Supercharging Your Sales Team

▶ *Improving sales processes in smaller businesses*

▶ Introduction

Smaller businesses face different challenges—and opportunities—compared to their larger counterparts. Their agility and entrepreneurial spirit keep them on the cutting edge of competition, but the lack of a large sales team may often seem like a disadvantage. In reality, it can make small businesses even more competitive: reps move faster, require less infrastructure, and can take advantage of hand-tailored sales solutions.

CSO Insights recently released our 2015 Sales Performance Optimisation (SPO) and Sales Management Optimisation (SMO) studies. Combined, we gathered 100+ metrics from 1,500+ sales executives on the challenges facing their sales teams, why those problems exist, and most important, how they are successfully reengineering their teams to overcome those challenges. These insights are more important than ever to smaller businesses looking to leverage their competitive agility and entrepreneurialism.

Let's Dive In

An Analysis of Success

We analysed the SPO and SMO data by examining the sales performance of the top 10 percent of companies surveyed, compared to the middle 60 percent and the bottom 30 percent. The following table summarises the outcome of that analysis against three key sales performance metrics: the percentage of a company's sales reps who meet or exceed quota, the percentage of the sales organisation's overall revenue plan attainment, and the win rate of forecast deals.

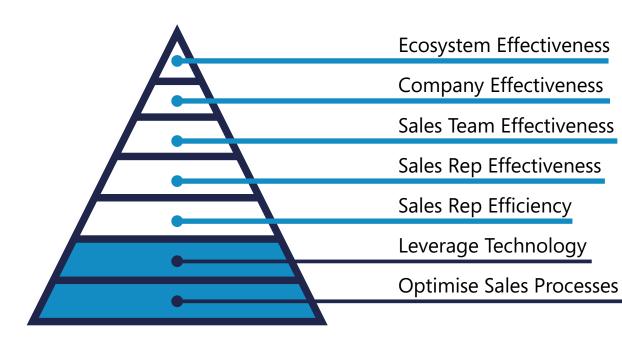| SALES PERFORMANCE COMPARISON	Bottom 30% of Sales Organisations	Middle 60% of Sales Organisations	Top 10% of Sales Organisations
% Reps Making Quota	47.9%	62.9%	75.1%
% Overall Plan Attainment	57.9%	92.2%	117.7%
% Win Rate of Forecast Deals	39.0%	43.9%	53.5%

It's How You Sell

So what traits do the top 10 percent of sales performers have in common that help them get there? And how can you use these learnings to bring actionable insights to your sales reps? In this whitepaper, we will introduce the CSO Insights' Sales Transformation Pyramid (STP) model, which is a step-by-step methodology for effecting a positive transformation in your company's sales performance. We'll lay out a framework for how companies of nearly any size can effectively bring together people, process, technology, and knowledge to create and enhance their competitive edge.

Sales Transformation Pyramid Concept

When companies ask us how they can increase sales productivity, we recommend the following structured approach: the Sales Transformation Pyramid. We built the STP on years of research and by observing how different companies have implemented successful sales transformation initiatives. Our benchmarking demonstrates that the only way to reach the top of the pyramid is by soundly building on each step from the bottom up.

Ecosystem Effectiveness

Company Effectiveness

Sales Team Effectiveness

Sales Rep Effectiveness

Sales Rep Efficiency

Leverage Technology

Optimise Sales Processes

Let's explore each of these layers of the pyramid and see how they build on one another to optimise sales performance.

Pyramid Foundation: Sales Process Optimisation

The foundation for the STP begins with optimising your company's sales process. Begin this step by listing all the stages in your sales process and the customer's buying process, and review all of the stakeholders in the company who are or should be involved in those stages. Next, take the time to interview those stakeholders. These are the kinds of questions you might want to ask:

1. Which specific tasks do you perform at each stage in the sales process?
2. With whom do you complete those tasks?
3. Which tools and content do you use?
4. What's easy or hard about performing those tasks?

The interviewer should begin collating feedback, keeping in mind the following questions:

1. Did you discover any overlap in functions between people or teams?
2. Do team members consistently follow the same general processes?
3. Where are there inconsistencies between processes?

For a detailed template on how to conduct this type of analysis, you can watch our video:
The CSO's Guide to Transforming Sales.

While you complete this analysis, you'll discover areas of your process that need improvement, if not a complete redesign. This is a significant first step because you want the rest of the pyramid construction to support how you should be selling, not reflect how you have been doing it. These discoveries become the cornerstone for the next step in the process: creating a road map for how you can leverage technology to optimise for your desired sales process.

1. The First Level of the Pyramid: Technology Architecture Definition

Customer relationship management (CRM) is a key technology with significant capabilities that can help your reps increase sales productivity. While you look for the right technology solution for your business, we recommend starting by sharing your sales process optimisation results with the business stakeholders. This changes the dynamic of the conversation away from features and functions toward problems and solutions. The objective is to move away from looking at all the things you could do with technology and focus on the things you should do to increase sales performance.

Questions to guide your technology discussions:

How simple is the solution to implement?

Are your sales reps often remote or is your company distributed? If your company is distributed and sales reps are often outside of the office, a CRM solution with social features is recommended.

How have similar companies implemented the CRM solution?

Do sales reps need customer information away from the office? On their phones? Are my sales reps mobile? Then mobile CRM capabilities should be part of your technology road map.

Are there tasks that can be automated, but aren't? Ensure that any solution has the capability to easily adapt your specific business process. This is key to streamlining a sales team's activities.

It's important to take time to create a full vision of all the technology capabilities you'll need over the long term, and understand how they'll need to integrate, so you can select the right solutions to meet your needs over the long term. Technology adoption often follows the "crawl, walk, run" model, which begins with the overall long-term vision for what running looks like.

2. Level Two: Sales Rep Efficiency

CRM is one of the most important parts of the small business owner's business tools. If your company does not yet use CRM, you should approach implementation of a CRM solution with the sales rep in mind. Core CRM capabilities such as contact management, opportunity management, task management, and web-based meeting support are all things that salespeople can quickly learn and benefit from, and increase overall sales efficiency in measureable ways.

The top three benefits that companies report seeing when they adopt a CRM solution are:

1. Increased sales rep communication
2. Reduced administrative burden on salespeople
3. Streamlined forecasting process

To ensure your reps learn how to integrate this new way of selling into their daily workflow, you must provide training on how to use the new processes and the tools they'll use to automate tasks they perform manually.

3. Level Three: Sales Rep Effectiveness

Once you start to see positive results from your sales team, you can introduce additional processes and other CRM functions to help them tackle more complex aspects of selling.

Examples of these include:
- Accessing sales intelligence data and insights via their system to increase prospecting effectiveness
- Leveraging configure/price/quote (CPQ) solutions to generate bulletproof solutions for clients
- Accessing and customising sales content assets to meet a specific customer's needs

When companies successfully weave effectiveness into the equation, they often see improvements such as:
- A decrease in sales cycle length
- An increase in margins and average deal sizes
- Higher renewal or repeat order rates

Productivity improvement is another key benefit. We segmented the 2015 SPO study according to CRM adoption rates, and then we looked at sales rep time allocation. The following table shows the relationship between CRM adoption and salespeople's total selling time:

TIME ALLOCATION COMPARISON	CRM Adoption >90%	CRM Adoption 76–90%	CRM Adoption 51–75%	CRM Adoption ≤50%
Selling Time	40.3%	35.4%	34.2%	32.9%
Lead Gen Time	22.9%	21.4%	20.7%	22.0%
Post-Sales Tasks	16.4%	18.8%	19.5%	19.2%
Admin Tasks	13.5%	15.1%	15.0%	15.4%
Other Tasks	10.5%	12.3%	12.7%	13.0%

Here we see that the companies that have a >90 percent CRM adoption rate on average see salespeople dedicating 63.2 percent of their time to prospecting and selling. This compares to 54.9 percent for companies with an adoption rate of ≤75 percent. Sales reps would prefer to spend more of their time doing their jobs—not administrative tasks—so demonstrating the efficiencies of CRM will help with internal adoption rates.

4. Level Four: Sales Team Effectiveness

Once you demonstrate the benefits of CRM to each salesperson—and get everyone on board with using formalised processes and technology—you can then move up the pyramid to focus on sales team effectiveness. At this level, you can introduce new processes and tools to help the sales team as a whole work more closely together and with other stakeholders in the company.

For example, you need to work with a consistent process across all teams to streamline sales. Companies develop best practices even before adopting a CRM solution; the technology is simply the tool that automates these processes. When sales reps and other stakeholders all work from the same common set of guidelines, it is a major driver of effectiveness.

With sales reps functioning together (and with other stakeholders) as a cohesive unit, you can also significantly improve management effectiveness by leveraging new processes and technology. For example, once you have comprehensive data in your CRM system, sales reps and company managers can use analytics tools to improve their ability to work other sales stakeholders.

The CSO Insights' 2015 Sales Management Optimisation study found that the average manager dedicates 21 percent of his or her work week to sales rep coaching. Using analytics, managers can easily see when and where reps need help on different deals. That knowledge allows them to start coaching by exception: working only when reps need their help immediately.

To give you an idea of the impact that this can have on sales performance, we segmented the 2015 SMO data according to the ability of sales managers to proactively determine which sales reps need additional coaching. We then looked at their closing percentages to see the outcome of forecast deals. The table below summarises the results of this analysis.

OUTCOME OF FORECAST DEALS	Proactive Coaching: Needs Major Redesign	Proactive Coaching: Needs Improvement	Proactive Coaching: Meets Expectations	Proactive Coaching: Exceeds Expectations
Loss Rate	33.4%	31.5%	26.9%	22.9%
No Decision Rate	33.0%	22.7%	21.1%	17.6%

Here we clearly see the significant impact that proactive coaching can have on minimising both competitive losses and no decisions.

5. Level Five: Company Effectiveness

Once you have completed the first four levels of the pyramid, your processes, technology infrastructure, and data can expand to include other functional areas within your company. At the company effectiveness level, salespeople and service people have access to information on things such as payment status, product shipping details, trouble ticket status, and more on a round-the-clock basis.

The rest of the business can also get real-time access to sales information. Internal collaboration and networking can also be expanded to support communications between sales reps to better sell to and service prospects and customers. If every member on the team has access to the same customer data, and processes are consistently applied, virtually anyone can respond to customer inquiries. Even if a customer or partner's regular contact is out of the office, another person can quickly pick up the request and the customer will be happy—which drives overall company effectiveness.

6. Level Six: Ecosystem Effectiveness

The ultimate goal of any business is to engage customers and prospects, and to expand all of this beyond the walls of your company. This "customer engagement" can take the form of creating customer-centric intranets, using social networking communities, and relationship building with your existing customer base and partners.

At this level, the ability to service clients increases dramatically because of real-time information sharing and collaboration. When processes and technologies integrate across company boundaries, and you create personalised customer experiences that larger companies cannot match, you create a highly competitive ecosystem, giving your company a sustainable advantage for years to come.

Summary

The key concept that we'd like you to walk away with from this whitepaper is that optimising sales performance needs to be a long-term, strategic process, and must be focused on the end "run" stage of the "crawl, walk, run" cycle. Whether your company is just getting started, or scaling rapidly, the speed at which you complete the pyramid for your company will depend on need, complexity, and the resources that you're able to commit to the project. Full implementation could take several weeks, months, or even years, with the goal of completing all levels of the Sales Transformation Pyramid. With that in mind, it's a good idea to fully complete each level of the pyramid before moving on to the next level.

The process and technology choices you make at the very beginning of your project should give you an extensible architecture for implementing future phases and securing the long-term success of your business. You need to ensure that the decisions you make today:

- Provide you the depth and breadth of functionality to support the sales process you want to use going forward
- Are consistent with your company's overall information technology needs
- Will scale to support your company's growth
- Provide flexibility and customisation capabilities necessary to support your long-term sales transformation goals and objectives

Find out more about modernising your sales force at: http://dyn.ms/yDj5oG

About CSO Insights

CSO Insights, a division of MHI Global, is a sales and marketing effectiveness research firm that specialises in measuring how companies leverage people, process, technology, and knowledge to improve the way they market and sell to customers. For more than 20 years, CSO Insights' surveys of over 20,000 sales effectiveness initiatives have been the standard for tracking the evolution of the role of sales, revealing the challenges that are affecting sales performance and showing how companies are addressing these issues.