Improving Sales Force Productivity: Research Findings from Top Sales Organizations

Joe Galvin, EVP and Chief Research Officer
Miller Heiman
Miller Heiman Research Institute

Process to Qualify

- We consistently follow a standardized process to qualify opportunities.
  - 39% (ALL)
  - 91% (WORLD CLASS)

Understand Customers Need

- Our salespeople have a solid understanding of our customers’ business needs.
  - 47% (ALL)
  - 89% (WORLD CLASS)

Effective at Selling to Executives

- Our salespeople are very effective at selling at an executive level.
  - 35% (ALL)
  - 82% (WORLD CLASS)

Issues before Solution

- We clearly understand our customers’ issues before we propose a solution.
  - 48% (ALL)
  - 93% (WORLD CLASS)
Complex Selling is Complex

Sales Knowledge Requirements

- Customer Specific
- Market

Complexity of Offer

- Products
- Solutions

Degree of Selling Difficulty

Feature Function Cost

Integrated Configured Customized
The Leverage of Productivity

Buyer 2.0

2012 Sales Performance and Productivity Study

The Levers of Productivity

Strategic Issues for 2013

Joe Galvin
Chief Research Officer
Miller Heiman Research Institute

Credentials
Xerox 1984-89
Field Sales
Gartner Group: 1989-2006
Sales Rep – Sales Manager: 1989-96
WW Sales Operations: 1996-01
VP CRM/SFA Analyst: 2001-05
WW Field Operations: 2005-06
SiriusDecisions
Creator, Sales Operations Strategies 2006-11

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Buyer 2.0: Knowledge Acquisition

**Phase**
- Status Quo
- Define Problem
- Evaluate Options
- Select Best

**Activity**
- Awareness
- Research
- Engagement
- Justification

**Knowledge Base**
- General
- Market Options
- Provider Capabilities

**Buying Process**
The Reality: Buyer Chaos

Economic Buying Influence
Finance
Business Unit
Legal
User Buying Influence
Technical Buying Influence

Impact
Cost
Resource

Buying Dynamic

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Every Customer, Makes Every Decision, Differently – Every Time

More Information
  Information Abundance

More People Involved
  Multiple Buying Influences

More Formalized Buying
  A Buying Process

Generational Influences
  Baby Boomer, Gen X, Gen Y

Buying Dynamic
Buying Dynamic: How This Customer Makes This Decision

Buying Process

- Status Quo
- Define Problem
- Evaluate Options
- Select Best

Activity

- Awareness
- Research
- Engagement
- Justification

Phase

Buying Dynamic

Sales
- Account Management
- Prospecting
- Sales Cycle

Marketing
- Customer Marketing
- Demand Creation
- Content Marketing

Rubik's Cube is a registered trademark of Ideal Toy Corporation.
Strategic Analysis and Decision Making
Performance and Productivity
Strategic Options

Chief Sales Officer
*Revenue, Expense, Marketshare*

Sales Management
*Channel/Region/Segment*

Sales Manager
*1st Line, Quota Bearing*

Sales Rep
*Field/Inside/Channel*

Sales Performance Strategy

Increase Headcount
*More people doing what our sales people do*

Performance Improvement
*Improve the productivity of our sales people*
2012 Sales Performance & Productivity Study

New annual survey from Miller Heiman Research Institute, companion to the annual *Sales Best Practices Study*

Results reveal investment and priorities in the areas of sales operations, enablement, training and technology.

60% of respondents were from top management levels in Sales and Operations

Survey branched for different roles with different questions

- C-Level Executive
- President/GM
- Sales VP/Director
- Sales Manager
- Sales Operations
- Sales Representative
- Business Development
- Account Management
- Customer/Client Service
- Marketing
- Training
- Human Resources

- Senior Executives: 15%
- Sales Leadership: 38%
- Salespeople: 25%
- Other: 22%
800 participants globally

Demographics: Sales force size and Region Representation

Sales Force Size
- <100: 59%
- 100-499: 24%
- 500+: 17%

Region Representation
- Americas: 23%
- APAC: 12%
- EMEA: 62%
2013 Miller Heiman Sales Best Practice Study

- World’s largest annual study of sales performance best practices
  - 2013 is the 10 year anniversary
  - Over 27,000 global participants representing a variety of roles, regions and industries
- Reveals trends, issues, opportunities in today’s complex B2B selling environment
- Criteria established to identify World-Class Sales Organizations
- Benchmarking available to understand your company performance compared to World-Class.

2012 Study: 1,200+ responses, 15 verticals

2013 Sales Best Practice Study open through November 2\textsuperscript{nd}

www.millerheiman.com/research

Respondents have access to results via written report and webinar.
Biggest Inhibitors to Sales Success in 2012

*Inability to Communicate Value Messages and Inability to Attract New Clients impact 2012 performance*

- Inability to communicate value messages to customers (23%)
- Inability to attract new clients (21%)
- Other (please specify) (17%)
- Competition/pricing (15%)
- Inability to expand in existing accounts (11%)
- Lack of sales skills (9%)
- Too many products to sell (4%)

Top Themes from Other:
Internal Challenges, Sales Resources and Market Conditions.
Investments in Productivity

*Training and Product Knowledge leading initiatives*

*Note: Tablet hype has passed*

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Planned 2012 or 2013</th>
<th>Not planned</th>
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<tbody>
<tr>
<td>Training: process, skills or competency</td>
<td>90%</td>
<td>10%</td>
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<tr>
<td>Product knowledge/competitive...</td>
<td>88%</td>
<td>12%</td>
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<td>Sales manager training and development</td>
<td>67%</td>
<td>33%</td>
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<tr>
<td>Alter or transform coverage model</td>
<td>66%</td>
<td>34%</td>
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<tr>
<td>Compensation and quota strategy</td>
<td>54%</td>
<td>47%</td>
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<tr>
<td>Migrate to new CRM system</td>
<td>52%</td>
<td>48%</td>
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<tr>
<td>New sales productivity applications</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>Deploy tablets to field</td>
<td>27%</td>
<td>73%</td>
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</tbody>
</table>
The Levers of Productivity

Chief Sales Officer
*Revenue, Expense, Marketshare*

Sales Management
*Channel/Region/Segment*

Sales Manager
*1st Line, Quota Bearing*

Sales Rep
*Field/Inside/Channel*

Sales Operations
* Territories, Metrics, Comp, Quota*

Sales Training
*Process, Skills, Product, New Hire*

Sales Enablement
*Leads, Knowledge, Message, Tools*

Sales Technology
*SFA, Apps, Platform, Mobile*

Sales
*Performance*

Infrastructure
*Productivity*
Strategic Infrastructure

Where We Sell

**Operations**
- Market assessment,
- Coverage model,
- territory/role definitions,
- quota management,
- compensation, funnels,
- forecasts, productivity,
- metrics, reporting,
- analytics

How We Sell

**Training**
- Process and methodology
- Skills, tactics and techniques
- Sales mgmt., coaching
- New Hire, Product,
- market, competitors

What We Sell

**Enablement**
- Value, positioning,
- comparative Strategic roadmap, ROI,
- Documents, playbooks
- Presentations, rich media, webinars
- Virtual events, community

**Sales Technology**
- Mobility, Collaboration, Integration

**SFA**
- Computer, Tablet, Smart-phone

**Learning**
- Skills, tactics and techniques
- Sales mgmt., coaching
- New Hire, Product,
- market, competitors

**Content**
- Value, positioning,
- comparative Strategic roadmap, ROI,
- Documents, playbooks
- Presentations, rich media, webinars
- Virtual events, community
The Sales Organization must be aligned and integrated with the Enterprise.
Sales Productivity: Challenges

**OPERATIONS**
- SFA adoption issues plague funnel confidence and forecast accuracy
- Marketing must increase lead contribution
- Defining and measuring productivity is hard

**TRAINING**
- Cost pressure to deliver core services
- Changing learning dynamics force new approaches to training
- Learning Management Systems must be leveraged

**ENABLEMENT**
- Knowledge demands greater than ever
- Sales and marketing must be aligned
- Consistent, updated messaging is hard to create
- Collaboration is elusive

**TECHNOLOGY**
- Migration to Sales Force Automation Next-Gen platform exposes adoption
- Knowledge management systems must be more than electronic shelves
- Sales applications for teams, roles and mobile exploding
2013 Strategic Themes

Sales Operations
Sales Performance Management

Sales Training
Sales Performance Investments

Sales Enablement
Knowledge Exchange

Sales Technology
SFA Adoption
2013 Strategic Issues

- **Sales Operations**
  - What is your strategy for sales performance management?
  - How do you measure productivity?
  - Do you have confidence in your forecast and funnel data?

- **Sales Training**
  - How much do you invest in performance improvement?
  - What are the training investments that will impact performance?
  - How do you leverage technology to improve learning and development?

- **Sales Enablement**
  - Where do your sales people go to access content and knowledge?
  - How do sales people collaborate?
  - How do sales and marketing align for knowledge exchange?

- **Sales Technology**
  - How do you measure and improve adoption?
  - What is your sales technology strategy?
  - Which sales applications will improve productivity?
THANK YOU.

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