Sales Management Association Webcast

Improving Sales Force Productivity: Research Findings From Top Sales Organizations
30 November 2012

Presented by

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A global, cross-industry professional association for sales operations and sales management.

Focused in providing research, case studies, training, peer networking, and professional development to our membership.

Fostering a community of thought-leaders, service providers, academics, and practitioners.
Today’s Speaker: Welcome Joe

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Relationships Matter: The Customer at the Core

Miller Heiman Sales System
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

Products

Degree of Selling Difficulty

Feature Function Cost

Integrated Configured Customized

Complexity of Offer

Solutions
Relationships and Structures: More Complexity

Complexity of Relationship

Strategic

Transaction

Complexity of Structure

Hierarchy

Tiered

Matrix

Sales Resources

Sales People

Inside-Field-Strategic

Product Specialists

Vertical-Technical-Financial

Subject Mater Expert

Pre-Post Sales

Sales Resources

Market Requirements

Product Capabilities

Customer Specific
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

Buying Process

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

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

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

**Recognize Need to Change**
- Define Problem
- Evaluate Options
- Select Best

**Shape Concept**
- Define Problem
- Evaluate Options
- Select Best

**Sales Execution**
- Select Best
- Justification
- Solution Selection
Buying Becomes More Complex

How are buyer behaviors affecting successful sales cycles?

Compared to last year, decisions require the involvement of more people on the buying side.

- ALL: 32%
- WORLD CLASS: 32%

Compared to last year, our customers have significantly formalized their buying process.

- ALL: 24%
- WORLD CLASS: 31%

How do multiple buying influences change the decision making dynamic?

Are customers becoming better at buying?
The Reality: Buyer Chaos

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

Rubik’s Cube is a registered trademark of Ideal Toy Corporation.
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

Rubik’s Cube is a registered trademark of Ideal Toy Corporation.
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: Rubik’s Cube is a registered trademark of Ideal Toy Corporation.

Sales & Marketing Process:
- Sales Management
- Prospecting
- Sales Cycle
- Marketing
- Customer Marketing
- Demand Creation
- Content Marketing
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
800 participants globally
Demographics: Sales force size and Region Representation

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

Region Representation
- Americas: 62%
- APAC: 23%
- EMEA: 12%
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 30th

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 (15%)
- Competition/pricing (17%)
- Inability to expand in existing accounts (11%)
- Lack of sales skills (9%)
- Too many products to sell (4%)
- Other (please specify) (4%)
- Other (11%)
- New Clients (21%)
- Value Messages (9%)

Top Themes from Other:
Internal Challenges, Sales Resources and Market Conditions.
**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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<tr>
<td>Training: process, skills or competency</td>
<td>90%</td>
<td>10%</td>
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<tr>
<td>Product knowledge/competitive intelligence</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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<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>
</tr>
<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
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

SFA
Computer, Tablet, Smart-phone

Sales Technology
Mobility, Collaboration, Integration

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The Sales Organization must be aligned and integrated with the Enterprise

Chief Sales Officer
Revenue, Expense, Marketshare

Sales

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

Finance - CFO
Cost of Sales, Revenue, Forecast

Human Resources - CHO
Professional Development, New Hire

Marketing - CMO
Demand Gen, Prod. Launch, Message

IT - CIO
Integration, Apps, Network, Security

CEO

Infrastructure
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?
Joe Galvin answers questions from the webcast audience.
Can you comment on sales operations evolution? How do you expect sales operations’ role to change in the next five years?
Q2: Which competencies matter for sales managers?

Does your research imply which competencies are increasingly important for first line sales managers?
Q3: How are sales training investments changing?

Are companies spending more or less on training investments for the sales organization?
Thank You.