businesses or who do not order very often. Some inside sales organisations have two functions, one focused on the conversion of prospects to customers and another focused on desk-based account management activities.

### 2.2.2 action plan

individual plan for ISR to achieve specific business objectives

**NOTE** might also be referred to as execution plan, implementation plan or call plan.

### 2.2.3 call plan

information to assist ISRs in the preparation and undertaking of telecommunication with potential customers and the achievement of predetermined objectives

**NOTE** This might also be referred to as reason for call (RFC). The use of a script to be followed without deviation is not recommended.

### 2.2.4 campaign

sustained and organized programme of activities to generate customer interest in a product, service or special offer

**NOTE** Usually, this would include marketing activity.

### 2.2.5 face-to-face sales (or field sales)

sales activities relying upon interaction between seller and buyer where there is a physical meeting

### 2.2.6 funnel

**NOTE** also referred to as a 'pipeline'

aggregation of sales opportunities generated by sales activities

### 2.2.7 inbound sales

incoming phone/e-mail enquiries from customers

**NOTE** These enquiries may have been stimulated by marketing campaigns.

### 2.2.8 inside sales activity (ISA)

activity intended to result in the sale of products and/or services using a method for communication at a distance i.e. not-face-to-face with the purchaser

**NOTE 1** This is also known as telesales.

**NOTE 2** Inside sales activity is not equivalent to telemarketing.

### 2.2.9 inside sales manager

individual with overall responsibility for ISAs (see 2.2.8) and the ISRs (see 2.2.11) that undertake it

### 2.2.10 inside sales management (ISM)

management of ISAs (see 2.2.8)

### 2.2.11 inside sales representative (ISR)

individual responsible for undertaking inside sales activities

**NOTE** In some organizations, the role of ISR is split between business development and account managers.

### 2.2.12 internal referral

act of passing a sales opportunity generated or fostered by ISR to other sales activity, particularly face-to-face sales (see 2.2.5)

### 2.2.13 leads/lead generation

indication that a sales opportunity could exist, stimulating ISAs or other selling activity relationship with a decision maker in the customer organization

### 2.2.14 outbound sales

contact with customers initiated by an ISR, to establish interest in a product or service

### 2.2.15 partner/channel partner

third party within a supply chain who offers services to both the selling organization and the customer.

**NOTE** Channel partners include distributors, value added resellers, retailers, franchisees and sales agents.

### 2.2.16 sales strategy

matching of sales resources to sales opportunities

### 2.2.17 unique selling point (USP)

factor which a company believes distinguishes its offer from that of competitors.

**NOTE** It may be a product feature, a quality standard, level of service, price point or brand value.

### 3 Process map

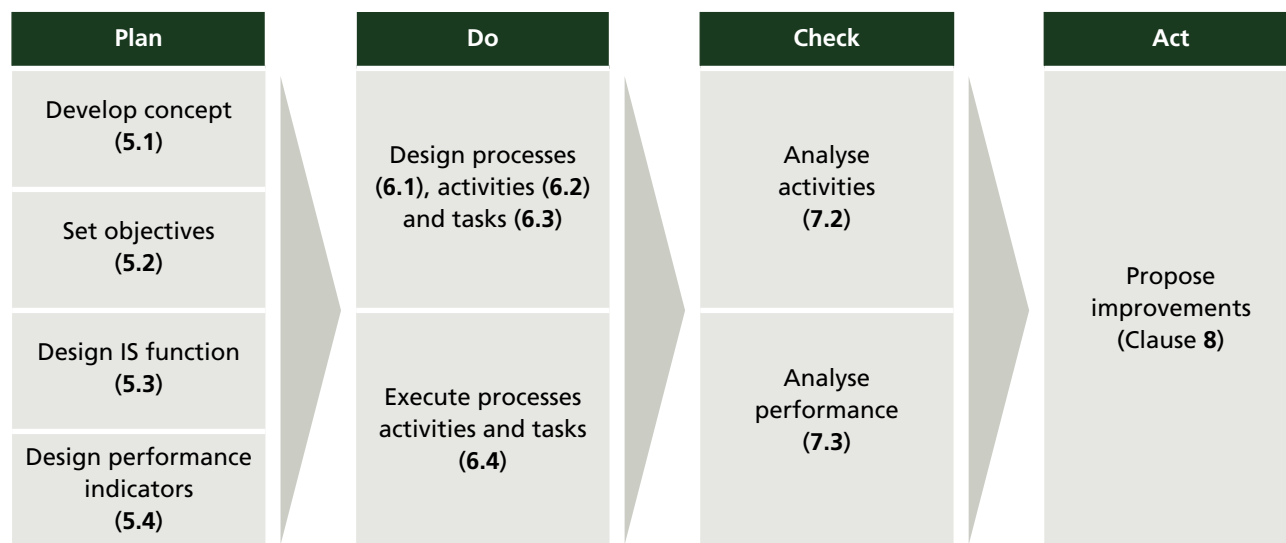
Reference is made throughout this document to the overall sales process. Organizations, according to their business profile, may have different stages in their sales process. The sales process should be mapped to stages

in the customer's buying decision making process. A simplified general model for stages in a sales process is outlined in Table 1. Table 2 provides further explanation of the management cycle of ISM.

**Table 1 – Process map**

| Common terminology                             | Lead generation                                                                                                                                                                                                                 | Lead qualification                                                                                                                                                 | Negotiation                                                                                                                                                                                | Contract agreement (sometimes referred to as closing)                                                                                                                             | Post-sales support                                                                                                                                                                     |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Stage in buying decision making process</b> | Buyer is seeking information                                                                                                                                                                                                    | Buyer has identified need and the budget required for the purchase and obtained authority to purchase                                                              | Buyer establishes which supplier offers the best value                                                                                                                                     | Buyer concludes a legally-binding agreement with one supplier                                                                                                                     | Buyer is evaluating the success of the purchase                                                                                                                                        |
| <b>Stage of business development</b>           | Suspect (i.e. there is a possibility of future business)                                                                                                                                                                        | Prospect (i.e. the probability of future business has been confirmed)                                                                                              | Potential (i.e. contact has moved forward with procurement processes required to order product)                                                                                            | Customer                                                                                                                                                                          | Client or account                                                                                                                                                                      |
| <b>Relevance to inside sales</b>               | Generally managed by marketing, but incoming enquiries in response to marketing campaigns are often handled by inside sales representatives, or inside sales representatives may be required to cold call targets or customers. | This is a key step at which the ISR also has to evaluate whether the customers' needs can be fulfilled by its capabilities at an acceptable price to the customer. | In larger transactions, this stage is likely to be managed by field sales or account managers. In smaller sales, discussions about the value proposition can be conducted by inside sales. | In larger transactions, this stage is often managed by field sales or account managers. In smaller sales, discussions about contract completion can be conducted by inside sales. | Post-sale, there are considerable risks for the supplier to manage. Continuing communications with the customer are vital to ensuring that the business relationship can be developed. |
| <b>Terminology in this document</b>            | Lead management                                                                                                                                                                                                                 |                                                                                                                                                                    | Business opportunity management                                                                                                                                                            |                                                                                                                                                                                   | Customer relationship management                                                                                                                                                       |

**NOTE** For further information, see also Table A.1 – Prioritisation data

**Table 2** – Management cycle of ISM (guide to contents of this PAS)

**NOTE** The above is an iterative cycle.

## 4 Regulation

Contacting businesses by telephone is subject to government regulation in many countries. Sales managers should be aware of the relevant legislation in their location. In particular, sales managers should be aware of the provisions for permission to contact. For example, in the UK, organisations can register with the telecommunications regulator that they are not willing to receive speculative or cold calls from potential suppliers. Making telephone contact with firms registered on the telecommunications regulator's list can result in a heavy fine.

Storing data about organizations and individual decision-makers in organizations may also be subject to legislation for security and privacy purposes. Breaches of data protection regulations can be subject to financial and other penalties. Organizations are also expected to protect data about customers and other stakeholders held on their systems. Attempts by criminals to steal data should be anticipated, and robust security measures should be deployed and regularly updated.

## 5 Pre-implementation planning for inside sales (PLAN)

### 5.1 Concept development

At the concept design phase, the objectives and function of 'inside selling activities' should be established by reference to:

- the organization's overall business strategy;
- organizational structure for business development activities;
- brand values and reputation;
- market segmentation, (see Annex A);
- wider sales strategy;
- the roles of account managers, ISRs and inside sales manager organization (see 5.3.2)
- appropriate technology (see 5.3.4);
- skills development challenges (see 10.3);
- customer benefit.

It should be decided whether to use inside sales as a part of the marketing department or as a part of the sales department at the concept design phase. Strategies will differ from organization to organization. Usually, lead generation and lead qualification are expected to be part of a marketing department, but this may depend on type of industry. In any event, marketing and sales are functions that are both responsible for delivering revenue, growth and customer relationship-based objectives, and it is desirable for marketing and sales processes to be integrated.

### 5.2 Objectives of using inside sales

#### 5.2.1 General

To help define the reasons for introducing ISAs into the organization's current sales activities, it is essential to answer these questions:

- a) What is the objective of inside sales within the sales strategy?
- b) What sales functions will inside sales assume?

#### 5.2.2 Sales objectives

Normally, there are the following three underlying principles for sales objectives. The inside sales objective should be clearly aligned with these, as well as with the organization's overall sales strategies. An objective need not be limited to only one of these specific principles.

- growing: obtaining orders from targeted customers who have not previously bought anything from the company;
- maintaining: maintaining agreements with or obtaining repeat orders from customers who have a current relationship with the company;
- expanding share: obtaining orders that expand the scope of business with current customers.

### 5.2.3 Scope of application of inside sales

In defining the nature and scope of the inside sales function the following should be taken into consideration:

- a) the nature of the organization's business;
- b) your organization's existing sales processes;
- c) segmentation of the markets to be targeted;
- d) intended relationship between inside sales and other marketing and sales functions, including promotional campaigns and use of external sales channels;
- e) availability of skills and technology;
- f) stakeholder expectations for quality and performance;
- g) usage of sales tools such as customer/deal databases.

## 5.3 Designing the inside sales function

### 5.3.1 Inside sales functions and processes

In corporate sales, customers or partners have to buy something to enable a supplier to meet their sales revenue targets. Functions and processes can be defined as follows.

- lead management, this function generates and develops leads with the objective of increasing the number of business opportunities; encompassing the processes:
  - lead identification, (if relevant to inside sales in a given organization), which involves the gathering of information about a prospective customer;
  - lead qualification, which ascertains whether contact has been established with a relevant buying decision-maker who has authority and budget.

- business opportunity management: this function covers the negotiation and closing of business with prospective or existing customers, with the objective of increasing sales; encompassing the processes:
  - negotiation, which involves proposing solutions for problems and negotiating value;
  - closing, which involves conclusion of contract terms.
- customer relationship management (CRM): this function develops and strengthens relationships with customers, with the objective of increasing customer lifetime value and customer wallet share; encompassing the process of:
  - relationship development, which involves gaining deeper understanding of the customer or client, providing support and creating favourable conditions for future business.
- partner relationship management: this function develops and strengthens relationships with channel partners, with the objective of increasing sales through partners, and improving loyalty. Although some activities are similar to CRM, the context is significantly different. This function encompasses the processes:
  - enablement, which involves identifying key contacts and developing their capabilities;
  - selling support, which involves helping the partner to generate business opportunities and progress them to completion.

The processes necessary for effective sales performance may vary, depending on the products handled and the business size and type. It is recommended that any undefined sales process should be defined before considering ISM. Customer purchasing processes can be used as a starting point. When inside sales are introduced without a defined sales process, duplications, omissions or oversights can occur, causing inefficiency and potential tension between inside sales and other interfacing functions such as face-to-face sales and marketing.

Each process needs to be broken down further for operational management to be efficient. A breakdown of these processes is exemplified in Table 3.