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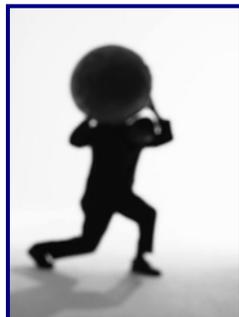
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Sales effectiveness... why a sales "culture" is critical for success

Many companies still adhere to the "pay myth" that holds that pay is the cornerstone for managing sales performance. The belief is that, if you set sales compensation right, you'll get better sales results. While we certainly agree that sales people, by their very nature, will "follow the money", our work has shown that an integrated approach — which involves building a true sales "culture" — results in far better sales performance.

So, why do some still cling to the "pay myth"? Because (a) it's a handy lever to pull and to yield short-term results and (b) true change is never easy or fast, especially in the life of a sales leader who is responsible for sales revenue targets and other metrics including gross margin, account receivables and customer satisfaction. And, because the daily routine (if you can call it that) of a sales leader consists of reading and responding to emails, calls with direct reports and customers, internal conference calls, sales planning and forecasting, strategy development and interviewing and — very often — travel three to four days a week for in-person customer/prospect sales calls. Consequently, sales leaders rarely have the time for the focused and integrated approach that building a sales culture requires. But, for those companies who really want to see a performance payoff, here are a few guidelines for developing a sales culture.



Define a clear cultural vision to become a world class sales organization.

Gain the support of senior-level management and designate a "sales culture leader" to champion initiatives. This leader will ensure the adoption of a cultural transformation and assume the role of visionary, facilitator, coach and mentor to the sales organization.

Establish a clear sales process.

A well-defined sales process needs to a) direct sales people to the best opportunities and b) provide sales people with the discipline (and the behaviors) that will best allow them to pursue those opportunities. When a sales force adheres to this process, all other selling approaches, reporting and forecasting follow. It also requires a consultative selling approach, a compelling capabilities presentation and the ability to effectively coordinate across your organization so that your customers say you are easy to buy from and your salespeople say that you are easy to sell for.

Case Studies

- Developing a Winning Sales Culture

[A \\$1 billion information management services company needed to upgrade>>>](#)

- TEAM Selling

[A \\$30 MM chemical management services company wanted to expand existing relationships>>>](#)

Formulate a clear vision and strategy for sales. And, communicate it precisely and comprehensively throughout the sales organization.

Your sales force needs to understand the strategy, as well as the part they play in its execution. Tier your customers continually through a screening process for both their current and future value. Ask yourself whether you have deployed the appropriate sales resources to the appropriate channels. Utilize a data rich and fully integrated enterprise-wide information system (CRM/SFA) for pipeline/forecasting, client relationship development and account planning. Create detailed account plans that are aligned with clients' top initiatives for strategic accounts. Finally, communicate to the sales force the economic benefits of retaining and sustaining deep relationships.

Focus on talent management for your sales team.

Concentrate your recruiting efforts on hiring stars by screening for the known characteristics of high performance within your organization. Do not compromise based on availability. Employ an intense on-boarding process to get new hires up to speed quickly so that they can effectively interact with clients and produce results within a few short months. Define and update competency models for sales roles. Consider "up-skilling" and certification that involves targeting training to address assessed skill gaps. Evaluate the effectiveness of these programs based on business outcomes, not on inconsequential metrics such as attendance or knowledge testing. Differentiate between low, middle and star performers. Aggressively retain your star performers and move quickly to manage out underperformers. Develop outstanding sales managers who achieve desired behaviors/results from their sales teams through effective deal strategizing, coaching and leadership. They should be accountable to apply and certify your sales effectiveness program. And, finally, don't forget the value of individual and group sales coaching to help your leaders achieve even better results.



Establish rewards based on quantitative and qualitative results that are aligned with your corporate strategy and sales effectiveness objectives.

Measure the results of your sales effectiveness program beyond quota attainment by including metrics such as increased sales pipeline, improved close rates, shortened sales cycles and reduced non-selling time.



So, what's the economic impact of an integrated model?

In a recently published study by CSO Insights (Sales Effectiveness Insights — 2005 State of the Marketplace Review), respondents reported that that 58.4% of their salespeople attained quota in 2004 but, in six other qualitative categories, there were no measurable improvements. The conclusion is that salespeople typically work harder and longer to attain quota, but not necessarily smarter.

Contrast this data with the results from a company that recently completed a two-plus year effort to build a true sales culture, in which the following were achieved: a 41% increase in total contract value, a 19% increase in pipeline opportunities, a 25% decrease in sales cycle time, an 76% improvement in close ratios, a 46% improvement in forecast accuracy, a 39% sales success in first six months by new hires and a 33% reduction in non-selling time. All in all, the company achieved a return-on-investment of **eleven** times. It's hard work, but establishing a pervasive sales culture really does pay off!

Other ways to establish a clear sales process include:

- Have a process and delivery method to share best practices with the entire sales organization in ways that ensure complete adoption so you never have to "reinvent the wheel."
- Aggressively streamline the sales process, minimizing unnecessary complexity by automating or eliminating redundant or low-value activities so that your sales people can focus on highest-value activities.
- Provide a selling approach with easy-to-use tools (templates, technologies, content, messaging, lead qualification) and with accurate, relevant and timely information.
- Ensure that your sales operations team provides your leaders with processes, tools and reporting to effectively forecast, fairly distribute quota, plan rep coverage, evaluate pipeline versus quota and commission payments of reps and conduct win/loss reviews.

Questions for the Author?



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About CornerStone Services

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