



THE THREE MOST IMPORTANT QUESTIONS EVERY TOP PERFORMING B2B SALES PERSON MUST ANSWER

What are the three best practices that every B2B sales teams must master if they are to achieve sustainable top quartile growth?

INTRODUCTION

If you ask any experienced sales leader to cut their costs by 10%, they may not like it, but they will typically know exactly what data they need, where they can look for the savings and where they have discretionary spend that can be removed and have the lowest impact on their team's overall performance. Ask the same sales leader to increase their team's sales by 10% and the way forward is rarely as clear. Certainly it is not as clear what data they need, nor is it typically as clear where the greatest opportunities for increased sales exist.

Furthermore, when the same question is presented to a team of sales leaders, the challenge is compounded by the fact that, when asked, each of them is likely to suggest different approaches or solutions to achieve the targeted growth, ranging from increasing the size of the sales team, to providing more skills training, to redefining the sales territories or modifying the sales incentive plan to refresh and motivate the team.

For some time now, we have found that when our clients have adopted these 'traditional' approaches in an attempt to drive increased sales growth, the results were at best mixed and when looked at from the perspective of the 'return on investment' were typically disappointing.

At the Centre For Sales Excellence, we believe that top quartile performing sales organisations consistently 'get the basics right' and in B2B sales this means every member of the sales team being able to answer three simple questions effectively and confidently.

THE SALES CHALLENGE

There is no doubt that there are many factors that can affect the rate of growth of a business. These include the value and quality of their products and services, the level of competition that they face in the market place, the skills and competences of their sales people and sales managers and the experience and loyalty of their customers etc..

But whenever, you plot the relative performance of the members of a B2B sales team you tend to find that the plot has the same shape as the one below, where the best performing sales executives are selling up to twice as much as the overall team average and up to 3-5 time as much as the poorest performing members of the team. What is most important about this profile is that it confirms one important thing that is easily overlooked. The top performers have obviously worked out, often through a process of trial and error, the best practices, habits, knowledge and disciplines that enable them to achieve significantly enhanced sales performance compared to the rest of the team.

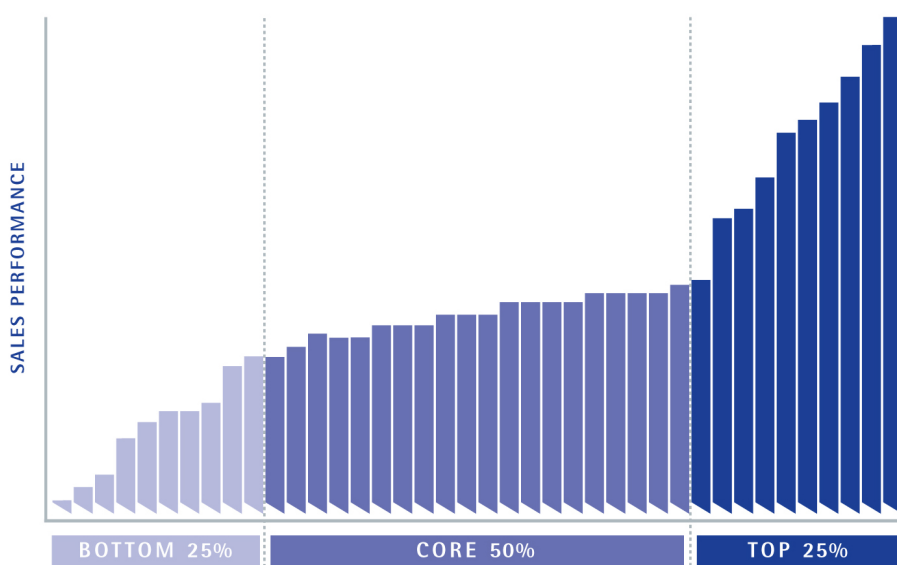


Figure: The Typical Range Of Sales Performance In A B2B Sales Organisation

THE THREE SIMPLE QUESTIONS

If the members of your sales team all sell the same products, for the same prices with the same sales tools and access to the same sales and product training, what is it that the top 25% of your sales executives are doing that differentiates them and what they are able to achieve from the rest of the sales team? We believe that your top performing sales executives have simply worked out the answers to or are better able to answer three questions:

1. **What is our strike-zone?** What characteristics should I look for in a sales opportunity or new potential prospect in order to qualify and prioritise it? In most B2B sales organisations, the better performing sales executives will have a 200%-500% better 'opportunity to order' conversion rate and this can be proven to be the result of them being better at qualifying and prioritising which sales opportunities to focus on.

They spend time selling to the right type of prospect

2. **How can I maximise how much time I spend on selling** activities rather than non-selling activities? What are the activities that have the strongest correlation with increased sales which I should prioritise? What are the activities that have the lowest correlation with increased sales that I should minimise? The best performing B2B sales executives will spend 55%-60% of their total time on selling and customer facing activities, compared to a typical average for most B2B sales teams of 25%-35%.

They spend more time selling.

3. **What are the behaviours, habits, knowledge, disciplines and skills** that will result in the highest win rates at each stage of the sales process? What can a sales executive do to influence the prospect's decision to proceed or stop at each and every stage of the buying process? Your best performing B2B sales executives know what to do and say at each stage of the pipeline, and just as importantly what to not say or do at each stage. Lower performing sales executives are typically still working this out,

They spend more time selling the right way to the right prospects

In the B2B sales organisations that we have worked with, these three areas of competence have been found to explain up between 70% and 85% of the difference between the best performing sales executives and the rest of the sale team.

Any new or existing sales force effectiveness initiative that does not ensure and validate that the members of their sales team can answer these three simple questions, is missing a major opportunity. Particularly when you consider and recognise that "the knowledge has already been accumulated for your specific industry and your specific products and services, by the high performing members of your sales team". All you need to do is to identify, understand and document this knowledge in to a set of best practices that can be adopted by the whole sales team in order to take their performance to the next level.

When the gap between the best performing sales executives and the rest of the team is reduced by just 50%, by understanding, documenting, training and finally disseminating these three best practices, our clients have achieved increases in sales revenue within one year of up to 30% across the whole team and increases in the performance of their bottom 25% of up to 300%.

Critical Competence #1: Prospect Qualification

Top performing sales executives understand what characteristics to look for in a prospect or customer that means they are worth prioritising and focusing on. They take the time to carefully qualify every one of their sales opportunities against this specific set of proven criteria so that they spend their time with the 'opportunities most likely to buy their products and services'. They do not fall in to the trap of wasting their time chasing those prospects who are easy to get a meeting with but are unlikely to ever buy.

Through a combination of activities ranging from critical incident interviews, data mining within your existing customer database through to win-loss analysis, you will be able to create a validated set of opportunity qualification criteria that reflect the prospects who are most likely to buy your products or services.

These criteria can then be used to construct an opportunity qualification and prioritisation scorecard that your sales team can use to always ensure that they are spending their time with the best, most winnable prospects.

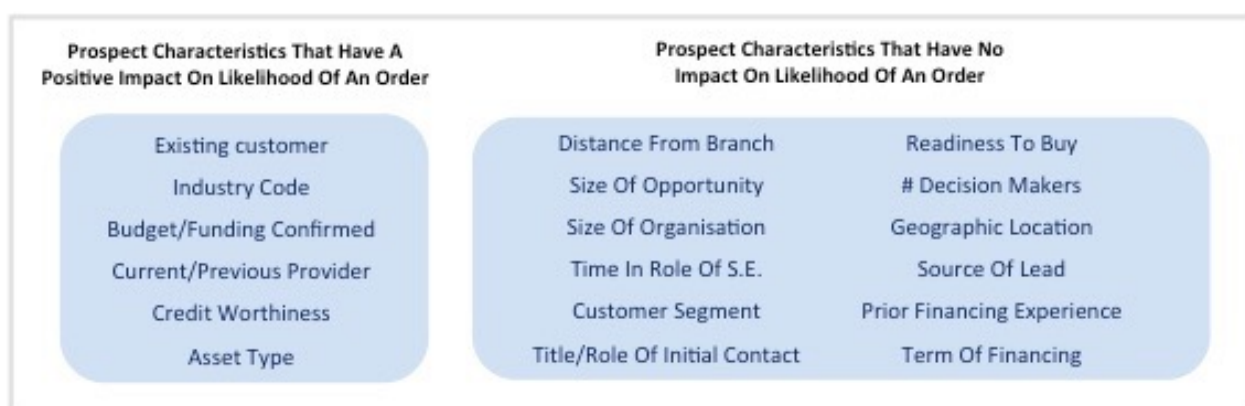


Figure: Prospect Qualification Findings For An Equipment Leasing Client

Critical Competence #2: Selling Time Optimisation

In complex B2B sales, we have also found that many sales teams only average between 25%-35% of their total available time on selling activities. In fact, in many sales organisations the volume of non-selling activities that sales people are asked to do has increased to the point where some sales people are saying it is hard to find time to sell. However, in every one of these same sales organisations the top performers consistently spend more than 50% of their time selling or 1.5-2 times the overall team average.

Through a well proven methodology it is possible to help sales leaders answer the following critical questions in order to understand what can be done to increase the percentage of selling time within their team:

1. What activities correlate most strongly with increased sales, suggesting that these activities should be encouraged and emphasised.
2. What activities should correlate with increased sales, but do not, suggesting that there is a competence gap that needs to be addressed.
3. What activities correlate negatively with increased sales and as such can be deemed to be 'getting in the way', suggesting that the team should be encouraged to reduce these.
4. What low value activities have no relationship with increased sales and should be stopped or given to other resources within the team.
5. The ideal time profile of a high performing sales professional in your industry

With these insights, it is possible to identify a range of interventions that can be undertaken to increase the average selling time across the whole sales team by as much as 50%.

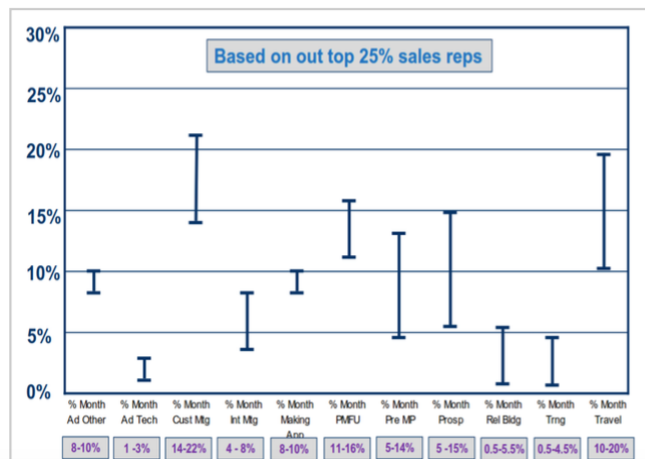


Figure: The Ideal Time Profile Of A High Performing Sales Professional

Critical Competence #3: Maximising Win Rates At Each Stage Of The Pipeline

Many sales executives and sales leaders hold on to the view that sales is an art, not a science, and that every deal is so different that sales cannot be treated as a process. However, in our experience, the best performing sales executives in every organisation that we have worked with recognise that whilst there can be a lot of variation between different customers and their needs and preferences, every sales opportunity must progress through a common series of customer decision points, where the customer is looking to decide whether to continue discussions with the sales executive, or to cease these discussions in favour of a sales executive from another organisation.

Not only do the best performing B2B sales executives recognise and understand the different stages and activities in the sales process or buying process, they also understand that different skills, behaviours and conversations are required at each stage in order to maximise their win rates.

The table below indicates the variation in win rates, the best, the worst and the average win rates across a B2B sales team in each of the different stages of the sales pipeline. As you can see, there is significant variation between the best and the worst win rates at every stage of the sales pipeline across the team. So much so, that when you consider the sales yield, the end-to-end win rate across the team, it ranges from 0% to 65% and averages just 6% across the whole team from sales lead to order.

Call To Agree To Meet	Meeting To Agree To Present	Presentation To Agree To Propose	Proposal To Negotiation	Negotiation To Order Received	Opportunity To Order Win Rate
Best Actual Stage Win Rate = 100%	Best Actual Stage Win Rate = 90%	Best Actual Stage Win Rate = 100%	Best Actual Stage Win Rate = 88%	Best Actual Stage Win Rate = 95%	Best Actual E2E Win Rate = 65%
Worst Actual Stage Win Rate = 30%	Worst Actual Stage Win Rate = 19%	Worst Actual Stage Win Rate = 25%	Worst Actual Stage Win Rate = 15%	Worst Actual Stage Win Rate = 0%	Worst Actual E2E Win Rate = 0%
Average Actual Stage Win Rate = 68%	Average Actual Stage Win Rate = 47%	Average Actual Stage Win Rate = 61%	Average Actual Stage Win Rate = 45%	Average Actual Stage Win Rate = 68%	Average Actual E2E Win Rate = 6%

Figure: Variation In Actual Win-Loss Rates Between The Best & Worst Performers In A Sales Team

With this information, it is clear where to look to identify the best practice, competences, behaviours and habits that drive win rates at each stage of the pipeline.

So Why Aren't More Organisations Doing This?

When attempting to implement these three best practices, you will not be surprised to hear that there are a number of challenges that must be overcome:

1. **Data Integrity Is Critical:** The goal within each of the three initiatives is at some point to have enough accurate, reliable and representative data to be able to statistically validate the new ways of working. Whilst all three initiatives can start with and be based on anecdotal data from interviews and discussions, the transformational breakthroughs and fine-tuning of these best practices can only be achieved with accurate data.
2. **It Requires A New Way Of Managing The Sales Team:** When these three initiatives have been successfully implemented, sales leadership will have access to previously unavailable performance data and insights on how their teams are spending their time, who they are spending time with, and how effectively they are operating at each stage of the sales process. This will enable them to be more focused and more data driven in their pipeline reviews, one-on-one coaching sessions and forecast discussions. In other words, many aspects of the sales leader's operating rhythm will need to be refined. This can be confronting to sales managers who have been able to operate in a much less data driven style in the past.
3. **Sales Executive Understanding & Acceptance Will Be Critical:** For those members of your sales team who hold the perspective that sales is more of an art than a science, it is likely to take some time for them to understand and accept the data behind these three best practices and that there can be such a structure and objective approach to each of the practices. In many sales teams we find that the conversation and explanation of the basis for each best practice needs to be undertaken multiple times before it is understood sufficiently for the team to "give it a go". Only when they find the significant impact that they can have on performance are they then accepted and adopted.
4. **Peer Coaching & Support:** Just like any new way of working, you should expect to have innovators, early adopters, laggards and resisters within most teams. We have found that the careful use of the innovators and early adopters to coach their peers and promote the benefits of the new best practices in terms of improved productivity and win rates can be a very effective way to support broader acceptance and adoption.

How Can We Help?

We have developed a proven set of flexible, best practices in all three of these critical areas of sales excellence, and can provide the guidance, coaching, training and support required to help sales managers develop and adopt the new practices and then refine their leadership style as required.



FOR MORE INFORMATION

Jed Wood

M +61 (0)423 643 844

E jed@cfse.com.au

www.cfse.com.au