Defend the Spend: *Five Things You Need to Know Before You Invest in Sales Enablement Technology*

A CohnReznick LLP/GrowthPlay White Paper

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Why Investing in Technology Makes Sense

Best-in-class companies are driving profitability by investing in technology platforms to both deepen customer engagement and empower sales teams to execute more efficiently.

Whether it's a CRM integration, reporting software, or predictive analytics, a lack of technology investment to enable your process can often be a barrier to profitable growth. The challenge for many companies is that it often comes with a variety of processes, training, and significant change management to ensure adoption.

We've all been there. You're swimming in a sea of found software and you find a technology solution that appears to alleviate your biggest pain point. Perhaps you have found software that will bridge the reporting gap between marketing data and the sales team. Or, maybe it's a system that will help you predict which applicants will be most successful in a sales role. No matter the challenge, the process is often the same—identify a potential solution, contact the vendor, get "the shiny" demo that appears to be a magic bullet to problem, and buy the technology.

Defending the technology spend internally isn't always easy, but its importance cannot be underestimated. Your colleagues may not fully grasp the pain points that this solution may alleviate, or the myriad of underlying issues that will go unsolved—potentially leading to adoption issues and costly overruns.

At its most basic level, your solution needs to align with and advance your company's core business objectives—either bolstering revenue, reducing cost, or mitigating risk. Qualifying those three factors will significantly help quantify the initiative's return-on-investment (ROI), but it may not be enough to guarantee that ROI.

Want to know if you are leveraging your CRM to its full potential?

Looking to jumpstart your sales efforts and find new market opportunities?

To get started, request a complimentary CRM Vision Assessment (visionassessment@cohnreznick.com).

Five of the Most Critical Factors You Should Consider When Investing in New Technology

1. The Customer Always Comes First

The more you can prove that your technology investment will benefit your customers, the less internal critics can stifle your initiative.

Aligning your investment with your customer benefits (both internal and external), will increase adoption and quell naysayers of the initiative. Think through and outline the key benefits on how the technology will help you know and serve your customers better, and ultimately leading to more—and more loyal—customers.

The key is to communicate the importance of the investment, carefully road-mapping how it will add value to your overall customer engagement goals. Here are some questions to consider:

- Where are the major gaps in the customer engagement process right now?
- How will this solution help close those gaps?
- What is the expected revenue that can be gained or the waste that can be eliminated by solving this problem?

Any good technology vendor should be able to help take the lead in quantifying how big the problem is and the customer benefits that can be realized. If you're not getting that support from the vendor, you should likely consider a competitive offering.

2. Data Isn't Everything

Leveraging the right data is certainly important, when it comes to making informed decisions about strategy and growth. Data is critical to cross-functional execution, sales and marketing alignment, your hiring process, product roadmap, etc.… However, without professionals and processes in place to interpret and make impactful decisions against the data—its value is significantly reduced.

Predictive analytics, for example, will empower your organization to make the right hires, improving turnover rates and retention. However, those data points will do little for you if you don't have a framework to develop the hiring, onboarding, and coaching mechanisms *driven* by the data. Technology alone can't do much for you if you haven't developed the surrounding processes that will leverage what it provides.

3. Alignment Is Critical to Success

When projects are created in a vacuum, they are doomed to fail. Make sure your initiative happens *with your colleagues*, not *to your colleagues*. Your department may own the technology and the implementation, but it won't be successful if you don't have the buy-in from other key departments. Determine who will be affected by the implementation and consider involving them in the decision-making process. Your success will be more likely if you engage a cross-functional team. Get them to agree on (1) the measurable results you're driving toward and (2) what's required to get there. If you have consensus on those two points, you'll have a team aligned behind the investment in, and adoption of, the new process.

4. Manage Change

Change is not easy. People do not like the idea of learning new technologies or adopting new processes. Demonstrating forethought and a plan for managing the change that will occur with your technology initiative will help convert critics into advocates and drive internal adoption. Every change initiative involves management of four critical components—mindset, processes, tools, and content. Mapping your change strategy for each of these areas will ensure you're taking a holistic approach in managing the adoption of your new technology initiative.

Another key factor to consider: make it easy for people to implement your plan. If it's not easy or intuitive, your colleagues will question your decision to invest in the technological initiative while pulling their support for the project.

Our most successful customers don't simply leverage technology as a way to improve processes, train the sales team on a new product, or shorten sales cycles. Instead, the companies who have the greatest measurable results realize and plan ahead for organizational change. It's important that with any technological initiative—you as the project leader must understand the necessity and tools to influence behavior to drive success.

> A study published in Harvard Business Review studied nearly 1,500 IT change initiatives. Researchers found that 1 out of 6 failed, exceeding budget by 200% and schedule overruns of nearly 70%. Researchers recommend managers heed lessons learned from other projects gone awry.
>
> Bent Flyvbjerg & Alexander Budzier. "Why your It Project May Be Riskier than You Think." *Harvard Business Review*, September 2011.

In "defending the spend" behind a new technology initiative, you need to understand that championing the new process is as critical as the process itself. Our clients that have benefited from, for example, an increase in their average deal size, would not have realized this increase without a solid plan for reinforcement after our initial training. They also had a solid plan to communicate early wins of larger deals as part of their adoption planning process. If you can promote early success that reps are having with a new sales initiative, for example, buy-in will increase dramatically. You bring in the skeptics with quick wins.

5. Focus on Outcomes—Do's and Don'ts

Make sure you fully understand your *current* corporate strategy. For example, last year's focus might have been revenue growth, but this year it may be to increase earnings. To recap the primary do's and don'ts:

- Do not justify your projects based on last year's strategy.
- Do align your initiative with outcomes that map to that strategy.
- Don't just focus on individual department or division.
- Do make it easy for your internal stakeholders to understand how our project will help the entire organization and its customers.

Another point to consider. Never neglect the needs and considerations of your internal buyer.

Your internal buyer has pain points—all tied to the need for measurable outcomes—that he or she is trying to alleviate. Your job is to determine what those pain points are and how you can tie the benefits of a CRM system or other technology solution to addressing those pain points. By correlating positive business outcomes with the technology solution, you can demonstrate value to the business.

Most important, when discussing the outcomes your technology project is being designed to achieve, articulate the tangible benefits in the way that they speak and can understand. How will this initiative drive revenue? What will its impact be on reducing costs? How will the project help the organization mitigate risk? Even the best solutions will be quickly dismissed if they don't speak directly to organizational goals.

Principles of Change

Five key principles and best practices consistently stand out as critical success factors for best-in-class companies implementing high-impact technology initiatives. Leaders who follow this specific set of best practices help develop a self-reinforcing cycle of commitment, coordination, and competence. Skipping steps only creates the illusion of speed but never produces satisfying results.

1. **Priority:** Leaders identify the initiative as critical to the organization, stay fully engaged in learning alongside their teams, and consistently sustain focus on the primary factors influencing success.
2. **Relevance:** Leaders engage employees in the design, development, and execution of the initiative and empower each employee to create and share their stories of success.
3. **Integration:** Leaders ensure that changes are integrated and are permeating 1) mindsets, beliefs, and perspectives, 2) roles and responsibilities 3) key sales and other disciplines and 4) supporting organizations.
4. **Measurement:** Leaders define both qualitative and quantitative measures and ensure they are assessed and trended throughout the initiative.
5. **Reinforcement:** Leaders foster adoption by assessing the skill and will of each employee, then using effective coaching to reinforce.

Defending Your Spend

The purpose of any technology investment and its related process changes is to create value that did not exist before. Without an aptitude for ROI and the bigger picture, a technology implementation effort can easily dissolve into a list of confusing projects taking the organization in the wrong direction, or nowhere at all. Accounting for all that factors that will lead to a successful implementation not only helps you defend the spend, it sets you up for long-term benefits and the ability to gain support—both financially and from your colleagues—when the next technology initiative comes along.

Contact

Please reach out to our subject matter experts for advice on CRM implementation/maximization and sales enablement:

- CRM, technology enablement, and cloud solutions: Tim Enright (tim.enright@cohnreznick.com or 857-264-3868)
- CFO advisory: Mario Pompeo (mario.pompeo@cohnreznick.com or 862-245-5097)
- Sales enablement and empowered sales force: Brian Powers (bpowers@growthplay.com or 603-401-7830)

For more information on CohnReznick's MSFT/Cloud practice, go to https://digital.cohnreznick.com/microsoft-cloud-solutions/.

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