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Mr. Murray Warren, principal of Increased Revenues.com and The Warren Group, has asked Precision Human Development (PHD) to draft a letter detailing his contractual work with our company over the period August – November, 2003. The PHD board of directors has agreed to this request.

In July 2003, Mr. Warren approached PHD with a proposal to develop an in-house telesales force. After reviewing a number of proposals from B.C. and Washington-based sales organizations/consultants, we selected Mr. Warren for the task of establishing an in-house sales system for two particular reasons:

1. In Mr. Warren's proposal, PHD would retain all sales training materials developed over the course of the contract; he also operated locally;
2. Mr. Warren's "Performance Guarantee": a 100%, money-back guarantee should the sales team not reach the agreed upon performance targets established by Mr. Warren in his original proposal based on his experience and his feasibility evaluation of the PHD business and product offering. The "telesales minimum performance objectives" for a two-person team consisting of a lead-generator and a sales closer were as follows: (i) *"The Telesales team will be able to connect to 400 companies per month; (ii) The team will generate 40 qualified companies that meet the template of an ideal prospect and close about 5 [or more] new accounts per month."*

The initial set up of the program took place in August 2003. Sales scripts were prepared by Mr. Warren in consultation with the developers of PHD's products. The training of the sales team took place from mid-August to the end of September. During this phase, Mr. Warren spent between 12-16 hours per week on-site training and supporting the team members and testing the effectiveness of the scripts. After this phase, Mr. Warren was present on-site about half the time noted above per week to monitor sales performance.

Over the course of the official roll-out of the program (Sept.-Nov.), it was soon realized that the sales system of a Lead-Generator and Sales Closer was unable to meet the performance objectives stated in the "Performance Guarantee." During this period, the designated "Sales Closer", while competent at lead-generation, was unable to personally close any new accounts. This person and the original lead-generation person were successful, however, in reaching out to 400 or more contacts per month. From this figure, the number of qualified leads that were generated or presentations that were made was more in the range of 20-25 per month. Near the close of our contractual term, it became apparent to both Mr. Warren and PHD that PHD principals needed to step in and participate in the sales process and execute the role of sales closer.

This has been the arrangement that we have continued thus far. The proposed lead-generator/sales closer telesales model has become a two-person lead-generation team only. PHD principals need to now be routinely engaged in a sales closer role. At this time, our lead-generators have, more-or-less, been able to maintain an appointment booking rate of about 20-25 per month.

Overall, it is correct to say that we have had some success with the lead-generation component of Mr. Warren's sales system.

Sincerely,

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