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The 4 decisions every telemarketing manager must be able to defend to their CMO

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Introduction

What challenges keep telemarketing managers awake at night?

From ensuring staff are motivated and productive to improving the relationship between sales and marketing, boosting data-driven performance, and even justifying their own position, the list is plentiful.

We spoke with a select number of telemarketing executives to identify and collate the key challenges, then quizzed those experts on how they've managed to overcome them. The resulting insight provides you with practical solutions that'll help you defend your decisions when the CMO comes calling.

With thanks to our interviewees:

American Express
fuelcard services
GROUPON
marketmakers
Vitality HEALTH INSURANCE

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1. Should telemarketing be an inhouse or outsourced function?

The challenge

The value proposition of outsourced telemarketing businesses can be highly attractive. Not only does it reduce fixed costs from the organisation but it can offer significant expertise and experience, bringing best practice from multiple clients and sectors.

Outsourcing also offers scale and the ability to increase (or decrease) your need as and when required. In addition, it takes the HR issues out of your hands, leaving it up to others to handle recruitment, turnover and employee engagement (the latter of which was identified as one of the key challenges).

In the face of all this, telemarketing managers may find themselves having to justify why the greater control offered by an inhouse operation is more important than the flexibility of an outsourced provider.

The solution

For Matt Corless, MI manager at Vitality Health Insurance, bringing the telemarketing operation – and more importantly control of its data – back inhouse, has delivered a significant improvement over the previous outsourced arrangements.

The organisation used to work with up to eight separate outsourced telemarketing firms, calling on behalf of Vitality and using data the business had provided. But these firms had a target, and worked in any way they could to achieve it – potentially at the expense of the data. Vitality felt it had little control, and the company wasn't making the most of its information. In addition, the outsourced firms lacked knowledge and experience in the health insurance sector and sometimes campaigns did not get the attention they required. "There was a lot of inefficiency and lack of management focus on data, which affected the quality of data and duplication of dialing," Matt explains.

"Taking it inhouse has given us focus, a shift in our performance and growth in the past four years," he says. "That was our main focus and what we set out to do: get hold of the data, look at our opportunities in the market, and then maximise that data asset and opportunity. That's helped us grow the business."

In Matt's view, this has been the team's biggest success over the past four years, over which time it has grown from a team of eight telemarketers to more than 200, making significant gains for the business. Vitality has also focused on expanding its renewal data capture, and now has around 90,000 records for renewal dates, allowing its telemarketers to contact customers at the right time. "It's about driving those opportunities presented by the data and capturing all those renewals. That's helped us drive our personnel up to where it is now," he adds.

Inhouse control and visibility of the data has also allowed the business to respond quicker when analysing results. Having real-time information to hand means the firm is not having to wait until the end of the day to make a change, such as switching a poorer performing data set for a better one. "We're very hot on that at the moment, monitoring the data combined with propensity to see what is and isn't working – and optimising the data that is," Matt says.

While inhouse operations may not be the solution for all telemarketing managers, bringing the function back inhouse brought Vitality – regarded as one of the leaders in the industry – significant benefits. Its success shows what others with similar issues regarding their outsourced providers could achieve.

> *"We're very hot on monitoring real-time performance to see what is and isn't working."*
>
> **Matt Corless, MI manager, Vitality Health Insurance**

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2. How do I ensure my telemarketing staff are motivated and productive?

The challenge

In general, telemarketers tend to be inexperienced, turnover is high and basic pay is low (albeit often with generous incentives for star performers). One media business with 300 telemarketers had a turnover rate of 400%, meaning it had to recruit and train 1200 new staff a year just to stand still. This was at an annual cost of $6 million.

Simply paying staff more is not an option most businesses would be keen to consider, so how can the telemarketing manager keep staff motivated and productive?

The solution

The happier your staff, the more productive they'll be. That was the message from those senior executives we spoke with. Improve the former and the latter should also rise as a natural byproduct.

Boosting employee engagement has been an ambition for Jon Wilson, MD at Groupon. The company made a number of changes, including reducing working hours for its sales team from 9am-6pm to 9am-5.30pm (with a 5pm finish on Fridays). The company has seen no reduction in productivity with a huge boost to staff morale and goodwill toward the business. Groupon also pays for non-work related training, such as guitar lessons, for its staff, which has been another morale booster.

Fuel Card Services has also seen the benefit of introducing shorter working hours. Group head of sales Chris Bradley says: "We have a genuine belief that people are our greatest asset. [We] felt it was important to balance work with home life. Because we achieve our business and customer expectations, we decided to allow all our sales team to finish no later than 2.45pm on a Friday. Many, if they have achieved certain objectives, finish even earlier.



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"Letting our sales teams finish early has enabled us to boost staff morale significantly."

Jon Wilson, MD, Groupon

This has allowed everyone to get a great head start on the weekend while also having no detrimental effect on our business or our customers."

At B2B telemarketing business MarketMakers there has been a focus on developing careers and identifying the best way to reward staff.

"One of the things this industry can be associated with is transitional roles in telesales. But what we feel they're looking for is progression. Often the only obvious progression is to move to the field sales team or to become team manager, and they're very different roles," says MD Henry Braithwaite.

MarketMakers has developed an eight-tiered structure, within which people can gain promotion, increase earnings and responsibility, while continuing to work as a telemarketer and increase their skills.

"That's a great retention tool for us and allows us to keep all our top talent in a job they're successful at and they love. People don't have to think about going into management if they don't want to be a team manager," adds Henry.

The company also has a unique bonus structure. Half of which is paid on immediate performance, but the other half is based on client retention. According to Henry, this ensures staff consider what the client is looking for. Bonuses are also paid weekly. "It's well proven in psychology that the further away an incentive is, the quicker the value of it drops. If someone knows the work they do in the morning can earn them £15 for an appointment and they'll get that in three days' time, that's more powerful than setting a bonus someone might see in one or three months' time," Braithwaite says.

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3. Sales complain about the leads they are sent

The challenge

Disagreement between sales and marketing is nothing new, and a poor relationship can significantly hinder performance if more time is spent arguing than making improvements.

The quality of leads – or a lack thereof – is often a sticking point. Research carried out earlier this year by B2B Marketing found almost a third of B2B marketers said their sales teams thought the leads they provided were low quality. While the biggest frustration for marketers was that they did not believe leads were followed up quickly enough. While the majority of firms had agreement on the definition of a lead, half of marketers carry out no scoring before sending them to sales.

So what's the best way to develop a relationship that results in both functions working towards the same goals?

The solution

When Harry Mole, marketing director, international payments at American Express first joined the company, every conversation with the sales team was dominated by two bones of contention – the leads that marketing provided were either not of high enough quality, or there weren't enough of them. Now the partnership between the two functions is based on a much clearer understanding, common language and set expectations – but it has taken three years to get to this stage "from rock bottom".

Mole believes the arguments over leads are actually the symptoms of a dysfunctional pipeline, not the problem itself. "That argument about quality and quantity at the interface between sales and marketing is only one of the symptoms of a dysfunctional pipeline. It's not actually the problem," he says. "Put a plaster over the symptom, it doesn't fix anything. The problem remains exactly the same."



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The company's approach has been to go back to the drawing board and completely redesign the end-to-end pipeline process, because "if you start from a place of mistrust, it ain't going to work". The team decided not to worry about specific names, roles or functions, but instead map the customer journey and identifying what the most efficient point to hand over a lead from marketing to sales. Previously, sales had simply been arbitrarily selecting which stage a customer was at. This was redesigned with four distinct stages – needs analysis, solution design, value presentation and commitment – with new definitions and new mandatory fields to complete in the CRM.

Previously, the company also had no framework for determining the value of a lead. "We've broken it down into something definable," says Harry. "We talk about engagement in three ways. One is to ask about their incumbent solution, because we know it's harder to win business away from certain providers. [The second] is a measurable form of engagement – high engagement would mean we are able to set a time and date for an appointment with the person in the next 48 hours. The third is the context, such as whether the person is a decision-maker or influencer." These engagement metrics are then combined with value measures specific to American Express, which creates a simple scoring methodology.

Sales and marketing are now aligned to the same goals. Redefining the definitions, expectations and oversight has developed trust and stopped the recriminations. "Now we're not having a discussion about the fault, or the credit either. We haven't got a sales plan or a marketing plan – we have the acquisition plan," Mole adds.

"We haven't got a sales plan or a marketing plan – we have the acquisition plan."

Harry Mole, marketing director, international payments, American Express

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4. We aren't maximising the potential of our data

The challenge

When it comes to data, there are two main challenges for telemarketing managers. Either they have access to management information, but lack the skills to interpret or improve performance.

Alternatively, they don't have enough data, which makes it difficult (if not impossible) to track, measure and evaluate pipeline and productivity. This inability to manage pipeline can lead to missed opportunities. One firm found customers were being given a quote that was not followed up.

Systems integration can pose further difficulties. "None of them speak to each other, or they don't do exactly what we need them to and that's a huge challenge we're dealing with in the short-to medium term," says Matt Corless of Vitality. The company is currently looking to switch to a single platform, which will reduce three systems into one.

The solution

Data-related issues are often really about people. The telemarketing execs we spoke to had the greatest success when they were able to hire the right staff with the right skills, easily access the data and then act on the insights it provides.

"Employing the right people is key," says Matt. "Make sure you have the right people to manage data, reporting, management information (MI) and systems."

Vitality had a lack of MI, and were light on the technical skills to manage it. "Therefore, we put a focus on bringing more skills into the team. That enabled us to have the skills that extract value from our databases within the team, and upskill others on what they need to know. That's really helped us, but there's still a lot more to do." Matt looked



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to hire those who worked in call centre operations, in MI roles, or had related university degrees to boost the skills of the team.

"The absence of critical MI led to a lack of focus in places where we weren't managing our pipeline properly or identifying gaps in performance. Without that, we wouldn't be able to drive performance in those key areas to help us hit our sales targets," he adds. "That's why we needed to make sure we had the correct suite of MI to focus on the right aspects of everyone's roles and hit our sales targets."

Another key success factor has been the focus on real-time performance through dashboards. The real-time information Vitality has access to allows them to make changes to drive performance during the day, rather than having to wait until the close for a report. So if the firm has identified a poorer contact rate within a particular customer segment, they can exchange it for better data to improve performance.

This access to real-time information also extends to measuring the performance of individuals, which was identified as an issue because without the right information "we couldn't proactively support those individuals that needed our support and training".

Run rate is one of the most important metrics Vitality tracks. The run rate is a measure of the "hotkeys" – qualified leads, also known as appointments, per agent per day. Tracking the run rate allows Vitality to view individual performance. Therefore, if a telemarketer is generating two hotkeys in five hours, they can see it is underperforming against an average of five in an eight-hour-day. "That shows us where there could be an issue," says Matt.

It's a similar story at American Express, where the redesign of its pipeline has given the team a clearer view of their performance. "We can look at every individual pipeline for blockages and velocity problems," says Harry. "If 'Bob' has got more than 10 opportunities at stage one, is there a reason. What are we going to do? It might be he had three days off last week so he didn't do anything, or he might be struggling to make progress, so we'll make changes to help him move that along."

"Employing the right people with the right skills is key."

Matt Corless, MI manager, Vitality Health Insurance

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Comment



Kris Grosbergs
Head of marketing and sales development, Growth Intelligence

We all know outbound marketing, even in the less-than-glamorous form of telemarketing, is hard. Yet, it continues to deliver results.

We hope the insight gathered from these interviews has provided useful advice to marketing leaders with outbound marketing at the core of their marketing plan. The themes outlined appear to be a recurring trend at organisations, no matter their size and investment in telemarketing.

Another crucial element to running successful telemarketing campaigns, both inhouse or outsourced, is the ability to know that every telemarketing hour spent calling is not wasted on anyone that's unlikely to convert. We often find that businesses spend up to 97.6% of their telemarketing effort on companies that don't become customers (eBook). Spending 97.6% of your time getting nowhere is bad for morale and motivation, it's bad for profit, it's bad for UK plc, and it's bad for global trade.

With the rapid advances in artificial intelligence, it's now easier than ever to justify every telemarketing call made, and more importantly, connect with businesses that really do need your help. As a result, businesses such as Vitality Health Insurance (case study) have significantly improved telemarketing performance, reducing the cost of an appointment or sale by at least 24%. By incorporating feedback into AI, their most recent performance figures show an 80% uplift in run rate (appointments per agent per day).

We would love to hear from you if you're thinking about ways to make your own marketing campaigns more efficient, targeted and relevant.

Email me kris@growthintelligence.com or call 020 3873 2731.

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About

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B2B Marketing is the comprehensive information resource for B2B marketers. Its mission is to provide practitioners with the information they need to perform better and achieve more, whatever sector of the B2B space they are operating in.

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Contact: 020 3873 2731 or kris@growthintelligence.com

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Contact us

B2B Marketing
Clover House
147–149 Farringdon Road
London
EC1R 3HN

Tel: +44 (0)20 7014 4920
info@b2bmarketing.net
b2bmarketing.net