

FLIP YOUR BUSINESS

BUILD A GREAT SALES ORGANIZATION



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WHEN BUILDING A SUCCESSFUL SALES ORGANIZATION, THERE ARE 5 COMPONENTS THAT MUST WORK TOGETHER IN UNISON

1. **Sales Operations** – The set of business activities that form the structure of a sales organization, which provide a process to achieve sales goals
2. **Sales Leadership** – Those in charge of the sales department that develop strategy, acquire resources, implement processes, and provide coaching and accountability
3. **Sales Process** – An approach to selling a product or service
4. **Sales Reps** – The people responsible for selling your company's products and services
5. **Sales Support** – The people who perform administrative tasks so that the sales team's time is open for more selling

Again, these 5 components must work in unison to build a successful sales organization. If any one of these is underperforming, at some point, it can have an adverse impact on sales goal achievement.

1. SALES OPERATIONS

LET'S GO “BIG PICTURE” FIRST

Sometimes, the structure of the sales organization can be overlooked as a potential area for improvement, opting instead to go right to the sales team itself.

Successful sales organizations maintain the following operational standards:

- Organizational Chart
- Territory
- Hiring Process
- Financial
- Sales Resources

ORGANIZATIONAL CHART / HIERARCHY

Sales team members should be clear on “who” reports to “whom” and why.

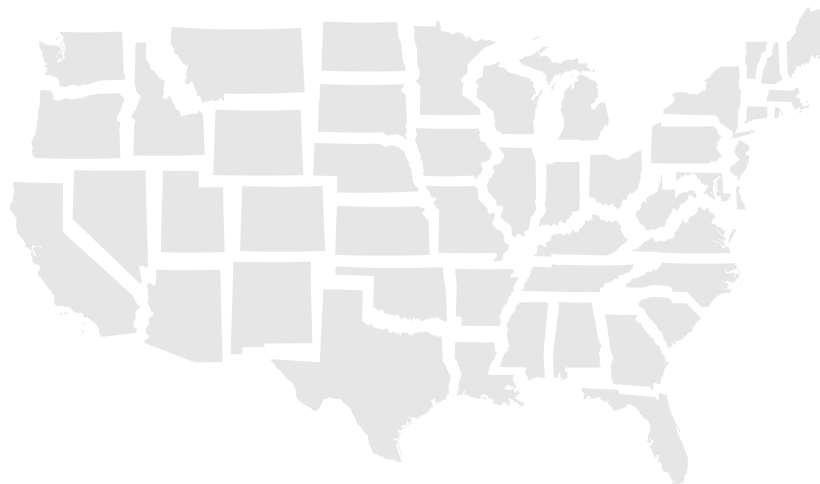
Key considerations:

- Number of sales reps assigned to each sales manager - Too many reps under one sales manager minimizes coaching time. Example: Maximum 10 sales reps.
- Types of roles are clearly defined (Inside, Outside, Major Account, etc.) - Reps need to know how big is too big of a sales opportunity to pursue. Reps should stay within the defined boundaries of their role.
- Location of reps/sales offices.
- Need for District and/or Regional Managers - Ideally, get managers as close to their reps and customers as possible. Distance can prevent effective coaching and accountability. Not all sales reps are wired for autonomy. Some need more closely guided leaders.

TERRITORY DEFINITION & STRATEGY

An equitable distribution of customers and potential customers to each clearly defined territory allows for the proper balancing of a sales team. Territories should be defined on principles and structure, and not by personality or relationships.

- Define rules of territory engagement
- Define territory clearly - zip codes, product line, states, regions, etc.
- Lack of policing by sales leaders can cause in-fighting over customers between reps



JOB DESCRIPTIONS / JOB EXPECTATIONS

Sales team members have to be clear about their specific role, responsibilities, and boundaries. Therefore, job descriptions and job expectations should be documented, communicated, and mutually understood.

JOB DESCRIPTION – A list or narrative of the attributes of a job, such as general tasks, functions, responsibilities, and the qualifications of the individual required to perform the job.

JOB EXPECTATION – A specific, measurable, attainable, relevant, and timely (SMART) set of activities required of the person fulfilling the role.

Although there is some overlap, a job description is more “job focused,” as opposed to job expectations which are more “person focused.” Let’s look at some characteristics of each:

JOB DESCRIPTION	JOB EXPECTATIONS
More job focused	More person focused
Defines qualifications required for success	Defines tasks required for success
The responsibilities of the job	How to fulfill the responsibilities of the job
Overview of a job	Details of a job

Let's take a look at an example of the difference, yet complementary nature of Job Expectations to a Job Description:

JOB DESCRIPTION	JOB EXPECTATIONS
Prospect for new customers	Make 50 phone calls per day to target prospects
	Attend 2 Chamber of Commerce networking functions per month
	Ask for a referral from 5 customers per week

How clearly defined are the Job Expectations for your sales team members?

Which roles do you need to reexamine the Job Descriptions and Job Expectations?

What inefficiencies exist due to an unclear Job Expectations?

HIRING PROCESS

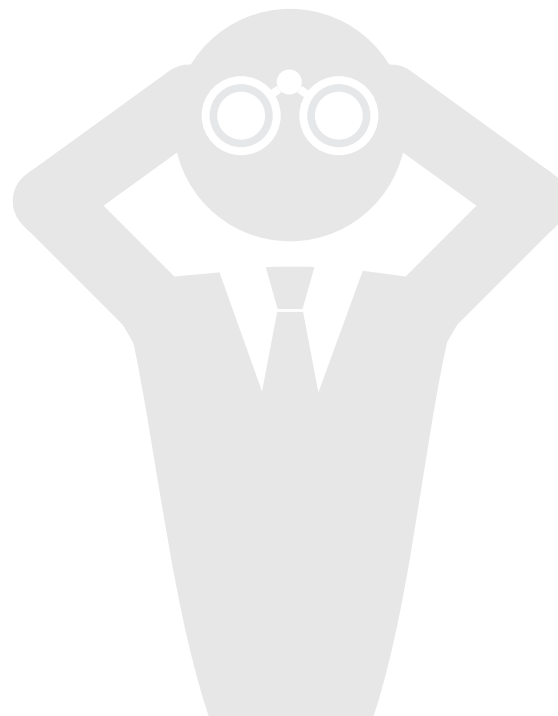
Hiring is the process for attracting, selecting, and appointing suitable candidates to fulfill the expectations of a given role. Ideally, the hiring process should infuse objectivity and remove as much subjectivity as possible to reduce personal biases and superficial influences like personality and unverified work history.

Emphasis on observable factors such as a candidate's resume and interview performance should only be a part of the consideration. An assessment tool that measures deeper aspects of a candidate than personality should be used during the hiring process to uncover unobservable traits that would otherwise be revealed after the person is hired and the investment is made.



Not all sales roles are the same. A candidate can be a good fit for one role and a poor fit for another. Sales organizations should continuously seek salespeople that are wired for specific roles (inside, outside, account management, and major account sales), even when an employment opening doesn't exist.

GOOD SALESPEOPLE ARE HARD TO FIND – ALWAYS BE LOOKING!

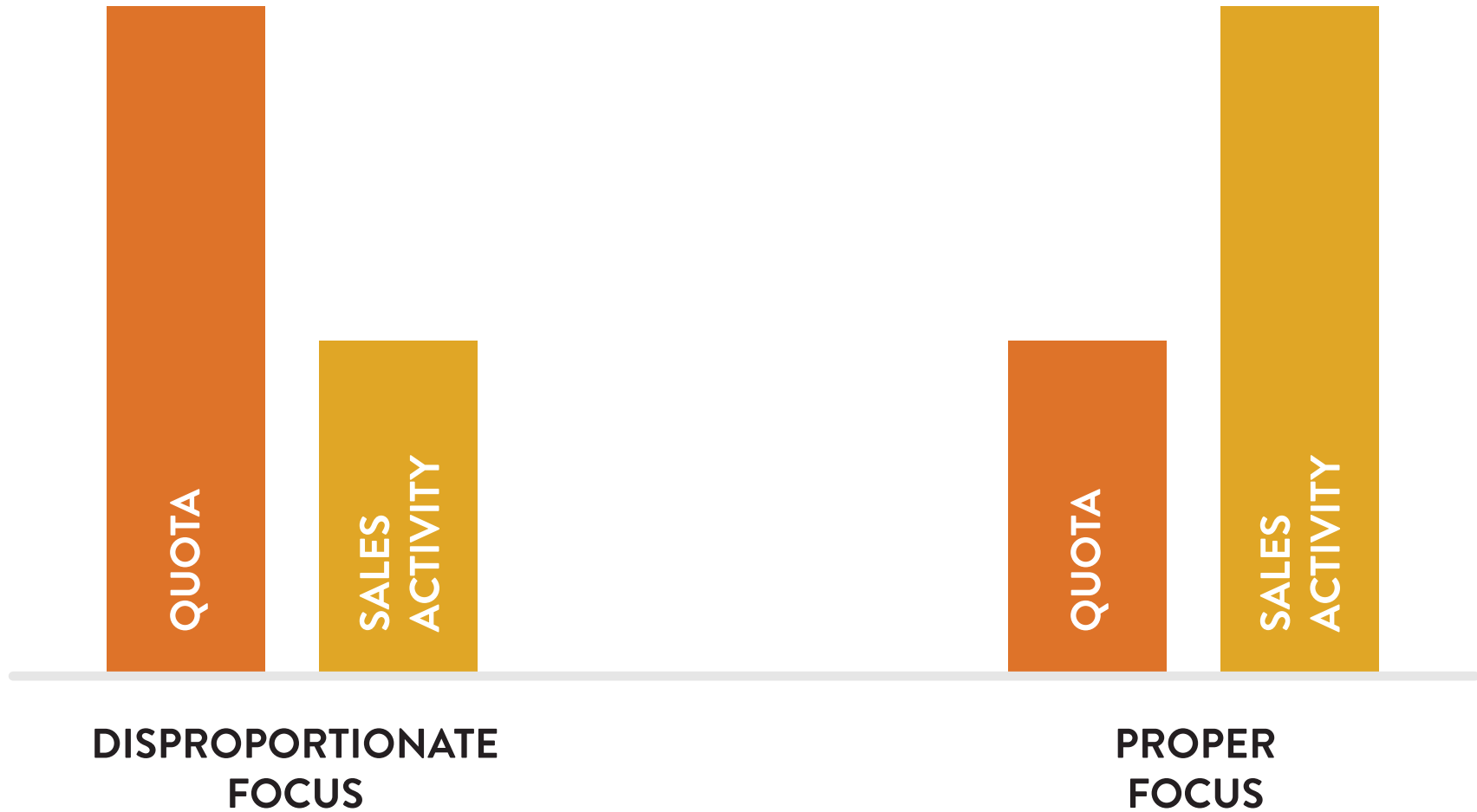


FINANCIAL

Sales Quotas – One of the most common problems plaguing sales organizations is the misapplication and mismanagement of the sales quota. In short, many sales leaders have an “over-focus” on quota. This means that they drive the culture - from sales manager down to sales rep - that the quota **number** is the most important.

Frankly, it's not. What is important are the activities required to achieve quota. If the focus is on the quota, then the activities, quality of execution, and coaching are diminished culturally. Instead, set quota, then focus all of the attention on the quality and execution of the activities within the sales process. This will help the sales team improve each step along the way and the outcomes will take care of themselves.

SALES LEADER FOCUS



FINANCIAL (Continued)

Margins – The organization needs to establish and communicate the necessity of maintaining margins. Company margins are lost quickly if sales managers fail to coach their sales reps to build value. The sales team should be coached to keep their focus on maintaining margins, while achieving quota.

Compensation Plans – Compensation plans should be equal to the level of effort required to earn it. Plans should not be slanted towards the company or overweighed for the team. Instead, the compensation model should reside within a set zone based on sales margins and required effort.

HERE ARE A FEW PRINCIPLES WHEN DESIGNING A COMPENSATION PLAN:

1. The company must make money first.
2. The sales rep's effort should equal the pay – no more, no less.
3. The comp plan should incentivize the activities you want the sales team to do – sell new products, prospect in new markets, etc.
4. Be careful of “punitive” comp plans – those that cost the sales rep revenue. They can backfire and alienate good salespeople and managers.
5. Work to provide exponential bonuses when sales teams exceed certain thresholds. It boosts their motivation and drives more revenue.



SALES RESOURCES (TECHNOLOGY, ETC)

Technology does not drive sales; people drive sales. CRM (Customer Relationship Management) software is very popular, yet ineffective, in many organizations. Why? The philosophy, structure, and procedures surrounding and supporting the CRM system are flawed. Section 5 (Sales Support) in this eBook explains more about this issue.



2. SALES LEADERSHIP

SALES LEADER GOAL

To have 100% of the company's salespeople start, drive, and close sales *on their own* in order to consistently meet and exceed sales quotas

What does it take for this to happen? In a word – **coaching**. With an over-focus on quota achievement, too often a sales manager will take over a sales call in order to “win the business.” They justify selling instead of coaching without considering the consequences. Sadly, this creates a parent-child dependency between the sales manager and their sales reps, stifling sales growth.



Sales leadership is about developing sales reps to become independent, self-sustaining, residual profit centers. Therefore, hiring, training, coaching, and accountability are all critical to the sales leaders role.

To find out more about Developing Great Sales Leaders,
download our eBook here.

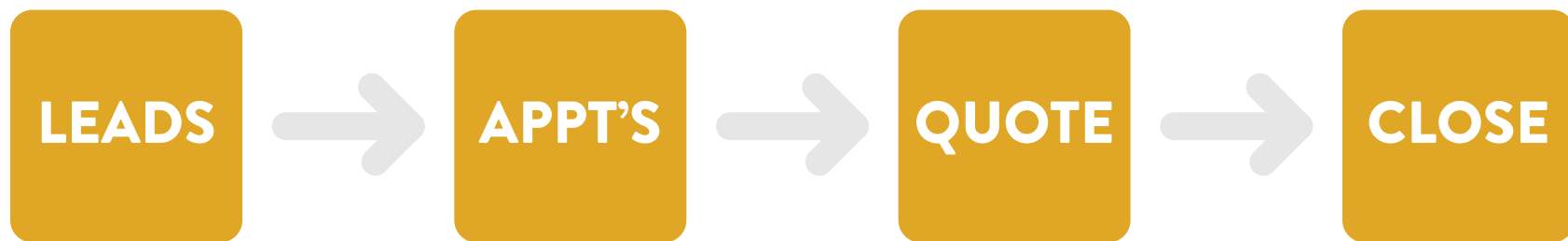


3. SALES PROCESS

IF YOU WERE TO ASK EACH SALES TEAM MEMBER “WHAT IS OUR SALES PROCESS?”

- What would they say?
- Would you get consistent answers?
- Would they be able to provide you with the steps and best practices using a common language?
- How would they rate the effectiveness of your current sales process?
- How consistently would they say your Sales Managers are reinforcing the sales process?
- How consistently would they say your sales team members are executing your sales process?
- What areas of your process would they say need improvement?

The ideal sales process creates the path of least resistance for sales and customer retention while achieving sales goals and maintaining margins. The ideal sales process should be:



Established – An effective sales organization needs a sales process. If it's too complex, reps won't follow it and managers won't coach to it. If it's too simple, it won't be sufficient to provide reps with enough information to discover the value the buyer wants. Regardless, it must become part of your culture. All members of the sales team should know the sales process and be able to articulate each step and its purpose.

SALES PROCESS (Continued)

Customized – All businesses function uniquely. The sales process, ideally, should be customized for the organization's approach to the marketplace. Standard, off-the-shelf sales processes are less effective since they do not accommodate for the organization's unique solutions, target audience, or industry terms.

Implemented Top-Down – Sales leadership must communicate a consistent message regarding the implementation of a sales process. Otherwise, the new sales process becomes the “flavor of the month” with little or no adoption. This creates tension on the sales team by eroding trust in senior management. What the sales teams really want, and need, is a well-planned, customized selling system that really works.

4. SALES REPS

THE IDEAL SALES TEAM IS COMPRISED OF SALES REPS THAT MEET THE “4 POINT TEST”

A sales organization should seek to employ reps that:

1. ARE WIRED FOR THEIR SPECIFIC SALES ROLE –The sales rep possesses the core skills, abilities, and motivation that aligns with what a particular sales role requires to be successful. When a conflict occurs between the “wiring” of a sales rep and what the role requires, the results are typically substandard performance and sales decline.

2. SELL HIGH VOLUME – The rep follows the sales process and invests their finite time with only qualified buyers in order to drive sales and exceed quota.

3. SELL HIGH MARGIN – The rep sells within price boundaries and avoids eroding margins. In business-to-business sales, mediocre “product-focused” sales reps are more apt to drop price to win a sale. However, top performing “business-focused” sales reps understand value perception and promote the corresponding benefits to maintain price points.

4. ARE FOCUSED ON PROFESSIONAL DEVELOPMENT – The sales rep recognizes personal areas for growth and creates or seeks opportunities to develop those areas. Top performers that intend to remain top performers are in a continuous state of development. Since markets and technology drive change more rapidly, they know that being competitive means always developing their knowledge and skills.

- Are your salespeople in the right sales roles?
- How many are potential top performers, but are lagging behind because of role conflict?
- How much margin are you losing due to sales reps lowering prices in order to win sales?
- What are some internal conflicts that could be resolved by setting protocols or holding salespeople accountable?
- How well does your sales training translate into changed behaviors and performance improvement?
- What needs to change?

To find out more about Hiring Great Salespeople, download our eBook here.



5. SALES SUPPORT

We've discovered in some Fortune 1000 companies, that sales reps spend an average of **65%** of their week engaged in **non-sales activities** because of a lack of sufficient sales support.

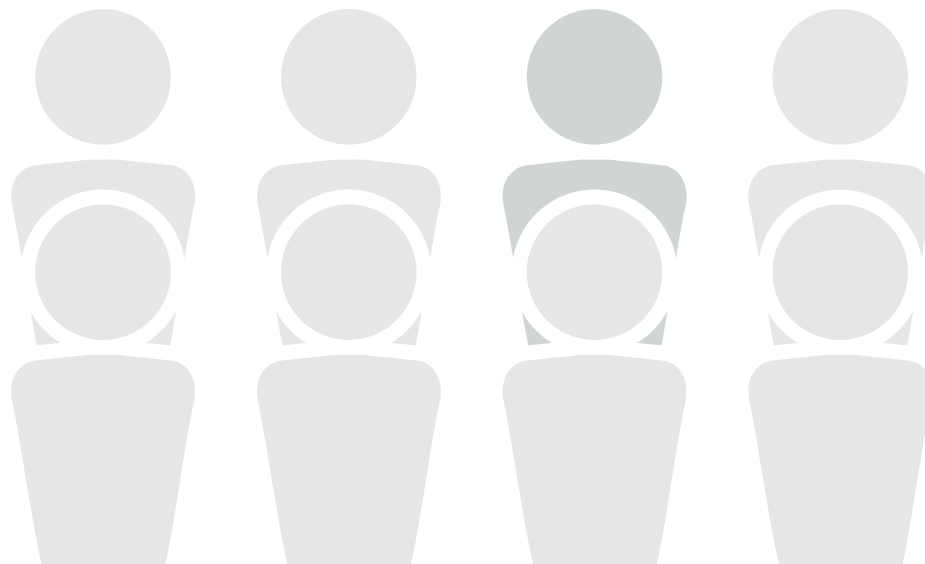
Successful sales organizations include sales support to remove non-sales activities from sales reps such as: order entry, list building, data management, report generation, etc. This allows the sales team to focus on what they do best: selling and driving revenue.

Each time a non-sales activity is added to a sales role:

- The organization over-pays a sales rep to perform administrative tasks (Employment Cost)
- The amount of selling time is reduced (Sales Cost)
- The organization's opportunity to acquire additional sales are lost (Opportunity Cost)

Organizational efficiency improves when tasks are split among different people based on competency. Good sales support personnel have a high competency for administrative tasks. Many salespeople, especially outside sales reps, do not. Instead, their competency is in selling. When core competencies and job tasks are in conflict, the result is lackluster performance and diminished returns.

CONSIDER THIS: an organization can experience greater productivity and sales quota achievement from a team of only 8 salespeople with a sales support person, instead of a team of 10 salespeople without one.



SUMMARY

WHEN BUILDING A SUCCESSFUL SALES ORGANIZATION, THE CRITICAL FIVE COMPONENTS ARE:

- 1. Sales Operations** – The set of business activities that form the structure of a sales organization, which provide efficiencies to achieve sales goals
- 2. Sales Leadership** – The people in charge of the sales department that develop strategy, acquire resources, implement processes, and provide coaching and accountability



- 3. **Sales Process** - A standardized, systematic, repeatable, easy-to-learn, easy-to-apply, and measurable set of activities that consistently creates conditions for the exchange of goods and/or services for maximum benefit between two or more parties
- 4. **Sales Reps** – Hiring and developing the salespeople who are “wired” for their specific sales role
- 5. **Sales Support** – The people who perform administrative tasks that free up the sales team to focus on selling

WHEN EVALUATING YOUR SALES ORGANIZATION, HOW WOULD YOU RATE THE EFFECTIVENESS OF EACH OF THESE FIVE COMPONENTS?

Although they will never run perfectly, each component is an opportunity to examine your current operation and determine what's working well and what needs to be fixed. If any one of these is underperforming, at some point, it can have an adverse impact on achieving sales expectations.



SUSTAINABLE SALES GROWTH IS WITHIN YOUR REACH. LET xPOTENTIAL SELLING HELP YOU ACHIEVE IT.



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- Hire the right person for the right job
- Reduce turnover
- Troubleshoot performance problems
- Avoid costly hiring mistakes
- Gain insight into the behaviors, motivators, strengths, challenges, and selling skills of job candidates and incumbents



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SALES TRAINING

- Unlock potential
- Optimize the performance
- Unique methodology
- Role-playing
- Problem-solving exercises
- Proven sales process



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SALES LEADERSHIP
TRAINING

- Sales leaders learn the critical functions of their roles
- Participants learn to uncover problem areas
- Optimize their team's performance
- Deliver tangible, sustainable sales growth



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