

Strategic Marketing Outsourcing[®]

Always-on Marketing[®]

Hybrid Approach to
Sales & Marketing

*Uncovering Business Opportunities
in Record Numbers*

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Sales Weak, Time Wasted, What to Do?

Max Plant, CEO of Plum Industries was listening to a familiar song and dance. Sales and marketing was claiming to be doing its best. Money was being spent, time wasted, credibility lost. The majority of the leads generated from the last trade show had sat around for weeks before anyone remembered their existence. By the time someone followed up, the leads were cold. (The few good leads skimmed off by the sales force were most likely lost in the shuffle.) His last direct mail effort received a dismal half a percent response rate. The few qualified leads generated from the mailing shared the same fate as the trade-show leads—lost in the abyss.

The trouble was Max hadn't done his basic arithmetic. Even if he had followed up every lead, he would still have fallen short of his optimistic sales target.

What it Takes to Hit Your Sales Goal

Max had a sales goal of \$75,000 monthly and his average sale was \$5,000. The percentage of quotes converted to a sale was 50%, and the percentage of inquiries quoted was 40%; therefore, Max needed 75 inquiries to generate 30 proposals, which leads to the following:

Monthly sales revenue target	\$75,000
Average sale	\$5,000
Number of closed deals needed to hit sales goal	15
Percentage of quotes that become a sale	50%
Number of quotations needed to hit sales goal	30
Percentage of inquiries/leads quoted	40%
Number of inquiries needed to generate 30 proposals	75
Average direct marketing response rate (1/2%)	.005
Total number of Monthly targeted mailings needed to generate enough inquiries to feed lead pipeline	15,000

This computation both astonished and depressed Max. I suggested he use a Hybrid Sales and Marketing approach with its 6% response rate:

Typical Hybrid Direct Marketing response rate (6%)	.06
Total number of phone calls, mailings, e-mails and faxes needed in order to generate enough inquiries to feed lead pipeline every month (375 touches per week)	1,500

Hybrid Approach Lowers Your Blood Pressure

A Hybrid Sales and Marketing approach easily achieves the goal of 1,500 monthly touches. The first step to implementing a Hybrid Strategy is creating a new position. I'll use the title of Business Development Specialist for my example. A Business Development Specialist will use MINT™ to qualify all prospects (uncovering Money, Influence, Need, Timing). He/she will enable your sales force to hit the ground running by...

1. Strengthening morale
2. Generating leads with a high probability of closing deals
3. Initiating dialog and fostering relationships with prospects
4. Uncovering prospects' needs and identifying solutions
5. Developing comprehensive prospect database profiles

He/she will complete the following daily activities:

	Expected Responses
a) contact 50-100 companies by telephone, identify key decision makers, and construct detailed marketing database	1
b) send 25 faxes	1
c) send 25 e-mails	1
d) mail 25 letters	1
e) make 7 follow-up calls	1
Total number of leads produced	5 daily/100 monthly*
*based on 1,500 monthly touches	

Doing More with Less

Table 1, Hybrid ROI Matrix, demonstrates the advantages of employing a Business Development Specialist and Hybrid Direct Marketing. Some assumptions are made, and your individual situation may differ, but you can create a model *specifically* fitting your needs.

As you can see, team "A" operates with six account managers and uses conventional tactics. Team "B" operates with four account managers and employs a Business Development Specialist and Hybrid Direct Marketing.

The benefits of using a Hybrid Strategy are clear. It improves sales by using company resources more effectively. It increases the account manager's motivation and allows him/her to focus on closing larger deals. Team "B" has two fewer account managers but still outperforms team "A." Team "B" uses a Business Development Specialist and Hybrid Direct Marketing extensively to lower costs and boost efficiency. Furthermore, a Hybrid Strategy improves overall customer service.

Team "B" generates more revenue at less cost per contact, thus lowering the cost of sales. Some of the account manager's duties are shifted to the Business Development Specialist, which permits the account manager to focus on doing what he likes best—building relationships and closing *BIGGER* deals.

Using a Hybrid Strategy, companies such as IBM added \$10 billion to its bottom line within four years.

Hybrid ROI Matrix

	TEAM A	TEAM B
	Employing Account Managers Only	Account Managers + Business Development Specialist + Hybrid Direct Marketing
Number of Account Managers	6	4
Number Business Development Specialists	0	1
Number of Buying Organizations Called on	1,400	4,000+
Number People Covered in Each Buying Organization	1	Multiple (at least 2 people)
Number of Personal Contacts Made (Meetings or Calls) per Year, Day	3/day x 4 days/week x 49 weeks x 6 Account Managers = 3,528/Year , 18/Day	3,528 - 1,176 {-2 account managers} = 2,352 50 calls/day x 5 days/wk x 49 wks = 12,250 [2,352 + 12,250] = 14,602/Year, 59/Day
Number of Deals Based on 4 Personal Contacts Required to Close	3,528/4 = 882 Deals/Year	14,602/4 = 3,650 Deals/Year
Number of Mailings, Faxes and E-Mails Needed to Support Sales Goal	-0-	(2 people x 4,000 organizations x 2/yr = 16,000)/49 weeks = 326/Week
E-mail Each Cost	-0-	\$0.01
Fax Each Cost	-0-	\$0.05
Mailing Each Cost	\$3.00	\$0.50
Average Cost per Contact (Meeting, Call, Touches, etc.)	\$\$\$	\$
Cost of Business Development Specialist per Year	-0-	\$\$, \$\$\$
Cost of Account Managers per Year	\$\$\$,\$\$\$	\$\$\$,\$\$\$
Revenue from Account Managers	,\$\$\$,\$\$\$,\$\$\$,\$\$\$
Revenue from Business Development Specialist	-0-	,\$\$\$,\$\$\$
Total Revenue	,\$\$\$,\$\$\$,\$\$\$,\$\$\$
Revenue per Customer Contact Hour	\$\$\$	\$\$,\$\$\$
Average Cost of a Sale, Overall	,\$\$\$	\$\$

Team B: The sum of a Hybrid Strategy is greater than its individual components.

↑ Sales Revenue
 ↑ Account Managers' Motivation
 ↑ Account Managers' Focus on Higher Value Accounts
 ↑ Customer Satisfaction
 ↑ Overall Efficiency

Table 1

Pounding Less Pavement

Typically, companies require salespeople to perform all the following tasks: generate leads, prospect, cold call, qualify, pre-sell, close deals and maintain every relationship. The Conventional Selling Model, Table 2, shows salespeople juggling too many tasks; therefore, they function inefficiently. A great deal of time is wasted pounding the pavement, while little time is spent building relationships with prospects and customers.

Furthermore, most companies rely on only a few sales and marketing tools such as a mass mailing, industry trade show and a mostly outdated Website. However, without an integrated sales and marketing plan, these activities are unlikely to produce notable results.

Conventional Selling Model

Sales Potential	Generating Leads	Prospecting & Cold Calling	Qualifying Leads	Pre-selling	Closing Sales	Maintaining & Repeating Sales
Very High	★✚✉	★	★	★	★	★
High	★❖✚✉	★	★❖	★❖	★	★
Medium	★❖✚✉	★	★❖	★❖📖★❖		★❖✉
Low	★❖✚✉	★	★❖	★❖📖★❖	📖	★❖✉📖

★ Account Managers

Focus on:

- ✓ cold calling
- ✓ prospecting
- ✓ closing all deals

❖ Channel Partner

- ✓ distributor & dealer
- ✓ source of contracted business

✉ Mass Mailings

✚ Trade Shows

📖 Catalogs

Table 2

Focusing on Closing Deals

How do you generate inquiries and ensure every lead is followed up promptly and effectively?

...Use Hybrid Direct Marketing—every lead is efficiently followed up and put through a rigorous qualification process. The Hybrid Selling Model depicted in Table 3 shows the sales force concentrating on closing larger deals, building relationships and managing leads. A Hybrid Direct Marketing campaign, with the help of an updated contact database, generates double-digit response rates. A new *Business Development Specialist*, under the guidance of an account manager, systematically qualifies and nurtures leads. Every logical tool is employed to achieve one goal—*generating sales*. A Website allows customers to access company information and place orders day or night.

By using my own Hybrid Strategy, I was able to achieve great results with a Swiss heavy machinery company—cutting a 24-week sales cycle in half. Moreover, I slashed travel expenses in half through effective use all communication channels—thereby minimizing expensive onsite meetings at the client's Montreal office.

Furthermore, other successful companies such as IBM and Hewlett Packard employ a Hybrid Strategy, as cited in *DM News* and *Hunter Business Direct*.

Qualifying Before Quoting

By employing **MINT™**, a process to uncover **Money**, **Influence**, **Need**, **Timing**, you'll spend your time quoting only qualified prospects. This approach allows your team to focus on building relationships and booking more business. Furthermore, you'll realize significant cost savings.

Imagine no more wasted time quoting dead-end deals.

Hybrid Selling Model

Sales Potential	Generating Leads	Prospecting	Qualifying Leads	Pre-selling	Closing Sales	Maintaining Relationships
Very High	★ ⊕ 📠 🌐	★ ⊕ 📠 🌐	★ ⊕	⊕ 📠 🌐	★	★ ⊕ 🌐
High	★ ⊕ ❖ ⊕ 📠 ⊕ 🌐	★ ⊕ ❖ ⊕ 📠 🌐	★ ⊕ ⊕	⊕ ❖ ⊕ 📠 🌐	★	★ ⊕ 🌐
Medium	⊕ ❖ ⊕ 📠 ⊕ 📖 🌐	⊕ ❖ ⊕ 🌐	⊕ ❖ ⊕ 🌐	⊕ ❖ ⊕ 📠 🌐	★ ⊕ ❖ 🌐	⊕ ❖ ⊕ 📠 🌐
Low	⊕ ... ⊕ 📠 ⊕ 📖 🌐	⊕ ⊕ 🌐	⊕ ⊕ 🌐	⊕ ⊕ 📠 🌐	⊕ ⊕ 📖 🌐	⊕ ⊕ 📖 🌐

★ Account Managers

Focus on:

- ✓ lead management
- ✓ relationship building
- ✓ market intelligence
- ✓ closing larger deals

⊕ Business Development Specialist

- ✓ tele-sales
- ✓ lead nurturing
- ✓ tele-research
- ✓ fulfillment

❖ Channel Partner

- ✓ distributor & dealer
- ✓ source of contracted business

📌 Public Relations

📖 Catalogs

⊕ Trade Shows

📠 Seminars

⊕ Direct Marketing

- ✓ direct response advertising
- ✓ direct mail
- ✓ e-mail
- ✓ fax

🌐 Internet

- ✓ Website
- ✓ e-mail
- ✓ banners
- ✓ newsgroups

Table 3

David Berger can help you with the following:

Hybrid Direct Marketing

- Direct Mail
- E-mail
- Web
- Print
- Fax

Sales Process

- Prospecting
- Qualifying
- Selling
- Closing
- Repeat Selling

Collateral Material

- Brochures
- Websites
- Newsletters
- Surveys
- Booklets
- Articles

Automated E-mail Delivery

- eNewsletters
- eBrochures
- eCoupons
- Price Lists

Event Planning

- Public Relations
- Trade Shows
- Seminars
- Open Houses

Hybrid Direct: Achieving 45% Response Rates

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