



Sales Casualty analysis

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Couple of small and medium companies CEO's recently offered some useful insights about an area they all had tons to share about. That of course is not about Trump but Sales. Many of them had a stellar sales team and some had poached sales leaders from industry biggies. All had formal sales organization including direct sales consisting of BDE to do the coverage and BDM to do heavy lifting. An inside sales team googled, scanned market and created meeting opportunities. Despite all these infrastructure and investments, they all suffered from common woes: long sales cycles, lack of funnel, targets missed by miles and very low closure rate. What derailed their sales performance were the following:

1. Lack of ownership & outcome driven Sales leadership
2. Muddling of Inside out and outside in sales motions
3. Penchant to work one-step below
4. Lack of integration
5. Weak Sales operations
6. Inadequate training
7. Poor sales review
8. Knee jerk partner management
9. Lack of risk frameworks

Napoleon has several interesting quotes on leadership. One states *a leader is a dealer in hope*. The other one state *an army of lions commanded by a deer can never be an army of lions*. Lastly, *nothing is more difficult, and therefore more precious than, to be able to decide*. While Napoleon may lost his war, history has famously recorded he was defeated by emulating his strategies itself. Sales leader who can't bounce back from rejection, stop vacillating to take decisions and lead from front are the biggest stumbling block.

From a sales offering perspective a company can have two kinds of motions: an inside out and outside in. Wherever a standardized product

exists, customer price points are explicit, and adoption does not require too much of investment from the company, the sales is an inside out motion. However, wherever solutions have to be curated and created to meet the requirements and significant investments happen in adoption, the sales motion is outside in. Both these motions vary with the quality of resources, and sales behaviour (time to close, values). Revenue realizations can be faster and cash flow woes eliminated if a company successfully drives inside sales efforts and dedicates outside in motions to develop new products and services at higher margins. Many sales resources exhibit a particular deviant selection, chase more outside in opportunities even when sufficient addressable market exists for inside out. The result cost of sales balloons, and poor realizations of product development.

A particular trait of sales leaders that affects the culture of the organization is the Pygmalion effect of working at one level below. Sales leaders would pull up their sleeves and go for preliminary sales call even when the junior resources are perfectly capable of managing themselves. While sales leader involvement may motivate the front end staff excessive extensions of their time and efforts hamper the growth and maturing of junior staff.

Another common cause is lack of integration across different units. Sales functions like inside sales, partner sales and direct sales may pursue independent and redundant engagements. The effect is inconsistent and incongruent customer experience. Companies witness spending on travel without any outcomes, client meetings fixed by front lines but not attend to and none to monitor, and loss of business opportunities. Worst without sufficient qualifications even exploratory meetings are pursued by teams consisting of sales leaders and front line staff with much fanfare. Many leads passed on by the lead

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generation team may receive cursory glances, some just ticked off based on superior intelligence (sic) about the account or worst case may not be even followed up. Sales and marketing integration may also be weak. Marketing splurges dollars on events and workshops and chasing awards that have no sales impact. Markets with high prospective customers may not be witnessing thought leadership or influence events.

Training and certification are keys to ensure the sales engagement is meaningful and outcome oriented. When a sales person presents himself before a prospect, being knowledgeable about their own products, pricing and other details make a huge difference. Often training is just “what”, and not about “how” and “why”. Hence, many sales resources can’t their deliberations beyond the product and fail to present various usage scenarios. This hurts the efficiency and productivity of a sales person.

Accounting and quality professionals swear by an adage “*what is not measured can’t be managed*”. This is true for sales outcomes. In many companies sales operations is given a go by or the resources entrusted with this critical function treat it as a punishment posting. Without a consistent review sales rhythm resembles a poorly executed copycat loud Bollywood number with no soul or melody.

Partners play a key role for both outside in and inside out offerings. Partners need to be nurtured, enticed and motivated to drive numbers in their territories. Partners need a mature and empathetic treatment. Unfortunately, many a time the sales resource is too junior or ill equipped to manage relationships. Some companies may not even detailed partner management process.

Finally, smart sales teams know what to pick, what to leave and what to commit. Sales teams

pick projects that are top line heavy but with bleeding bottom line. In their pursuit of buying logos, sales teams pick clients which may end up as bad debt or involve a very high service cost hurting the margins. Like the famous episode of Abhimanyu in Mahabharata Epic, many sales resources know to pick an account but do not know how to make revenues from it. Sales teams also rush into partnership engagement without adequate consideration of the outcome or commitment and end up landing in loose situation.

While the causes for sales derailment are many, all these companies could achieve a predictable and sustainable sales performance by adopting a simple antidote, **Focus-collaboration-intensity-freedom-monitor** framework shown below.



Peter Seller’s, Being there (1979) Hollywood film, has an insightful message for sales improvement, i.e., focus matters. In the movie, US President asks a simple and sheltered gardener whether growth could be simulated through temporary incentives. Sellers who played the gardener makes a profound statement, water garden regularly, cross plant to maximize coverage, remove weeds and support roots to run deep to survive across seasons, This holds the same for sales improvements.

Sales leaders have to pick their regions of success, what markets they would zoom on and what and how would they address customer pain areas. Sales organization can have multiple hands so that each can focus on different segments without stamping upon the other. Pick products and solutions that can be sold and define rules of engagement. Clearly articulate

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discounts, price structure and freebies. Importantly define the roles of executives, who can do what, when would a colleague step in to support or accompany for a meeting, etc. Importantly, define what trespassing will not happen and how abdicating the role is curtailed. Define key accounts, and dreams accounts and set business development executives and their manager focus on their relevant markets. Focus is also about how sales and marketing will tango. What marketing activities will lead to sales engagement and how these engagements will vary across marketing platforms including events, conferences, breakfast meetings and social media.

Second, to counter functional silos and loss of ownership, improve commitment and camaraderie within the sales teams, they need to build coopetition teams. Erudite Strategies can only yield result if they are embraced at all level and executed with a common purpose. Effectively engaging and connecting with sales team at strategic and execution level is a must to see the intended outcomes. Companies must involve the complete sales organization to scan and share intelligence to help plan a comprehensive multipronged sales program. Sales team must collectively evaluate opportunities, discusses approach or various sales motions (national, key accounts, acquisition, strategic account, label wins), creates proposals and pricing models, and comprehensively manages customer interaction. Teams in a coopetition collaborate to address common challenges, and address gaps and yet can remain competitive in pursuit of the individual goals. In recent years, companies like Ternary software, Zappos, David Allen Co, Precision Nutrition and others have adopted Holacracy (the system of self-governance) as an approach to build self-managing outcome drives sales teams.

Sales outcomes can be quickly realized if the efforts are consistent and engagement is intensive across all levels and customer segments. To ensure undiluted focus companies

can use gamification principles led incentives systems. Gamification changes the rules of sales engagement and inspires sales resources to change their behaviour. When you make sales work fun, you get more and better sales outcomes. A well-structured rewards and recognition system will stimulate sales resources to pursue ever-greater sales accomplishments.

Transaction costs economics demonstrates when the bonding between two entities is weak, costs of managing the relationships is high. Also in sales calls, client facing staff may need to have sufficient freedom to quickly reschedule their client meetings, travel plans or support. Without sufficient freedom, many companies suffer from high internal lead time. To attain this dramatic change of attitude to occur, people must not only accept and agree with the strategy, they must buy into it and have sufficient freedom to engage with the other entities. Without emotional commitment and adequate decision freedom, even the most brilliant strategies will fail. Managers must therefore follow a positive approach to broaden the associate's awareness and also to help him to build useful resources like skills, knowledge and productive relationships needed to achieve the desired goal. Manager must provide the associate with the broad visualization of objects and options. Managers must ensure while the outcomes are important, the pace and tactics are owned by the associate, there is plenty of room for failures and learn without stigma so that continuity commitment is not affected. Manager must also detail informal self-review mechanisms where the individual can elicit the feedback, discuss, digest and push the agenda of improvement by themselves. Companies need to consciously move away from the decades old sales playbooks they treat as mantras. With new technologies such as mobile, analytics and CRM tools, companies may have to rework their sales playbooks but also rethink how

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they are enabling the sales person to decipher and deepen the customer's knowledge. While adopting the new technologies ensure the playbooks allow sales resources to adjust their individual strategies and styles to add value to the sales engagement process.

Invest in sales operation. Fundamentally, the role of sales operations is to capture the data related to sales activities, and help sales team to make decisions based on data rather than subjective assessment. Sales operations more than just being a data sink, helps integration benefits to the organization by linking various activities. Sales monitoring with protects the works and optimizes sales efforts. It helps to minimize travel, organizing daily calls, sales resources productivity and reliable sales funnel. Continuous sales monitoring ensures quality and accountability from the sales team. Sales monitoring must go beyond tracking the daily activities of the sales team. Sales monitoring must capture win-loss and do a deeper analysis of juicier projects that did not materialize. Sales monitoring must strive to get a price-to-value comparison, compelling competitor products and perceived value.

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