How to Turn Around Your Sales Force, Not Transform It!

A New, 120-Day Action Plan To Accelerate Sales Results

John Hoskins, Level Five Selling and Mark Sellers, Breakthrough Sales Performance

In June of 2012, Sales Benchmark Index published research that found the average tenure of a Vice President of Sales is 19 months. They claim no other member of the executive suite fails as often as the newly appointed Chief Sales Officer. Conversely, VPs of Sales whose mature teams have lost their drive and energy for growth are under fire to recharge, replace and redirect their teams – or find another job.

This white paper presents 3 keys for heads of sales to accelerate performance and achieve sustainable sales results. The authors give a new perspective on fundamental principles of leading and managing for sustained growth – having the right people in the right positions, having an accurate and reliable sales pipeline system, and having processes to manage and measure activities.

The authors simplify the task not to minimize its difficulty, but rather to give senior sales executives focus and clarity for the challenge. They suggest that a solution is found not in costly, lengthy transformation efforts; rather, through a simple dedicated approach that is proven to accelerate results.

03 **Process** Have processes to manage and measure activities

01 **People** Have the right people in the right positions

02 **Pipeline** Have an accurate and reliable sales pipeline system

ACCELERATE SALES RESULTS

01 People

"Making shots counts, but not as much as the people who make them."

Mike "Coach K" Krzyzewski, Duke Men's Basketball legend

Start with your people.

According to a study of World Class Sales organizations conducted by Chally Group Worldwide, 39% of a customer's decision to buy from your company is based not on product, quality, price or even service - it is based on the sales representative. Therefore you will want to answer these questions first:

1. Do I have the right people on the team for the sales challenge we face today?

2. How quickly can I find new sales talent that fits the desired model?

The sooner you take inventory of your sales team's talents including your sales management the faster you can leverage their strengths, promote them, or move them out. And, the faster you can start to meet revenue quotas.

But how do you know if the talent you have is the talent you need? Determining what a good sales rep looks like and the competencies that make them successful is critical. One simple and well-known paradigm is the classic farmer-hunter model. If you need talent that has a greater propensity to open new accounts, then a team of farmers will slowly lead you to ruin. On the other hand, if you need sales talent that is more skilled at maintaining and growing existing relationships then a team of pure sales hunters could lead to disaster.

Before undertaking this task consider the 3 most common and often fatal mistakes that some executives make in undertaking this work.

1. Seeking the answer to the wrong question.

"What do my top performers do that makes them successful?"

It's a classic error to pose this question. A common exercise that some VPs of Sales do is to seek the input of subject matter experts to build a list of competencies for the sales positions and then rewrite the job description. While this seems useful it is a potentially flawed approach because of its subjectivity. The subject matter experts are often dominated by the loudest voice in the room but not necessarily the most accurate voice. As a result, it leads to many false positives because in every sales force the top and bottom sales reps look very similar. They actually share 90+ percent of the same skills and abilities. This is why the poor performers got hired. They slipped through the hiring process because the hiring manager thought they saw a top performer.

This is a better question to ask:
"What are my top performers able to do that my bottom performers cannot? "

You are not looking to build a laundry list of competencies; rather, you want to discover the few critical success factors that the top performers possess that the lower

performing reps do not. Once you have those 5-8 factors identified you can then validate them more scientifically.

2. Allowing the process to be totally subjective.

A second mistake that VPs of Sales make is to allow for too much subjectivity in what they do next after the competencies are identified: determining how well current sales staff ranks against the competencies you need, and mapping the skills needed for each position.

Think of the task at hand to understand how unreasonable it is to expect that anyone (VP of Sales) could use subjective gut feel or "experience" to drive the evaluations: each sales position is unique in its competencies and skill sets required to excel. Each salesperson needs to be evaluated as a fit to the competencies. Someone who is a strong fit to a "hunter" type position can easily be confused with someone who is a weak fit. Resumes and track records can be misleading.

Using a scientific approach to the process lets VPs of Sales quickly make "fact based" decisions versus gut feel, legacy politics or traditional top grading approaches. The right people can be promoted and the poor performing ones redeployed. While some approaches such as those that focus on personality traits can be revealing it's important to select an assessment that is validated, EEOC compliant, and measures skills.

Once you know how each salesperson matches to the competencies you can prescribe the right training, coaching and development to improve the skills that are mapped to your new competencies. This saves time and makes you more productive.

The same approach should be taken for the management team. They are the lynch pin to the strategy since they play a prominent role in assessing and coaching salespeople daily.

Finally, the system that is created for assessing the current team can also be used to recruit and develop new talent. Candidates for sales positions can be screened for having the same 5-8 competencies identified as critical to success on the job.

3. Giving up ownership of the process to the Human Resources department.

As the VP of Sales the responsibility of hitting quota is 100% yours. Therefore giving HR the responsibility for leading the sales talent process is the equivalent of a coach being responsible for winning the big game and being told she can't be on the floor calling the plays with her team.

We don't mean to disparage HR - in fact, just the opposite. HR can play a very important role in finding, assessing and keeping sales talent. You have to own the process and help HR see the role they should play.

Forming a partnership between HR and Sales can be a win-win if you include HR at your planning table. By engaging their resources and talents towards mutual goals you have an extra set of hands to support you and your managers as you create new expectations and hold people accountable to them. Provide HR insights to your challenges and agree to metrics that you will track and share together in routine progress reviews. Have them

share in the results regarding turnover, recruiting, compensation benchmarks, and on-boarding and advanced training.

By engaging with HR upfront they'll be in a better position to support your needs for new talent as you turn the ship in the right direction and have to redeploy some team members. Performance Improvement Plans have legal implications and you and your frontline sales managers want HR's informed experience to be side by side with you in the process of reinventing the team. Don't feel like you need to be the lone ranger they are as aware as anyone that getting sales back on the growth curve is job number one. Ask them to support you in all stages of the talent audit you undertake in people phase of this turnaround strategy. They can co-facilitate meetings, manage vendors, run interference with legal issues, teach your managers better interviewing practices, source new ideas for compensating and incenting new business, and help with the analysis and interpretation of the results of your work. Finally they can be side by side with you with execution support when you start to implement your plans versus caught by surprise when dealing with fallout from the change process.

With your "People" strategy in motion it's time to put attention to the next major element – your sales pipeline.

02 Sales Pipeline

"A good forecaster is not smarter than everyone else, he merely has his ignorance better organized. "

Anonymous

It might be wise to start with people but the sales pipeline needs quick attention next.

The sales pipeline plays a critical role in getting faster and sustainable sales results for several reasons:

+ It's a strong indicator of the health of the company's business
+ It's drives sales growth
+ It's tied directly to achieving quota
+ It feeds the sales forecast
+ It can reveal weaknesses and strengths of salespeople, which is beneficial to coaching and to assessing salesperson competency

Step 1: Find out how real the sales pipeline is.

The first task is to evaluate the health of the company's sales pipeline. Without a healthy pipeline hitting quota is in jeopardy and sales productivity can plummet.

The problem faced by most VPs of sales is they cannot trust the pipeline to be real. This severely handicaps decision-making, coaching, forecasting, and time (priority) management.

The fastest way to evaluate how real the pipeline is requires you to engage in an exercise of learning how much of it reached TVR, or Total Viable Revenue. TVR is the part of the pipeline where the customer for each deal has committed to spending money on new products or services if necessary, or committing to making a change in current suppliers. They're beyond "thinking about it". Their problem is now a priority with a committed timeframe for fixing it.

TVR is a good measure of pipeline health because these are sales that some company will most certainly win – but not necessarily your company.

Deals that have not yet reached TVR are important. They become the next TVR. They deserve to get selling attention. But because they have yet to reach TVR they should not count toward pipeline value.

Here's a TVR exercise that could be described as a sort of "spring cleaning". Sales managers should meet with their salespeople and determine which pipeline deals have reached the TVR stage. Deals where the rep can say with 100% confidence the opportunity has reached TVR. Those get included in pipeline value. Deals that do not are not counted. They stay on the pipeline however.

Beware of salespeople incorrectly claiming that TVR has been reached because of reasons such as "they love us", "we have a good relationship with them", "they're not looking at anyone else", and others. If reps cannot provide tangible evidence that the company has committed to spend money to fix the problem don't count it as TVR.

This exercise puts non-TVR deals where they belong and can purge the pipeline of some of the outdated, inaccurate deals. However, without a process for keeping the pipeline clean it will eventually get cluttered and inaccurate again. That leads us to step 2.

Step 2: Establish and enhance the pipeline management process.

As quickly as possible the VP of Sales should establish or enhance the company's sales pipeline process. This is important for both short-term results and long-term results. However, there is perhaps no business process either more commonly left alone for individuals to manage or gets the wrong kind of attention than the sales pipeline. As a result, many sales pipelines are either neglected or mismanaged.

There could be several components to a pipeline process but two are critical. One is building the sales pipeline (or funnel) around customer buying stages. Each stage is defined by a milestone that the customer reaches as steps in their journey to making a purchase. This gives salespeople the best chance for building quality and accuracy into their pipelines, one deal at a time.

There is a major caution to be noted. Simply defining customer buying stages will not magically lead salespeople to place deals at the right stage nor do they automatically transform a salesperson's selling behavior. In other words, despite having stages defined correctly, pipelines will often still have bad data on them.

The second critical process component is committing to monthly pipeline inspections (also known as Funnel Audits). The Audits are structured conversations between each sales manager and his or her reps. They help the rep maintain the high levels of quality for what he or she reports on the pipeline.

With these two critical elements to the pipeline process the VP of Sales has a way to view the pipeline data that brings a lot of value to himself, his sales managers and their salespeople, and to other senior executives like the CFO and CEO for months and years to come.

Given the impact of the sales pipeline process to many stakeholders in the company no assumptions should be made about individual sales people, their managers or others knowing what they need to know to accurately use the process. Therefore step 3 is about training and coaching to the new process.

Step 3: Provide pipeline training and coaching.

When new processes are established even if they are incremental to existing ones it is smart to provide training and coaching.

Training is an excellent way to introduce new concepts to the process and to reinforce expectations of use. Coaching is needed to keep salespeople in compliance and effectively using the process.

The most pivotal person to train however is the sales manager. The success or failure of the process is largely within their control at least with their own salespeople. If they let salespeople opt out then the process will be limited in impact. If they are strong leaders of the process then it will produce desired results.

Some salespeople and their managers believe that training and coaching in the pipeline is unnecessary because it is such a fundamental and simple concept to understand. They might say you fill the pipeline, work the deals, and always make sure there is enough in it. While this is true it is like saying to drive a car is simple. Put the car in drive, press the accelerator, and steer. Many car accidents do not happen because the driver doesn't know "how to drive a car'". They happen because the driver failed to operate the car properly.

Similarly, pipeline management doesn't fail because people don't get filling it, working the deals, and having enough in it. It fails because of operator error. The point of pipeline inspections (Funnel Audits) is to reduce or eliminate operator error.

Finally, there's one more step that helps VPs of sales accelerate performance and sustain it. It's about process.

03 Process

"A manager is a title, it does not guarantee success. Coaching is an action, not a title and actions will result in successes!"

Catherine Pulsifer

Having the right salespeople on the team and in the right positions leads to success. Having an accurate, healthy sales pipeline positions the entire sales organization to win more sales and achieve company revenue goals. Having processes to lead people and the pipeline completes the picture of success.

The last step and the one where true field execution begins is sales management cadence. The word "cadence" is often associated with marching bands or military squadrons where everyone is aligned toward the same destination. IBM applied it to its operating system or "sales cadence" used by IBM sales leaders to manage their sales organization.

In many parts of an organization you can see cadence in action. Accounting has its GAAP, Manufacturing has SPC, Six Sigma or LEAN, and IT has operating systems. All of them share a common theme: processes by which they align people, manage activities, and measure output to achieve results. The same concepts of process and alignment apply to sales.

A sales operating system is a process by which a sales leader and their team monitor certain activities, with a routine frequency, using standard metrics to measure results and tools to manage the process. These activities may include but are not limited to; sales planning, recruiting, field coaching, forecasting, and performance reviews. In turnarounds, we suggest the focus is on just two areas. The previous section described pipeline management in monthly pipeline audits and we would add one more process. Place a focus on coaching in the field not from behind a desk.

The most often stated and least measured sales management performance standard is the amount of time a frontline sales manager spends in the field riding on calls, pre-call planning, observing the call, and post call debriefing. The norm is 50% as a goal. Some companies set the bar as high as 80%. That is 4 days out of 5 in the field traveling with reps meeting customers. In running many coaching workshops one of the authors notes that a common reply to the question of how much time are sales managers in the field is a range from 15-20%.

Here is a simple step to put this process in place and you will see dramatic results in just 90 days.

1. Set a standard with each sales manager for the next 90 days. 50% (2.5 days a week in the field) No excuses.

2. Have them present a plan to you for each rep they manage as to how many days they will spend with that rep and what the focus of their time spent will be from a coaching point of view.

3. Explain the sales process you want followed and decide how you want them to report their results each month of the previous months field activity.

4. Train the managers to plan calls, observe them and how to conduct a post call debriefing.

5. Set a benchmark from their pipeline for each rep as to track the following:

   – Number of active prospects on the forecast

   – How many are new prospects, how many are repeat customers

   – The gross potential value of the sales forecasted

   – The 90-180-Full Year Forecast for each territory

Field coaching is the crucible for learning what is going on in the business. Getting managers on joint calls is the best elixir for any sales ailment. In fact, if you had just one thing you could do to turn around sales in the next 120 days that is where we would suggest you focus.

Conclusion

People, Pipeline and Process that is your mantra for 120 days. Focusing on a few things versus the many makes this plan work. Again, sighting findings from the Sales Benchmark Index research. SBI suggests there is a tendency toward what they call "thrashing". Implementing the wrong sales improvement programs launched due to improperly diagnosed problems, resulting in lots of activities but few results. Our viewpoint? We agree wholeheartedly, less is more.

If you want to learn more about how to assess your sales team, improve your pipeline health and forecast accuracy, or install a field coaching discipline write to us of give us a call.

About the Authors

Mark Sellers, is CEO of Breakthrough Sales Performance, a sales training, coaching and consulting company. He is the author of the book *The Funnel Principle*, named by *Selling Power* magazine a Top Ten Best Book to Read. Mark is a leading authority on sales pipeline performance.

614.571.8267 | mark@breakthrough-sales.com

John Hoskins has sold or overseen the sale of more than $350 million of licensed training. Today he is Co-Founder of Level Five Selling and his consulting practice is focused exclusively on the sales function, helping sales leaders execute their growth strategies.

480 235-5582 | john@levelfiveselling.com