



## Positioning Your Sales Force To Achieve Triple Your Industry's Average Growth Rate

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How can any B2B sales organisation pinpoint the factors that are holding their sales people back and preventing them from achieving top quartile growth?

## INTRODUCTION

There are many factors that can influence the performance of a B2B sales team including sales skills, product and industry knowledge, engagement and segmentation strategies, leadership and sales management practices and many more. With so many potential variables and so many potential solutions available, one of the greatest challenges facing many sales leaders is how to pinpoint exactly what it is that is holding their sales team back and preventing them from selling more.

That is why we have developed the Sales Organisation Health Check. It enables a Sales Leadership teams to systematically determine how their organisation's capabilities, strategies, competences and practices compare with those of a world class sales organisation and so pinpoint where they already have strengths and where they have the greatest opportunities to sustainably enhance sales performance and grow at rates up to three times the industry average.

In the process of completing this health check the sales leadership team will:

- Enhance their understanding of the drivers of sales performance for their team
- Create a sales organisation capability profile that reflects their current level of capability and what it will take to compete and perform more effectively in the future.
- Systematically develop an actionable and prioritised sales effectiveness roadmap for how to take their team's performance to the next level, regardless of where they are starting from.

Clients in a range of industries and marketplaces have achieved exceptional growth as a result of the insights gained and the effective implementation of the prioritised improvement opportunities. This paper explains the Sales Organisation Health Check process and highlights some of the key considerations that have been incorporated in to it to make it an effective tool for today's B2B sales challenges and environment.

## THE B2B SALES ENVIRONMENT

We recognised that the B2B sales leader's role has never been as demanding as it is today, nor subject to as many significant challenges that are demanding ever greater agility and continuous improvement including:

1. The percentage of B2B sales executives that achieve sales quota consistently fluctuates at around the 50% mark year after year. When only half of most B2B sales teams are hitting their sales targets despite record investments in sales training and CRM systems, sales leaders are appropriately being asked "So what else should we be doing?"
2. It is common for 80% of the sales incentives that are being paid in organisations to be paid to less than 20% of the sales team. In other words, just 20% of the sales incentives paid are shared between 80% of the sales people. When many of the sales team are clearly underperforming against plan and as a result receiving below on-target earnings, how do we ensure that we retain and motivate the whole of the sales team?
3. The difference between the best performers and lowest performers in most B2B sales team is increasing as buyers become more educated and powerful, certain channels become commoditised and it becomes harder and harder to differentiate your offer in the market place. We often find that the best 10% regularly sell more than twice the team average and 5-10 times more than the bottom 10%. We help sales leads to confidently identify what their best sales people do that differentiates their performance from the rest of the team.
4. The length of the typical sales cycle-time has extended as more stakeholders have become involved in the buying decision and an increasing number of buyers have adopted a more formal and structured buying process. This also means that there are more opportunities for most prospects to decide to drop out of the sales process and choose to stay with the status quo.

## THE SALES GROWTH CHALLENGE

There is no doubt that all B2B sales organisations and their leaders strive to be the very best that they can be. However, only a small number of sales organisations actually achieve this “best-in-class” status and for those that do the rewards are significant including growth rates of 2-3 times the industry average, pipelines full of high quality leads, high win rates, high levels of repeat purchase and enduring, win-win client relationships.

The Sales Organisation Health Check has been designed to help our clients break down the complex B2B sales environment in to it's core competences, best practices, habits and disciplines and then identify which of these are holding their sales team back and preventing them from achieving more sales and higher growth.

Ultimately, it helps the sales leadership team make the right strategic, operational and tactical choices so that their sales team is consistently using the best strategies and practices, to sell to the best prospects in the most effective way

## THE SALES ORGANISATION HEALTH CHECK

The Sales Organisation Health Check is built around eight drivers of B2B sales performance as shown in the diagram below. Each of these drivers is further broken down in to five core competences, so that the model is made up of the 40 core competences of a world class sales organisation.



Figure: The Eight Drivers & 40 Core Competences Of A World Class Sales organisation

Each of the 40 core competences are separately assessed and rated by the sales leadership team in terms of both the current level of capability as well as the desired level of capability. The difference or gap between these two ratings being one indicator of the improvement opportunity.

## ASSESSING THE HEALTH OF YOUR SALES ORGANISATION

To ensure the rigour and realism of the leadership team's assessment of current capability, each of the 40 core competences are defined in terms of three things:

1. A detailed definition of the practices, processes, skills or behaviours that make up the scope of the core competence
2. The top five artefacts, behaviours or practices that would be in place and consistently applied, managed and leveraged by all team members to indicate that a core level of competence has already been achieved.
3. The top five artefacts, behaviours and practices that would be in place and consistently applied, managed and leveraged by all team members to indicate that a world best practice level of competence has already been achieved.

### Core Competency: Customer Segmentation

The extent to which customers are formally classified based on their needs, drivers, preferences and their current and potential future value in to customer segments and then how effectively segment specific strategies and offerings are developed and refined in order to ensure that the sales team is consistently focused and routinely refocused on the highest value customer segments and opportunities.

### Indicators Of Core Competence

- We segment our potential markets in order to identify and prioritise specific customer types
- We actively analyse and identify what these different customer segments want, need and value
- We customise our offerings to reflect the needs and preferences of the prioritised customer segments
- We have a robust process to detect changes in the characteristics or needs of these segments
- We specifically target and prioritise those segments where we are best able to meet their needs

### Indicators Of World Best Practice

- We have defined and target specific customer segments based on statistically validated criteria
- We have critically analysed each segment and identified their specific needs and preferences
- We have developed a clear UVP for each of our products and offerings for each target segment
- We regularly review our target segments and carefully confirm the accuracy of our segmentation
- Segment buying & decision making processes and win rates are used to refine our segmentation

Figure: The Three Levels Of Detail Defined For Each Of The 40 Core Competences

The sales leadership team is guided through the process of first understanding the definition of the core competence to be assessed, then discussing, debating and agreeing how many of the 'indicators' of core competence and world best practice are actually in place and consistently used within the team and business. Finally they are then asked to individually assign a rating for current capability and desired capability on the scale of one to five.

Whilst some diagnostics assess the sales organisation's current capabilities at the top, eight driver level, we believe that by focusing on all 40 of the core competences, the clarity regarding exactly what needs to be done to improve sales performance and growth rates is much greater and provides a genuine advantage when planning next steps.

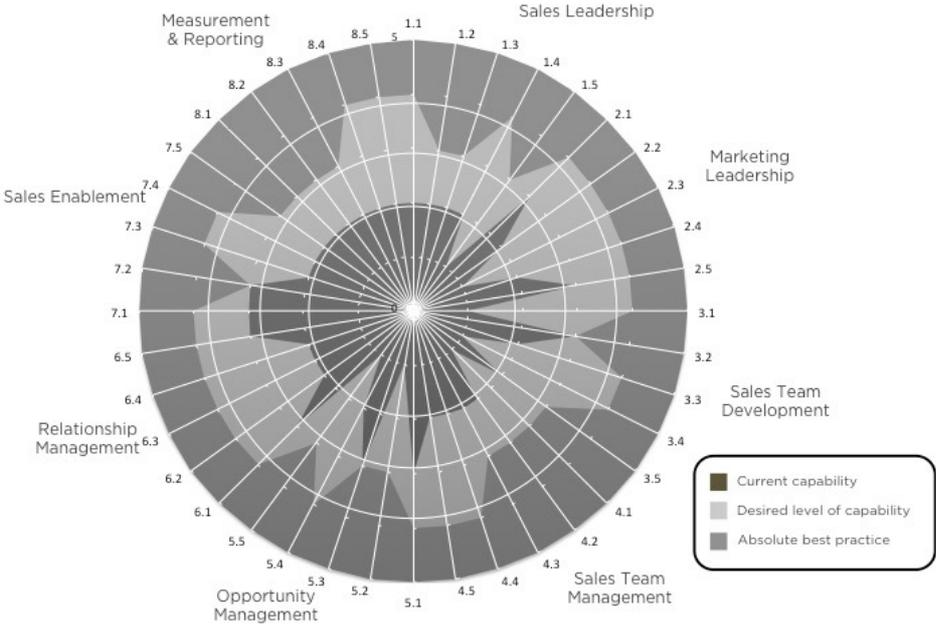


Figure: Sample Radar Chart Indicating The Team's Assessment Of Current & Desired Capability

The standard output from the Sales Organisation Health Check is a radar chart showing the team's assessment of current capability (Dark Grey) and desired capability (Lighter Grey) and where the greatest gaps exist between the two.

Imagine the confidence and clarity that can be developed when the whole of the sales leadership team complete this exercise together and in the process discuss, debate and agree where their sales team already has strengths and where they have capability gaps that are holding them back and preventing them from achieving significantly higher sales.

## **THE BENEFITS OF COMPLETING A REGULAR ANNUAL HEALTH CHECK**

The regular use of the sales organisation health check as part of the sales team's annual planning process can transform the sales leadership team's understanding and confidence in answering the following four questions:

1. What are the small number of key sales effectiveness initiatives that we should undertake to increase our likelihood of achieving or exceeding our growth targets in the next 12 months?
2. What are the practices, behaviours, habits or disciplines that differentiate and explain the higher sales of our top performers compared to the rest of the sales team?
3. What would it take to significantly enhance our level of competitive advantage in our chosen market and channels?
4. How can we best position our business for long term, sustainable growth?

## **SALES ORGANISATION HEALTH CHECK CASE STUDY**

Our client, a major Malaysian Bank, had achieved average growth in the SME business banking sector for a number of years. The Business leader however was keen to understand how to develop a 12 month sales performance roadmap that would enable them to accelerate their growth and what sales best practices and competences they should prioritise in order to support and enable his growth target. In addition, there was a growing level of unwanted staff attrition, particularly in the middle performing part of the sales team as a result of the challenges faced and the apparent lack of sales tools and support that were available within the business.

Analysis confirmed that the top 10% of sales executives in the national sales force of 310 sold more than twice the overall team average and more than four times more the average of the bottom 10%. This was despite the fact that they all received the same training, the same quality of sales opportunities, the same pricing and range of product offerings and the same tools and sales collateral.

The leadership team felt that they needed to undertake a broad capability assessment that included both strategic capabilities as well as more tactical and operational considerations.

The Sales Organisation Health Check was completed by the sales leadership team of each of the four separate line-of-business teams. The sales leaders were facilitated through a process of assessing and rating their team's current and desired level of capability against the 40 competences of a world class sales organisation. Some were deemed to already be a strength, whilst others were found to be ad hoc and inconsistently undertaken and as a result were shown to be actually holding the sales team back.

The difference between the current and desired level of capability was calculated with the size of the gap used as a consideration in the prioritisation process, together with an assessment of the potential commercial impact of reducing the greatest capability gaps discovered.

The prioritised capability gaps for each of the four line-of-business teams were then compared to see where there were organisation-wide improvement opportunities and where the opportunities were team specific.

All improvement opportunities were consolidated and used to develop an integrated 12 month sales performance and effectiveness roadmap.

## THE FINDINGS

Each of the four sales teams assessed and identified their top five capability gaps. Across the four sales teams however, only one of these capability gaps, Reward & Recognition, had been previously considered and improved:

Sales Team 1	Sales Team 2	Sales Team 3	Sales Team 4
<ul style="list-style-type: none"> <li>• Opportunity Generation</li> <li>• Coaching &amp; Mentoring</li> <li>• Strategy Execution</li> <li>• Pipeline Management</li> <li>• New Hire On-Boarding</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity Generation</li> <li>• Recruitment &amp; Selection</li> <li>• Pipeline Management</li> <li>• Coaching &amp; Mentoring</li> <li>• Reward &amp; Recognition</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment &amp; Selection</li> <li>• Coaching &amp; Mentoring</li> <li>• Opportunity Generation</li> <li>• Pipeline Management</li> <li>• Sales Process</li> </ul>	<ul style="list-style-type: none"> <li>• Go-To-Market Strategy</li> <li>• Opportunity Generation</li> <li>• Coaching &amp; Mentoring</li> <li>• Pipeline Management</li> <li>• Opportunity Qualification</li> </ul>

Figure: The Top Five Capability Gaps For Each Sales Team

In parallel to the sales organisation health check, a selection of their top performing sales executives participated in a sales process mapping and optimisation workshop. In this workshop, once the sales process had been mapped, the team identified all of the issues and challenges that frequently got in the way and had a negative impact on their sales performance.

Ultimately, the sales leadership team combined the output from the two events and prioritised 8 improvement areas that represented a combination of competency development and sales best practice.



Figure: The Eight Prioritised Improvement Initiatives

Action owners were assigned to each initiative and asked to produce a detailed action plans for the following 90 days. All eight teams received regular coaching to help them stay on track and incorporate proven best practice in to their solutions. At the end of the 90 days the sales leadership team met to confirm the national deployment plan across the team of 310 sales executives.

## THE BUSINESS IMPACT:

Our client achieved a total uplift in net profitability of 25% in the 12 months following the successful implementation of the eight sales effectiveness initiatives. This phenomenal level of bottom line growth was three times greater than any growth they had experienced in the prior five years, despite having been one of the fastest growing banks during that period.

In addition, the level of unwanted staff attrition being experienced was reduced by more than 30%. When surveyed staff reported this was because a greater proportion of the team were achieving quota and were significantly more satisfied with the quality of the sales tools, processes and support that they were receiving.

They continue to reap the benefits of these best practices as new members join the team, because their time to full productivity is also accelerated because of the improved processes.



## FOR MORE INFORMATION

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