

Working for Winners

*What are the habits of Winning Sales
Organisations and how can you acquire
them*

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Every year for the past five years, Miller Heiman a leading sales performance company has surveyed sales professionals – executives, leaders and representatives – to better understand what differentiates the most effective sales organisations.

This global study contains the input of more than 17,000 participants to date and is considered the world's largest ongoing study of complex, business-to-business selling and sales management practices. Importantly 46% of the respondents were in sales management/leadership positions with the balance spread between senior executives 12%, sales people 32% and human resources, learning & development roles making up the balance of 10%.

Winning Sales Organisations (WSO) are defined as:

- 20 % or more growth in average account billing
- 20 % or more growth in revenue compared to previous year
- 20 % or more growth in new account acquisition

Of the total number of organizations who submitted information for the 2008 survey only 7% made the cut of exceeding in all three areas above. While there are a number organisations that focus on sales methodologies more than others key industries that seem to do well as a group are Financial Services, Health and IT&T. Due to the size of the financial services industry in Australia I have provided some additional comments as they relate to this important industry category.

Customer Centric Systems

WSO's excel in the following key areas which are represented in the diagram below.

Firstly they have the customer at the centre of everything they do. This is not a clichéd statement. WSO's understand their customer,

their customers customer, their customers competitors and their customers key industry issues.

Secondly they also have sales systems that are scaleable and transportable meaning you can move within divisions or offices and use the same sales systems which ensures consistency and leads to improvement in critical areas such as sales forecasting.

WSO's have systems for creating opportunities, managing opportunities they deem worth pursuing and systems for managing relationships once they have won the account they desire.

This is very important in today's business world where people are more transient than ever which often results in key account knowledge walking out the door.

WSO's also have a consistent approach to protecting and growing their strategic accounts. This goes way beyond just organising the sales process. WSO's align key stakeholders, such as sales, marketing, product management, and finance with the strategy.

With global organisations this can become a challenge to ensure global teams are not frustrated by the competing priorities of local country managers however with global executive sponsorship of the sales approach this can be overcome.

Learning and Development Manager at leading financial service organization Allianz, Nicola Morley, explained they aligned their processes this way, "Prior to 2003, our four distribution divisions had each adopted their own approach to selling. We recognised that to grow the business we needed to break down our divisional silos and develop a consistent approach to sales and fulfilment that sat across the whole organisation. The process of standardisation initially focused on four key areas: rewriting job descriptions for key sales roles; reviewing reward and recognition systems; streamlining the Account Management process and introducing interpersonal skills training for all sales people."

An implication for financial services organisations is to maximize vast amounts of customer information to create more effective sales cycles. This means an alignment of CRM systems with consistent sales process and methodologies so they act in a seamless way

which today thankfully should be a thing of the past for those using leading CRM tools such as Salesforce.com or Microsoft Dynamics for example.

Internal Systems & Processes

Thirdly they have extensive internal systems that focus on ensuring their organization and importantly the people that work within their organization in many cases the biggest assets the organization has are surrounded by a culture that ensures they can deliver the best results to their customers.

The Miller Heiman Sales System

Key Components of Winning Sales Organisations

Miller Heiman Inc



A Formalised, Compelling Value Proposition

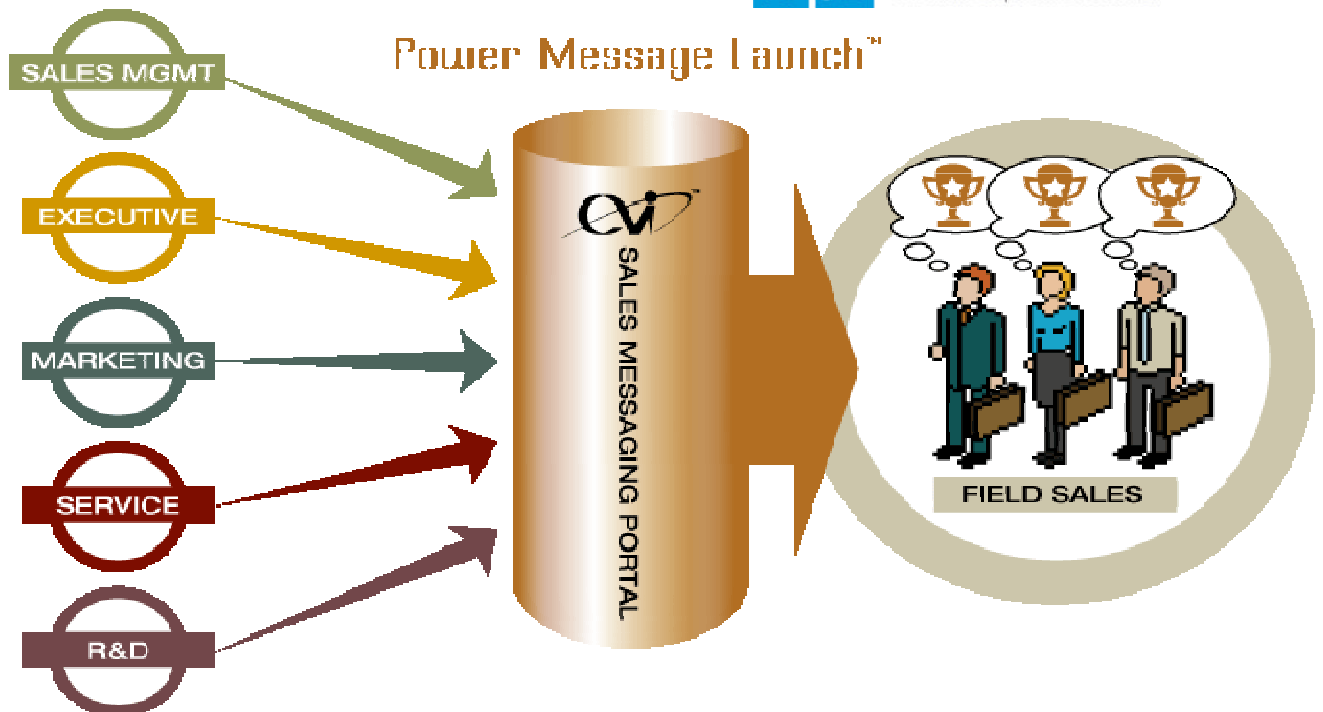
According to Tim Call, Miller Heiman's executive vice president of strategic accounts, "today buyers are more sophisticated; they're bringing in more salespeople, comparing them, and saying, 'The only difference is price.'

What we are seeing is commoditisation taking place more than ever especially in competitive areas such as financial services. Therefore creating a position far removed from the perception of being a commodity is a key strategy companies should use to protect themselves from profitability erosion.

So it is surprising that while 62 % of WSOs report having a "formalised value proposition that is very compelling to our prospects," only 34 % of all other organizations say they have such a value proposition.

WSOs announce their value propositions, distribute them, print them, talk about them, and remind sales representatives of them at every step in the sales process.

Today there is even technology available that allows key sales messages to be made available enterprise wide via rich media to ensure that from the C-level to the street the same key messages are being used and I expect financial services to be one of the first industries to utilise these solutions such the example below from Corporate Visions Inc.



Sales Cycles are Involving More People

While most respondents said they must persuade four to five people in the typical sale, more than a third report that they need to persuade six or more people for each opportunity they pursue. The number of decision makers involved with each sale shifted up by 16 % compared to last year's study.

The reason for this increase is the buying process is becoming more complex, more technical and often include procurement departments often consult back to IT or other specialist areas of the business when they make buying decisions.

Secondly, in today's economy, buying decisions are being escalated up one or two management levels.. According to Bill Golder, Miller Heiman's executive vice president of sales, "They're getting better at internal collaboration in decision making." That not only means more people involved, but more knowledgeable people.

Get Accurate Feedback

In 2007, less than one-third of respondents agreed with the statement, "Win or lose, we get accurate feedback on all proposals from our customers."

In 2008, the figure decreased to 26 %. It is not easy to go back and get feedback from someone who has just rejected you. But it is definitely worth pursuing. You need to take a long term view to major accounts so you learn what the issues are and you can leverage this knowledge into new opportunities.

Sales and Marketing Alignment

Forty-three % of C -level (CEO/CFO/CSO/CMO) respondents agree that, “sales and marketing are in alignment in what our customers want and need.” But only 25 % of salespeople agree. This is a major gap.

Call suggests that this perception gap occurs because organizations don't always define the terms they use to describe events. “It's easy for sales to say, ‘The lead wasn't qualified,’ and for marketing to say, ‘A good salesperson could have closed that sale.’

This is because they may not be on the same page regarding the definition of a lead.” Or they may not have a system in place to get true data about the quality of leads. So how do WSO's do it differently?

The most successful companies have a strategy and a market focus that is customer-driven, based on customer-response surveys or even regular discussions with salespeople about customer needs. In high performing organizations, the sales and marketing teams know each other, talk, meet, and understand each other's business.”

Leverage Best Practice

WSOs are 110 % more likely than other organizations to leverage the best practices of their top performers to improve everyone else's performance. Yet, less than 50 % of WSOs do this. These findings suggest there is room for improvement across the board in this vital area.

What is interesting in many industries and especially financial services is the amount of money spent on technology solutions such as CRM which often dwarf the money spent on analyzing what makes

great sales performers despite the fact that there are today many profiling tools that can make this exercise simple and easy to execute on a regular basis for most organizations.

This is especially intriguing when most C-level people acknowledge that sales people are a particular breed and there are two distinct types. The 'hunters' are intuitive, passionate and often neurotic who focus on winning the next deal and then move on, whereas the 'farmers' befriend the customer and focus on building long-term relationships. Benchmarking the best in each area would undoubtedly show a different make up of person yet as the research shows it is rarely done.

The key is to find out which of your sales team should be on which account and then to find a way to manage and reward the hunters and farmers differently and to create a structure that capitalizes on the strengths of both types and then train them accordingly.

Few companies do this effectively because of the potential political battles that may arise.

How does the world of sales vary?

While only 3% of respondents were from Australia and country specific data between respondents is not available at the time of printing there are some differences between regions.

In the North America training sales training is seen as a mandatory requirement especially training in a robust sales methodology for winning or retaining key accounts. In Australia based companies sales training tends to be more common around the “21 Techniques to Closing” variety where organisations are looking for a quick fix. This long term approach was also reflected in the induction processes of global companies for new sales people. For example global WSO's were most likely to have formal sales methodology and processes training, CRM Training and a likely career path communicated to new hires before they even hit the streets. Regular benchmarking for overseas companies against their competition was a common practice compared to Australian organisations.

Another area of difference was that of training in channel or dealer management. In North America & Europe there is more of a focus on developing channel sales managers to understand the dynamics of channel members and how developing them as profitable businesses is to the benefit of the supplier. In Australia and Asia especially, channel managers are often those from strong direct sales backgrounds who are given a channel to manage as a career progression without fully understanding the different dynamics of building healthy channel relationships built on partnerships as opposed to winning big deals.

So what's like working for a WSO?

Working for a WSO has some major advantages for a sales leader. WSO have structure behind their thinking and planning and they all have a definite focus on growth which they measure consistently. They are also more likely to reward for results and have clear incentives for achieving the objectives they seek. This is especially the case in financial services. Nicola Morley from Allianz said "When developing a new sales culture you need to look at the whole picture. Of course, it's important to have a sales process that you can rely on, but to ensure it is utilised effectively it needs to be linked into an effective accountability and reward system. In addition, you need to have systems and procedures in place to ensure all your sales data is managed accordingly."

In terms of career stability WSO's are not reliant on just a few accounts and they have sales training programs in both methodologies and techniques as part of their ongoing talent retention programs.

For those seeking new opportunities it would be worthwhile benchmarking any new companies that are looking to hire you against the WSO criteria mentioned at the start of this article.

Summary

Many organizations do well in a number of the key components in the WSO Wheel above. What makes the difference is that WSO's consistently do well in all components all the time. As we move into an uncertain economy globally the activities of WSO's provide valuable direction for sales leaders to focus.

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