



SALES BENCHMARK INDEX

Accelerating the Sale

*How WebTouch Selling
Enhances Traditional
Face-to-Face Selling*

The Experience of High Touch Selling or the Cost Savings of Low Touch Selling: *Can You Leverage Both?*

Most people consider selling an activity best done face-to-face. Meeting prospects, looking them square in the eye, and shaking their hands have long been the staples of a successful, traditional sales campaign. While such personal interactions are certainly strong relationship builders, the cost and time requirements of a “high-touch” approach are less defensible than ever – travel, lodging, meals, entertainment, and other ‘per-diem’ expenses eat into profits while productivity suffers as sales people are on the road.

As a result, many sales organizations have implemented “low touch” sales processes such as telemarketing, telesales, and direct mail to generate leads and to close transactions at a lower cost. Such “low touch” sales techniques, however, lack the rich prospect engagement experience found in most face-to-face sales environments.

Unfortunately on frequent occasions, low touch selling techniques do not result in shortened sales cycles, do not generate a greater number of qualified leads, and do not improve conversion rates. They are just cheaper means of selling – not better ones.

Sales organizations are looking for a proven sales approach that combines the effective engagement of a “high touch” selling experience with the economical aspect of “low touch” selling utilization rates. If possible, such a ‘best-of-both-worlds’ combination would generate the highest level of sales productivity with the shortest sales cycle at the lowest cost.

Is this even possible? The answer is simply – yes.

Let us share how we arrived at this determination.

The ‘World Class 100’ Report and the ‘Return on Sales’ Metric: *A Sales Bellwether*

Sales Benchmark Index (SBI) produces *The World Class 100*, a ranking of the 100 most productive sales forces in the world. Each quarter, SBI’s research team ranks companies, using data from the trailing 12 months, according to their *Return on Sales* value. What is *Return on Sales*? It is a measure of profitability per dollar of revenue generated. Our research shows that companies who distinguish themselves in this critical sales metric are more likely to be rewarded with shareholder appreciation vis-à-vis their peers.

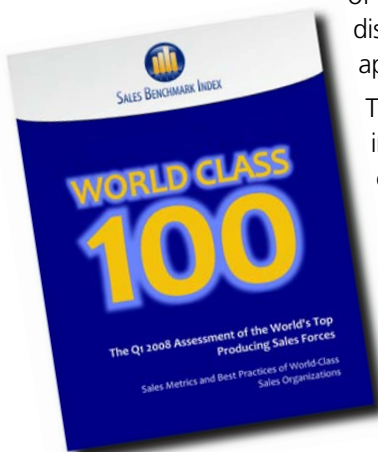
The Sales Benchmark Index information repository consists of over 10,900 companies, across 19 industries, and empirical data organized into over 250 sales metrics. World Class sales forces outperform their peers in all aspects of sales force productivity. For example, a World Class sales force generates \$30 in revenue for every dollar that a non-World Class 100 company produces.

An insight produced from the Q1 2008 report reveals that *World Class 100* sales organizations are beginning to widen the gap through an increased investment in sales. *World Class 100* sales organizations are hyper-investing in their sales forces, averaging an SG&A spend of 31 percent of revenue versus 22 percent SG&A spent for non-World Class sales forces. The results of this investment strategy are evident as revenue growth for *World Class 100* companies is 16 percent, a pace nearly double the average of 9 percent for non-World Class companies.

Why does this matter?

The ultimate measure of sales force performance, Return on Sales, for *World Class 100* companies is a staggering five-times that of their peers, or 24 percent versus 5 percent. This performance generates a market capitalization return for the top producing sales forces of 13 percent, a full 63 percent greater than their benchmark.

Sales organizations are looking for a proven sales approach that combines the effective engagement of a “high touch” selling experience with the economical aspect of “low touch” selling utilization rates



Investing in Sales: *The Key to a Higher Return*

Financial services companies currently occupy eight of the top ten spots on the *World Class 100* list. The top ten financial services companies produced a 186 percent return on their \$155 billion in SG&A expense. Their average *Return on Sales* value of 15 percent is more than double that of the benchmark average of 7 percent. Yet, they spent 32 percent of their revenue on selling expenses. Conventional wisdom might argue that lowering sales expense is the key to generating a higher sales return. Clearly, this is not the case for the financial services sector, which has demonstrated that intelligent sales investment generates returns far in excess of their cost of capital and rewards shareholders handsomely in the process.

So, where do these organizations with high return on their sales forces apply their investments?

The top producing sales forces invest in the following key areas:

- Lead Generation
- Prospect Qualification
- Needs Analysis
- Proposal Generation

This is not new. Corporations have been investing in these four key areas for decades. What has changed dramatically however is the type of asset class - software, labor, advertising, sponsorships, etc.

One of the key changes embraced recently by the financial services sector has been to adopt a new approach called *WebTouch Selling* that drives improvement across all four of the key sales activities.

WebTouch Selling: A New Approach to Selling

WebTouch Selling is an innovative sales approach that combines online virtual collaboration with a rich media environment to generate profitable sales opportunities at a fraction of the cost associated with traditional face-to-face or 'high touch' selling.

WebTouch selling generates greater sales opportunities at a fraction of the cost associated with more traditional sales processes.



Rates of Engagement and Utilization of Popular Selling Models

WebTouch Selling leverages the power of the internet to deliver PowerPoint™ presentations, webcam visuals multimedia, and audio enhancements to cost effectively educate sales prospects, shorten sales cycles and close business faster.

The Benefits of WebTouch Selling: *Substantial and Compelling*

- **Shorter Sales Cycles** – Organizations can gain immediate access to geographically-disperse audiences and then target them with real-time or on-demand media, thereby shortening the overall sales cycle and increasing the prospect population. For example, instead of flying to a meeting, a sales rep can host a *WebTouch Selling* presentation over the Internet while retaining the feeling of a “personal” meeting.



- **Greater Productivity** – An increased number of opportunities are closed because more sales meetings can be conducted with a larger number of prospects, irrespective of geographic location. Sales Benchmark Index notes that certain legacy sales forces still cling to the belief that face-to-face selling is the only way to build effective customer relationships. Sales benchmarking statistics contradict this assumption, even though the marquis status of sales forces in the Financial Services sector suggests there is another way. These sales forces depend heavily on web technologies to increase their reach and frequency and as a result, also have a higher productivity rate per salesperson than any other industry.

- **More Effective Engagement** – Prospects can be more effectively engaged in a personalized buying experience by integrating subject matter experts (SMEs) into an interactive but geographically-dispersed sales call. This enhanced customer experience becomes especially useful during the *needs analysis* period of a traditional sales campaign. New technology now makes it possible to expose a prospect to the full depth and breadth of a company’s offering and thereby increase order size, as up-selling, cross-selling, and order enlargement activities are enabled through a better understanding of the value proposition.
- **Closer Buy-Sell Alignment** – A shorter overall sales cycle and reduced campaign ‘*friction*’ occurs by better aligning customer buying behaviors with a pre-established sales process. Sales Benchmark Index has surveyed thousands of buyers to gain insight on the buyer’s perspective of various aspects of the sales process. A consistent theme emerging from our research is the *unnecessary delay of and difficulty added to a sales cycle* by salespeople who *manufacture conflict*. Virtual selling allows buyers to dictate their desired process and for sellers to accommodate these requests. The type of barrier (such as resource availability and cost) that once created buyer frustration and blocked selling efforts has now been overcome with WebTouch Selling.
- **Greater Predictability and Process Improvement** – By integrating online surveys, tests, and prospect interactions into online meetings, organizations achieve greater predictability in their sales evolutions. Quality control processes, typically reserved only for back office customer service functions, can now be brought into the front office and applied to the sales function. A sales manager using virtual selling now has the ability to record every sales call and mine this archive for process improvement opportunities.
- **Achieve benchmarked Best Practices Improvements** – There are three types of benchmarking (internal, external, and best practices) each of which requires an increasing level of investment and promises a higher reward. Internal benchmarking can now be accomplished via virtual selling, enabling sales leaders to use this technology to compare direct salesperson-to-salesperson performance. As a result, sales organizations can now combine both the art and the science of selling.

With WebTouch Selling, sales organizations can now combine the art and the science of selling.

Intersection of Sales Best Practices and WebTouch Selling: Techniques for Sales Perfection¹

Sales Benchmark Index's *World Class 100* Report is particularly useful for companies at the beginning stages of investigating technology-based, centralized virtual selling. The top-producing sales forces listed in the report have, through trial and error, discovered a series of best practices that when leveraged, can shorten implementation cycles and produce greater results. Sales Benchmark Index has provided a snapshot of these best practices as a series of 'tips'.

Tip #1: One-on-One Transformation Does Not Scale – Customers don't buy "solutions", they buy *business results*. By designing a selling program focused on a prospect's specific desired business result (i.e. outcome) the mentality of your sales organization will change dramatically. Sales managers that have made a career out of converting *feature/benefit* sales teams into *solution selling* will be particularly impressed. In the past, a manager had to achieve this transformation with a sales executive on a 'one-to-one' basis, consuming valuable 'windshield' time. This approach, though effective, simply takes too long and is not scalable. A centralized technology-enabled sales force allows sales managers to utilize a 'one-to-many' coaching process, dramatically accelerating the rate of change.

Tip #2: Build a Verifiable Sales Process – Once your sales message has been tailored to your prospect's needs, the next step involves constructing a verifiable sales process that empowers your salespeople to achieve the results your prospect has specified. *Statistical process control* (SPC) is the discipline of measuring variables over time and their relationship to a statistical average, then applying the results to existing business processes. SPC has produced breakthrough results in areas such as Manufacturing, Distribution, Information Technology, and Human Resources. Recently, technology has allowed the capture of necessary sales-specific inputs and outputs resulting in a set of revealing operating statistics. Conversely, the legacy of the face-to-face selling approach does not lend itself nearly as precisely or as easily to such data collection needs – making an SPC-based sales process highly impractical for this selling technique. Thus, the quantitative approach of SPC can now be effectively applied to the sales department using virtual selling techniques.

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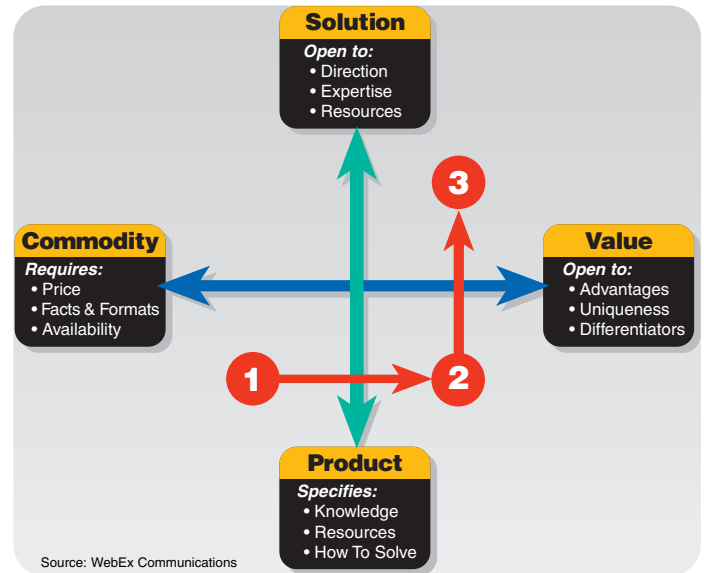
The Steps in a Verifiable Sales Process

1- Source: Stu Schmidt, Vice-President Solutions Group, WebEx Communications, Inc.

Tip #3: Create a Unified Lead Lifecycle – Consolidate the way your sales and marketing organizations harvest and process leads. By forming a single ‘lead life cycle’ you will improve the sales and marketing relationship, and shorten the overall sales cycle. Data is the new language. The loudest voice in the room gets replaced by non-biased facts, allowing faster, more accurate decision-making.

Tip #4: Set Firm Lead Response Requirements – Sales leads not immediately followed up on go stale very quickly. Each day a lead is not responded to, it loses approximately 10 to 25 percent of its effectiveness. To prevent this, establish a firm rule that highly qualified leads will be followed up within a rapid timeframe and warmer leads will be contacted in an equally aggressive, but longer period of time.

Tip #5: Seamlessly integrate Subject Matter Experts (SMEs) – Administrative/customer support, training, legal, and other SMEs should be integrated into a WebTouch Selling process to facilitate the sales process and address any issues that arise during a sales campaign. This eliminates the need for follow-up meetings and correspondingly longer sales cycles. In addition to getting knowledge closer to the point-of-sale and improving the selling experience, a company now has the ability to make the “voice of the customer” very real by exposing all experts to a prospect on an ‘on-call’ basis.



The Matrix of Buying Behaviors

Tip #6: Substitute Prospect Research for Traffic Delays – Conduct in-depth research about your prospect’s specific business needs. Before any meeting, create a list of probing questions that should be integrated into a WebTouch sales presentation. This builds affinity with prospects and further encourages them to engage in the WebTouch Selling process. Preparation no longer suffers due to insufficient time allocation. Traffic delays are now replaced with prospect research, making each sales campaign richer, more effective, and more customized.

Tip #7: Use Probing Questions to Gain Greater Permission – No two prospects are the same. Some are focused on price and availability as their primary buying criteria. Others are more concerned with superior value and customer service (See matrix at right). When addressing an audience whose buying behaviors differ considerably, organizations should ask a series of questions about the prospect’s desired outcome. This targeted questioning process provides sales reps with a greater level of permission from the prospect to engage in more intimate selling techniques. Using this methodology, prospects are more likely to understand and respond to a set of benefits specifically tied to their desired outcomes. For example, WebTouch Selling allows organizations to move their prospects from a Commodity/Product position (see red circle #1) to a Value/Solution (red circle #3) position.

Each day a lead is not responded to, it loses approximately 10 to 25 percent of its effectiveness.

Tip #8: Engaged in online investigation – To gain a better understanding of what your prospect is thinking and saying about your organization and your value proposition, encourage Sales and Marketing to participate in public blogs, wikis, forums, competitive intelligence gathering and other online activities events aimed at your marketspace. Bi-directional conversations and related peering trump standard *'publish and push'* marketing campaigns. Leveraging virtual selling allows a seller to engage in an extended, richer conversation nurturing each lead to its customized and desired outcome. The 20th century *'churn and burn'* approach to lead management is replaced with a 21st century ongoing dialogue where the time investment is both manageable and well-rewarded.

Tip #9: Leverage an asynchronous sales portal – An asynchronous and prospect-specific web portal allows a sales executive to share essential meeting data, presentations, white papers, spec sheets, brochures, proposals, and other sales-related materials with prospects. Both parties to the sales opportunity can track what has been and will be done, and the degree of progress that has been made with the opportunity by one or both parties (e.g. through prospect-driven research or a prospect's response to other online prompting). As a result, friction is removed from the sales cycle.

Tip #10: Formalize and Optimize Your Processes – Most sales organizations rely on traditional *'tribal wisdom'* for their sales processes, often resulting in long, uncertain and non-repeatable sales cycles, and sleepless nights for sales managers. When deploying WebTouch Selling techniques sales organizations are forced to formalize their sales success approach into a defined, proven, and effective process. Once captured, this process can then be optimized over time. Sales Benchmark Index has found that the majority of World Class 100 organizations have distributed their internal sales success formula more widely in the form of repeatable processes. This distribution even extends beyond what has typically been seen using traditional *"Pareto Analysis"*, where 20 percent of the sales force drives 80 percent of the business. Why? The mystery of how top producers meet their sales goals becomes institutionalized. As a result, their activity is captured and re-purposed for the rest of the sales team to leverage and even improve over time.

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SBI's Formula for Sales Success™: *Driving Science into the Art of Sales*

Over a span of several years, Sales Benchmark Index (SBI) has accumulated a large repository of sales-specific performance data which has been mined into analytic information used to determine trends and other related factors. By leveraging this information, SBI developed a *Formula for Sales Success™* – our unique framework for understanding the underlying drivers of sales performance. The formula can be represented as follows:



What SBI found was that each of these variables can be analyzed using a series of leading indicator metrics. In addition, within this framework, sales organizations could compare themselves to relevant peer groups and determine which areas needed improvement. Below is a list of the top metrics in each of the categories under SBI's Formula for Sales Success™. :

Activities

- Potential leads per sales rep
- Sales calls per sales rep
- Sales appointments per sales rep
- Sales proposals per sales rep
- Sales activities to close a sale
- Cost per call

Conversion

- Sales per call
- Pipeline ratio
- Sales cycle length
- Sales per appointment
- Appointment to proposal conversion rate
- Sales call to appointment conversion rate
- Proposal to close conversion rate
- Lead to call conversion rate

Transaction

- Sales deal size
- Customer share
- New customer gain
- Customer churn rate
- Sales per new customer
- Customer lifetime value
- Customer acquisition cost
- Sales per existing customer

Talent

- Cost per sales rep
- Sales turnover rate
- Time to backfill rep
- Interview pool needed
- Total available income
- Sales quota per sales rep
- Sales productivity per rep
- Ramp time to full sales productivity

Time

This variable is fixed to the number of selling days per year applicable to the sales organization

With SBI's Formula for Sales Success™, sales organizations can compare themselves to relevant peer groups and determine which areas need improvement.

Armed with its *Formula for Sales Success™*, a large repository of sales data, and an in-depth understanding of the new drivers of sales success in the 21st century, Sales Benchmark Index conducted several in-depth studies of leading sales organizations to identify the distinguishing characteristics of WebTouch Selling and better understand the impact that WebTouch Selling has had on sales performance. The result of this investigation is a series of case studies, presented in this document, that capture the underlying drivers of how this new selling technique boosted sales performance.

Coremetrics Case Study: Reaching the SMB Market with a New Approach

About Coremetrics

Coremetrics is the leading provider of digital marketing solutions that optimize a company's online business marketing efforts, encompassing advanced online analytics and precision marketing applications. This includes search engine bid management, email marketing and cross-selling solutions that enable cost-effective customer acquisition while increasing conversion rates and customer lifetime value. Over one-thousand business websites use Coremetrics solutions to transact more than \$15 billion per year in online sales.

Coremetrics targets the Retail/E-tail, Financial Services, Travel Services, and General Enterprise Business markets and segments its sales force into two groups as follows:

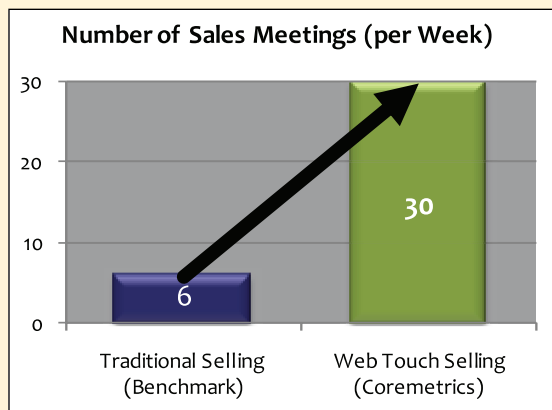
1. **"Acquisition"**. General Enterprise Sales Reps that support Tier 1 U.S. cities and the Small-Medium Business (SMB) market.
2. **"Upsell"**. Territory-based sales managers that target specific accounts. Each territory representative is responsible for 70 to 80 general client accounts, while the top 50 Coremetrics accounts are managed by senior sales representatives responsible for approximately 8 to 10 accounts each.

Coremetrics initially considered WebTouch Selling because the SMB market represented a near infinite upside. With limited sales resources but literally tens of thousands of business opportunities, Coremetrics determined that an online virtual selling environment provided their sales organization with the best return on investment to pursue this lucrative business opportunity.

By deploying WebTouch selling, Coremetrics fundamentally transformed the Acquisition Sales Group which now uses virtual selling techniques and telemarketing initiatives via an in-house contact center to reach its core prospects. According to Sales Vice President Jeff Schmidt, *"WebTouch Selling is an excellent solution for any sales organization. Our approach was to integrate this technique into our entire customer experience, including front-end webinars, brand identification, and sales force productivity. We also have extended it to post-sales implementation and provisioning practices with our client services division."*

Impact of WebTouch Selling on Sales Activity

Coremetrics increased productivity per head by 250 percent within 12 months of deployment, as a virtual selling model that supports a much higher activity rate than more traditional approaches. Coremetrics was now able to evaluate the number of demos performed per customer and compare that figure on a 'per-person' productivity level. Using comparative data, Schmidt established benchmarks to measure system viability. Such benchmarks included the weekly number of new customers, meetings, proposals, demos, and total new revenue per sales rep. The key activity metric for Coremetrics' was the *Number of Sales Meetings*. At 30 meetings per sales professional per week, productivity is now five-times the benchmark for Traditional Sales organizations.



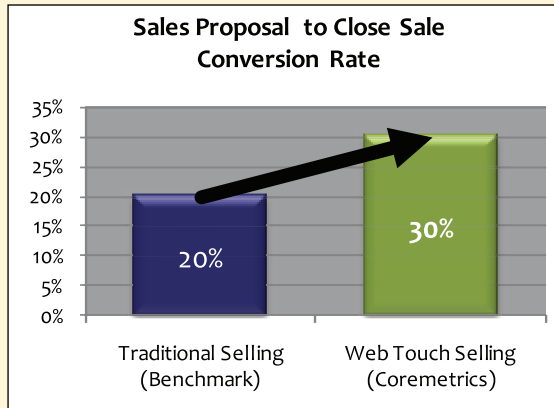
"WebTouch Selling makes it easier for us to get to the decision maker quicker and take the complexity out of the sales process."

*Jeff Schmidt
Vice President of Sales
Coremetrics*

Case Study

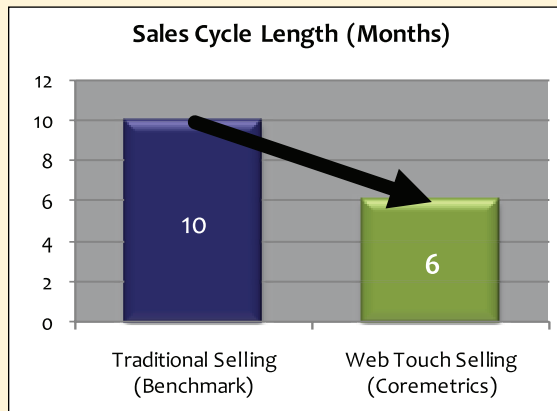
Impact of WebTouch Selling on Close Rates

Coremetrics used WebTouch Selling as a formal means of converting raw prospects into qualified leads and ultimately closing them. Coremetrics determines a lead is “qualified” based on a series of criteria (e.g. client’s available budget, number of decision makers, implementation timeframe). Each



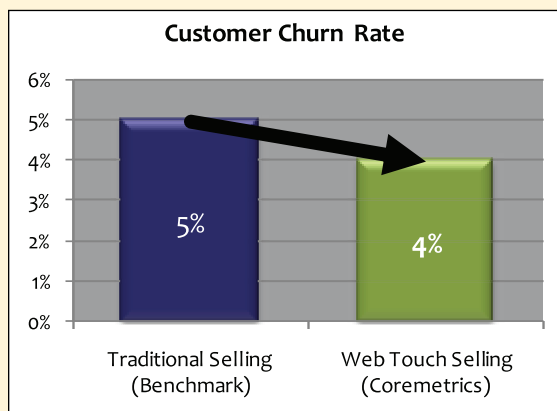
prospect is given a rating of either A, B, or C. All 'A' leads must be followed up within 8 hours. Once the customer is engaged, the lead is converted from a 'qualified' status to a 'prospect' status. If an 'A' lead isn't closed within 90-days, it goes back into the WebTouch Selling system where it cycles back through the virtual sales activities. A similar process exists for the lower quality 'B' or 'C' leads. With this approach, Coremetrics achieved a Sales Proposal to Close Sale Conversion Rate 50 percent greater than the benchmark.

Impact of WebTouch Selling on Sales Cycles



Coremetrics reduced its one-year sales cycle to approximately six months, 40 percent shorter than the traditional selling Sales Cycle Length benchmark. Their goal is now to reduce that even further, to 90-days, by focusing on elapsed the time between each sales meeting during a campaign. According to Schmidt, “WebTouch Selling makes it easier for us to work with companies since we can get to the decision maker quicker and take the complexity out of the sales process.”

Impact of WebTouch Selling on Customer Acquisition & Retention



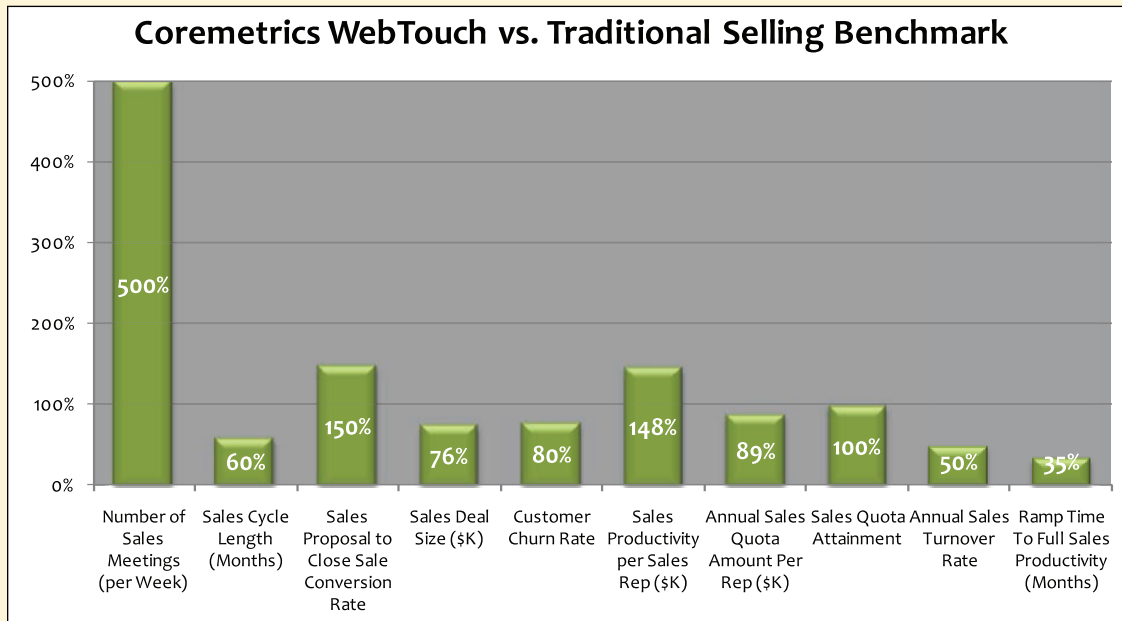
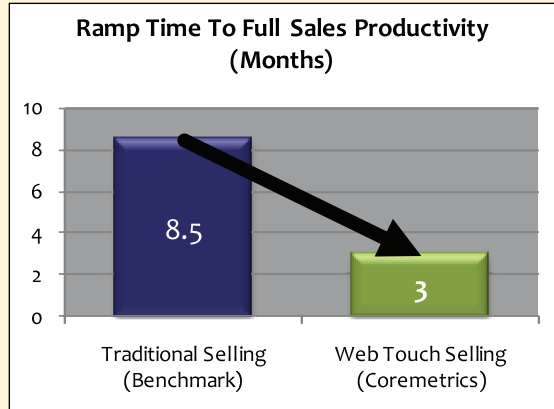
Coremetrics even reinforced its formalized sales methodology and, in so doing, reduced New Customer Acquisition time by 50 percent, even as average deal size remained constant. Coremetrics now not only uses WebTouch Selling in new account acquisition, but also for existing account management. Through this strategic focus and greater contact frequency of existing customers, Coremetrics achieved a Customer Churn Rate of 4 percent – 20 percent below the traditional selling benchmark of 5 percent.

Impact of WebTouch Selling on Talent

Almost immediately, Coremetrics saw improvement in terms of shorter sales cycles, increased productivity, and improved adherence to the defined sales process. In 2006, only 10 percent of the sales force attained quota, but in 2007, 75 percent of the sales force is on target to make or exceed quota. Over the 12-month period measured, annual productivity per rep increased from \$90K in Q2 2006 to over \$215K per rep in Q2 2007 – leading to an *increase in revenue of 2.5-times previous levels*.

Coremetrics also achieved a *Ramp Time to Full Productivity* for new reps of three months – dramatically lower than the traditional selling benchmark of 8.5 months.

This breakthrough accomplishment was enabled through a sales script that each new hire executes during their first 90-days on the job. Since all virtual selling resources are centralized in a single location, management can more effectively coach and mentor new sales reps daily to ensure each attains the ramp plan milestones. Even more significantly, Coremetrics reduced its turnover rate from 50 percent to 15 percent. According to Schmidt, *“Since individuals who embraced WebTouch Selling were consistently among the top sales people in the company, they set a standard for the rest of the sales force that the model could be used as a significant factor to successful selling.”*



The chart above shows how Coremetrics with WebTouch Selling performed against the Traditional Selling Benchmark. For example, Coremetrics performs five-times as many sales meetings per week as the benchmark Traditional Selling organization. And the Coremetrics Ramp Time to Full Sales Productivity takes only 35 percent as long as it does for the benchmark Traditional Selling organization

Final Thoughts

With WebTouch Selling, Coremetrics has expanded its customer and prospect base and improved the performance of the SMB side of its sales organization.

From Jeff Schmidt's perspective, *“With WebTouch Selling we can craft separate messages for specific business, technical, and financial buyers, or construct more generic solution selling opportunities if necessary. Now that the Internet has become more mature, WebTouch Selling allows us to meet our objectives, and adapt to the changing business marketplace. Over the next five to ten years, WebTouch Selling will allow us to constantly improve our family of solutions for both the SMB and enterprise markets.”*

“Technology-based approaches such as WebTouch Selling allow us to get customers the information they want and so our sale closes more quickly.”

Tom O’Keefe
Sales Vice-President
EthicsPoint

EthicsPoint Case Study: *Driving Enterprise Deals without a Direct Sales Force*

About EthicsPoint

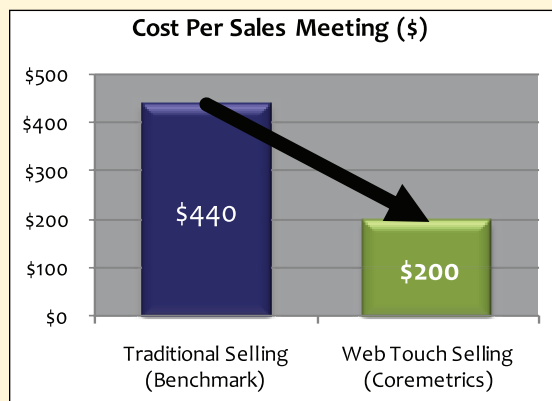
EthicsPoint provides Fortune-1000 corporations, nonprofit companies, higher education institutions and government agencies with incident reporting capabilities, issue awareness services, and integrated resolution solutions. EthicsPoint is rapidly becoming the market leader of on-demand issue, event, and loss management solutions for:

- Governance, Risk, and Compliance (GRC) solutions providing centralized and consistent reporting, analysis, and management of incidents.
- State-of-the-art incident management tools that enable enterprise-wide risk views, including current trends and retrospective views.

Background

Unlike most companies that go to market with both traditional field sales and inside selling approaches, EthicsPoint formulated a sales strategy to focus exclusively on virtual selling activities from the beginning. According to Tom O’Keefe, EthicsPoint Vice-President of Sales, *“Selling virtually is the same process as selling in the field, except the tools allows you to perform better and faster with a greater sales volume.”* Today, all EthicsPoint inside sales and sales-support personnel use this approach to take accounts from the initial contact and information delivery through lead conversion and ultimately to sale closure. Using this approach, EthicsPoint has experienced 260 percent revenue growth year-over-year for the last two years. EthicsPoint chose the virtual selling methodology because it provided the best means of generating results. According to O’Keefe, *“We had a broad vector of prospects that we had to reach, and we had to find a cost-effective way to get prospects through the buying process quickly and easily. Leads weren’t the problem, but getting the message out in an efficient way to reach our goal was.”*

Impact of WebTouch Selling on Activity Levels



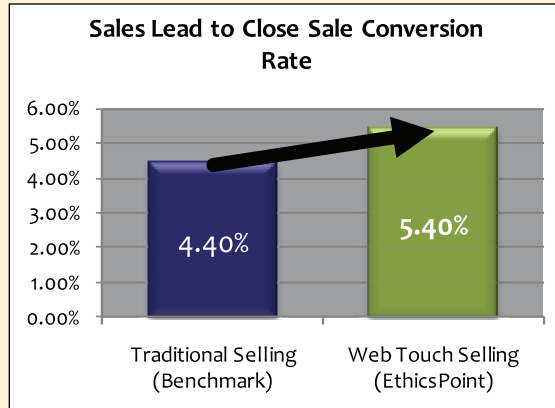
All sales representatives at EthicsPoint are required to conduct two new virtual sales meetings per day, and follow up with existing leads similarly. In comparison to a face-to-face sales strategy, O’Keefe remarked, *“At some level buyers want to look you in the eye, but you must treat those moments of personal interaction differently with virtual selling. The initial contact becomes the most important part of the sales cycle as it will determine if you get to the sales finish line”.* In a typical face-to-face sales process, a high-performance sales manager might be able to conduct five qualified meetings

per week. EthicsPoint achieves this same volume level every day, which means sales staff conducts 25 meetings per week. According to O’Keefe, this greatly reduces EthicsPoint’s cost of sale *“We do not have to pay for a hotel, food, air fare, etc. As a result, our Cost per Sales Meeting is 50percent lower than a comparable field sales environment.”* Lastly, O’Keefe believes WebTouch Selling provides greater client accessibility. *“Buying procedures today are often distributed across different parts of the country or world. Getting all the right parties together in one room at a given point in time is difficult. When you can offer your customer a one hour meeting at a time that fits his or her schedule, it makes the decision to participate in the sales process extremely easy for a busy Fortune-1000 decision-maker.”*

Case Study

Impact of WebTouch Selling on Conversions

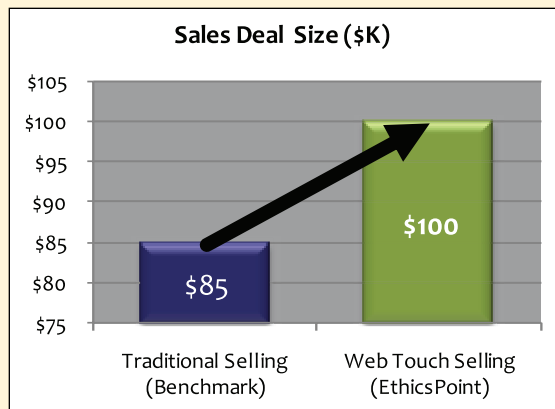
O’Keefe has found that sales conversions are high also. A well-produced virtual webinar generates more qualified prospects than traditional lead generating activities like tradeshows. At EthicsPoint for example, a webinar lead has a 15 percent conversion rate compared to only a 5 percent conversion rate from trade show leads, which typically require both higher marketing investment and a much greater prospect participation to yield similar ROI. Webinar lead effectiveness demonstrates how WebTouch Selling activities add value to an enterprise sales organization. This marketing approach, augmented by a well-constructed sales campaign, enabled EthicsPoint to achieve a 5.4 percent *Sales Lead to Close Sale Conversion Rate* –



20 percent greater than the benchmark rate of 4.4 percent. Some may be skeptical about the prospects of a virtual environment providing enough of the essential ‘personal touch’ element fundamental to traditional selling. O’Keefe disagrees, *“Even though you may lose the face to face touch, you have a greater amount of overall sales because you can get a higher volume of buyers in one place. In the traditional model you needed a higher level of activity just to have the same conversion rate in order to meet growth targets”*.

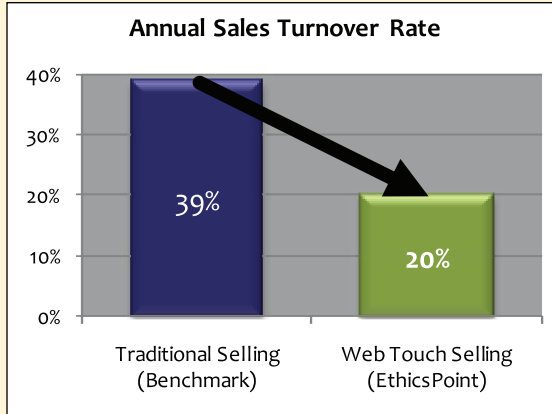
Impact of WebTouch Selling on Margins

EthicsPoint uses several metrics to evaluate sales transaction effectiveness, including *Sales Deal Size*, *Price per Employee*, *Number of Seat Licenses*, *Revenue per Existing Customer*, *Revenue per New Customer*, and *Customer Churn Rate*. The average EthicsPoint *Sales Deal Size* is 18 percent greater than the traditional selling benchmark. Given their sole reliance on a virtual sales model, EthicsPoint has proven that making a high dollar, complex sale using a virtual means can be more effective than a traditional selling approach. WebTouch Selling enabled EthicsPoint to improve margins by migrating from a low-cost provider marketing strategy to



one of being a high-value, high-quality, innovative solution provider. Such a change would have crippled most decentralized direct sales forces, but not at EthicsPoint. O’Keefe notes, *“Our use of WebTouch Selling has enabled our ability to sell to our base customer, accelerating sales where a relationship already exists. People who use technology like to buy through technology. Technology-based selling approaches such as WebTouch allow us to get customers the information they want and so our sale closes more quickly”*.

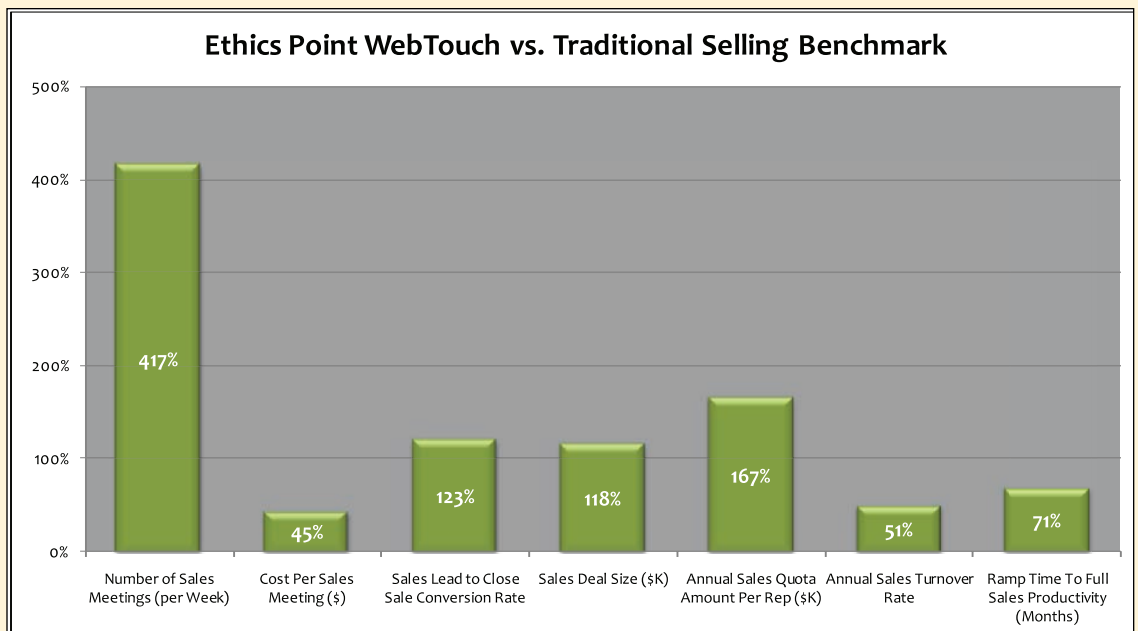
Impact of WebTouch Selling on Talent and Turnover



The EthicsPoint average sales rep's *Ramp Time to Attain Sales Quota* is six months – below the benchmark of 8.5 months, and even better than the World Class rating of seven months. According to O'Keefe, "When our people are virtual selling, I can be online with them and help them close deals, measure sales presentations, and perform effective performance assessments. The single biggest benefit to this technology is in talent optimization. Even if I wasn't centrally-based, I can log into any meeting at any time, listen to it or record it, make notes and be able to remediate problems rather than be required to go into the field to make determinations." Also,

EthicsPoint retains talent better than its peers – their *Annual Sales Turnover Rate* of 20percent nearly half the benchmark of 39 percent. The EthicsPoint virtual selling approach is more desirable to new employees; O'Keefe states, "We hire more mature sales people who have families and don't want to travel a lot anymore. This model allows them to sell, and maintain a personal life at the same time".

Benchmark



The chart above shows how EthicsPoint with WebTouch Selling performed against the Traditional Selling Benchmark. For example, EthicsPoint has a Cost per Sales Meeting that was 45 percent as much as the benchmark Traditional Selling organization. And the EthicsPoint Sales Lead To Close Sale Conversion Rate is 23 percent higher than the benchmark Traditional Selling organization.

Final Thoughts

EthicsPoint touches more potential prospects and therefore better understands its market space. Armed with competitive landscape information, EthicsPoint knows which competitors warrant closer attention. It's clear that *WebTouch Selling* has improved the EthicsPoint sales organization and contributed to greater sales results.

Snap-Shot Summary: *The Five Lessons You Have Learned*

What does this mean to you, the reader?

Sales Benchmark Index believes this white paper serves as a **call to action** for sales organizations that want to enable the five key lessons learned from WebTouch Selling:

- 1- **Get a fresh perspective from peers.** Many sales leaders must contend with the pressure of navigating through internal politics ensuring that new ideas are not quickly passed along to the sales force. Take a moment to identify successful peers outside the organization and learn how they are overcoming similar challenges.
- 2- **Embrace the “un-clogged channel”.** Currently, there are far fewer virtual sellers than face-to-face ones. This represents a source of potential competitive differentiation – as prospects are less used to this approach and many are more amenable to it. Get out of the crowded lobby and into the spacious virtual conference room.
- 3- **Discard ‘conventional wisdom’.** Doing what everyone else is doing results in a reversion to the status-quo. Sales metrics tracked over time prove that sales performance does not change very much. For example, turnover from 1996 to 2006 ranged between 38 percent and 42 percent. What happens on the margin, however, can cause significant change. Virtual selling is on that margin – and therein lies the opportunity.
- 4- **Resist the ‘coping mechanism’.** Accepting the status quo as the rule, or worse yet as a best practice, feels good. While it may be a comfortable posture, it also happens to be a mistake in this case. Face-to-face selling has been ‘par for the course’ for some time; however *WebTouch Selling* offers a new way for a new century.
- 5- **Balance your fear with a healthy dose of greed.** Approaches like *WebTouch Selling* will at first appear to threaten your existing pipeline and revenue stream and the temptation will be to resist and delay. Playing ‘defense’ like this will not drive growth, only further mediocrity. The results of the two cases studies in this paper, and those reported upon in the *World Class 100*, illustrate that there are substantially greater returns available for the taking.

**“The WebTouch model
represents the future
of selling.”**

*Tom O’Keefe
Sales Vice-President
EthicsPoint*

Call to Action: *Getting Started with the Future of Your New Sales Selling Approach*

If the case studies, data, and lessons learned presented in this white paper have accomplished anything, we hope that they have inspired and enticed you to take action. If so, here is a brief set of next steps:

- 1- **Benchmark your sales force** against your peer group to quantify the opportunity.
- 2- **Build a business case** based on the benchmark findings and sell the concept internally.
- 3- **Map your sales process directly to the customer’s buying process** so that WebTouch Selling can enable more efficient selling.
- 4- **Deploy the technology** to enable WebTouch Selling techniques and ensure existing infrastructure supports it.
- 5- **Train your sales team** on the new and effective selling techniques.





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Sales Benchmark Index is a strategic advisory firm that helps executive leadership understand how well they are performing relative to a peer group and World-Class levels. Sales Benchmark Index is differentiated through its use of empirical data, a repository of over 10,900 companies, across 19 industries, 11 years of history and over 200 sales metrics. Through SBI's sales benchmarking services a company can deploy comparative data sets to identify the improvement opportunities available through leveraging best practices of World-Class sales forces.