

MAKING EXCELLENCE HAPPEN

RICHARD HIGHAM concludes his series on growing sales with some practical advice on how to ensure real world success

In this series we have looked at a clear plan to achieve sales excellence through “GRACE”. In this concluding piece I want to show you practical ways to make it all work in the realities of a rapidly changing world.

First, let me remind you about GRACE:

‘G’ IS FOR GOALS. Set the right goals in the right way at the right time and results will be more probable and more aligned with your business strategy.

‘R’ IS FOR RESULTS. The what, how and when of measuring and communicating the sales result. Make it clear, commercial and compelling.

‘A’ IS FOR ACTIVITY. The quickest way to get the sales result up is simply to do more. Of course, it’s not just a numbers game but without the right amount of contact the job gets harder.

‘C’ IS FOR CONCENTRATION OF EFFORT. Talk to the right people in the right customers about the right things.

‘E’ IS FOR EFFECTIVENESS. This works on two levels – the individual’s attitudes, skills and knowledge, and the organisation’s effectiveness, harnessing tools and processes.

CHANGE IS HERE TO STAY

I started writing this series two years ago. The world was a very different

place but the trends were there to be seen and we highlighted (and continue to highlight) four drivers of sales change:

- 1.** We have to sell in a volatile, uncertain, complex, ambiguous (VUCA) world. If that was true two years ago it is even more so now. Waiting for the world to “get back to normal” won’t do. We need to thrive in the VUCA world.
- 2.** We have to generate high growth in low growth economies. We can no longer “ride the wave”. The low growth predictions of two years ago have become zero or worse. How will we generate growth in a V, U, W, or L-shaped recovery?
- 3.** We need to work with radically changed buying behaviours. The way B2B customers are buying has now morphed into new patterns. We must be able to adapt and thrive.
- 4.** Sales innovation continues to accelerate. The tools available to frontline salespeople and those who lead them are potentially immensely helpful but can be enormously confusing. However, it is clear that it will be very difficult to succeed as analogue sellers in a digital buying world.

MAKE IT HAPPEN NOW

What does it look like when you bring the concept of GRACE and the four drivers of sales change together?

GOALS

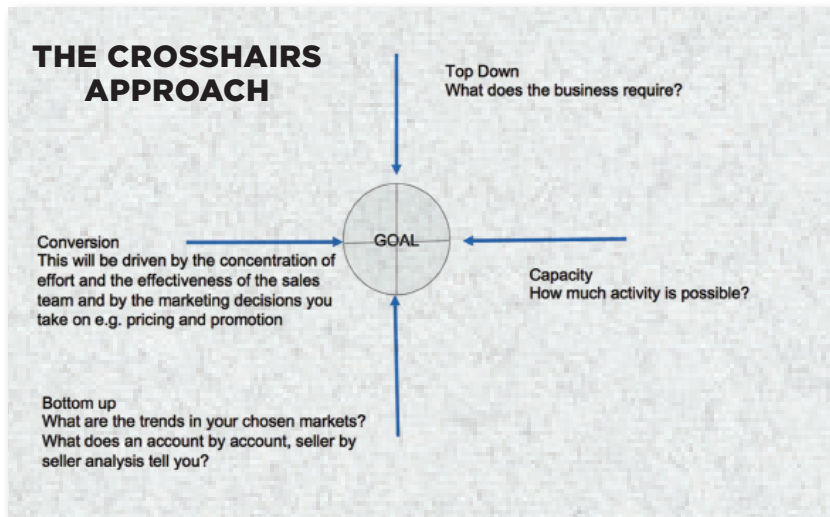
Try the crosshairs approach to goal setting (See page 32):

TOP-DOWN: The start point will depend on the culture and situation of your business. In “normal times” most businesses started with a top-down approach. “We need to grow by this much next year – make it so!” This start point is usually aspirational. It is often designed to create an anchor point to encourage sales organisations to think big. It is usually based on last year plus X. You may have to start with this but a data-driven sales approach in a VUCA world is unlikely to come to the same figure as a linear top-down approach.

CAPACITY: You will need good data for this. How much time does it take to win new-logo business or to cross-sell? You will need to have a clear picture of where people are really spending their time and about who does what in your sales processes. Armed with this data you can apply a “sales capacity calculator” to see what is possible. You may also be able to build a business case to re-allocate or hire sales resources.

BOTTOM-UP: This approach requires good market analysis and then a granular approach that builds a picture account by account and seller by seller. This should be zero-based planning rather than looking at what the





customer or seller did last year. For example, an automotive parts supplier is able to identify the available wallet of a customer depending on how many ramps are in its garage. Using this data combined with other factors that make up their data-based “secret formula” they can set targets for individuals, depots and regions.

CONVERSION: This is perhaps the most complex variable to calculate but is a vital element of goal setting. On the one hand it examines the capabilities of the sales team. It calculates the impact on capacity if one could improve the proposal:close ratio from, say, 3:1 to 2:1. On the other hand, it looks at sensitivities of changing the price point. In particular, there is an emerging appetite for applying AI-driven techniques to intelligent pricing from new players such as Bubo.ai.

The Crosshairs approach to goal-setting should be circular. At whichever point you start you should validate or challenge the outcome using the other points and then cycle back to come up with a robust goal. Of course, proven goal-setting thinking can be applied to decide how stretching the goal should be and to differentiate between budget and target. The key thing is not to adopt unvalidated aspirations that no one believes in, and also to avoid target inflation where each level of management adds a percentage of fudge-factor, so that by the time the targets reach the front line they are absurd.

RESULTS

WHAT TO TRACK

A good mantra is “do less better” when it comes to looking at sales results. Limit yourself to a handful of KPIs. Most sales dashboards have fewer than ten elements.

Look for exceptions. Show the elements that highlight a gap between the plan and reality.

“A good mantra is ‘do less better’ when it comes to looking at sales results. Limit yourself to a handful of KPIs”

Look for leading as well as lagging indicators. Certainly, you will want to track actual sales against target but this only tells you where you have been. You need leading indicators to show you what is around the corner so you can take early remedial action.

Be multidimensional. Rather than just looking at the overall sales result, examine the useful dimensions such as customer mix (size/segment etc), product mix and so on. Track renewal rates or number of products per customer. Use several lenses to get a clearer picture of the result.

HOW TO TRACK

Draw data from existing sources where possible. Assess the reporting capabilities of your CRM and create bespoke reports where practical.

Balance difficulty of gathering the data with its usefulness. Ideally you want to concentrate on information that is easy to gather and really useful to the users. Try and avoid multiple reports. I worked with one

financial institution which had five monthly sales reports in play. Recording the results data was time-consuming and no one knew which report to base decisions on.

Report results fast, keeping data fresh, so people can take action before it is too late.

Make it visual. Find ways to show the results using infographics. Few people are comfortable sifting through rows and columns of figures.

Be clear about your definitions. For example, by “customer” do you mean a group of companies or a buying point within the group?

Be consistent. Salespeople have a way of reinventing the wheel. Sometimes this is useful but it makes life extraordinarily difficult for sales leaders and business leaders. Encourage creativity in the early stages, but once the good ideas have been taken up, go for consistency.

ACTIVITY

It seems simplistic to just say “do more!” Of course, there is more to sales success than simply lifting the call rate but there is undeniably a correlation between call rate and sales success. We are talking about finding the optimum rather than chasing the maximum.

There are various data points out there that look at time spent selling. The figures vary depending on what is defined as “active selling”. I conducted a study of a large telecoms business, which indicated that only 20% of time was spent actively selling, but our criteria were particularly onerous. A number of surveys (HubSpot,

Salesforce) suggest 20% is an alarming but realistic figure. Others are a bit more positive: a study of 721 salespeople reported in *Forbes* showed 35% of their time was spent actively selling, so 20-35% seems a broad indicator.

Here are a few things that we are seeing:

A sales director in a fast growth business was concerned when he analysed his sales team's activity at three customer meetings a week. With the team all working from home he has seen this rise from three to 20 meetings a week. Even if you factor in that typically one 60-90-minute face-to-face meeting is being replaced with three 20-30-minute remote meetings, this sales director has effectively doubled his team's activity levels.

The optimum outcome is achieved when the call rate is as high as possible without the conversion rate falling. If you combine this with a call cost calculator then your sales planning will become even more commercially effective.

At an organisational level there may be things you can do to increase sales activity. I know of a newly-appointed CEO who was alarmed by low levels of sales activity. When she looked into the reasons, she found internal meetings were spread randomly through the week. She limited internal meetings involving sales to Fridays, and saw a significant increase in activity.

Having a clear and accurate picture of your own levels of sales activity is a very important first step in optimising sales activity. Tools like i-snapshot can give this picture and help drive an improvement in sales activity (typically 33% after six months). Again, it is about optimum not maximum. i-snapshot's managing director Martin Allison, says, "We analysed one client's sales activity and were able to demonstrate that fewer than six calls a year to a particular type of customer saw a measurable drop in share of wallet, whereas more than 14 calls produced no measurable improvement. The client changed its coverage model to a monthly cycle and saw a significant increase in share of wallet."

These sound sales management decisions needed to be based on accurate data. Diagnose the true situation before you formulate your plan to achieve optimum levels of sales activity.

CONCENTRATION OF EFFORT

It is not just about doing enough activity. Sellers need to be talking to the right people in the right organisations about the right things – "concentration of effort".

Start by ensuring you are focusing on the right customers. In a highly volatile, uncertain, complex and ambiguous (VUCA) commercial environment, the customers who fitted your ideal customer profile 12 months ago may not be the right ones to drive your future success. Now may

well be the time to re-segment. As Professor Malcolm McDonald said in a recent webinar, "Very little works without correct, needs-based segmentation. It is imperative to get this right before even considering major issues such as salesforce restructuring."

Then consider whether you are talking to the right people within those customers. Research from CEB in 2016 indicated that in the typical 500-employee organisation there would be seven people involved in any given buying decision. We need to "cover the bases", to classify the buying roles, attitudes and behaviours of the different players using tools such as contact diagnosis matrices. We need to identify the personae of the decision-makers and influencers and talk to them about the right things: the "why?" for the strategic buyer; "what?" and "how?" for the technical buyer; and "what if?" for the user.

Focus is all. This was one of the huge lessons from Frederick Lanchester whose mathematical analysis of military force was transferred from the military strategists to the economic realm and underpinned the dramatic global growth of Japanese companies in the years following the Second World War. You cannot do everything everywhere. Concentrate your resources on the customers and the products that will give you the best results and be rigorous in selling only in this space. As Apple's Steve Jobs put it, "Focusing is about saying no."

Some years ago, one of my colleagues was asked to help a large firm of accountants understand why it had a much lower conversion ratio than its main competitor. It was converting fewer than half its opportunities. The answer boiled down to focus. Firm A went for any opportunity it could; firm B only went for opportunities it believed it could win and really wanted to win. Both firms appointed a partner to lead the pursuit, but while Firm A did nothing to reduce the lead partner's current workload, Firm B enabled them to clear their desk much in the way that the detective appointed to a major crime would transfer other cases to colleagues. It became clear that the main difference in performance was a difference in focus. Sadly, although Firm A understood the conclusions, it was unable to wean its business development team off unfocused activity. Don't just learn the lesson of concentration of effort, apply it!

EFFECTIVENESS

The "E" of the GRACE model speaks of effectiveness. If activity is about doing enough and concentration of focus is about doing the right things with the right people, then effectiveness is about doing things in the right way. In the previous two articles in this series we

split this into individual sales effectiveness and organisational sales effectiveness.

In my sixth *Winning Edge* article (No1, 2020) I worked on individual capabilities, focusing on ASK – attitudes, skills and knowledge. I identified two dozen of these that mark out the capabilities that will be needed to rise to the challenges of selling into an uncertain future.

More recently, writing in *Sales Performance*, a report published by Raconteur and *The Times*, I highlighted the need to develop

“The successful sales leaders of the 2020s will be those who embrace the new professionalism of sales”

salespeople on two levels. Level 1 contains the core capabilities, (attitudes, skills and knowledge) that you need to have in place to achieve your business goals. These can be identified, aligned, quantified and improved using a range of diagnostic and coaching tools. Level 2 is a “situational top up”. I expressed the view that “Salespeople who can adapt quickly in a changing market will be increasingly valuable”. The situational top-up provides you and your team with an agility that will allow them to win in new situations. As a former hockey player, an analogy I use is preparing a player for a particularly challenging match. It is too late to equip the player with the underlying core skills just before the game – you and they will have been working on these for months and years. But in this competition, they are going to come up against a style of play they have not encountered before. In your situational top-up you will build on their core skills and apply them in a very specific way – handling an opposing player with an unusual stick movement or a team that uses overhead passes in a particular way. In the same way, we can use situational top-ups to build on core price handling skills to introduce a new intelligent pricing strategy or adapt qualification skills to a new coverage model.

In terms of organisational effectiveness, I would highlight five key success factors:

Do you have the right **strategies** based on a changing sales landscape? Have you carried out a segmentation exercise to ensure you are prioritising those customers and prospects that will underwrite your future success? Are your strategies aligned with your business goals eg. to deliver recurring income or to move away from dependency on a single customer or sector? How should your distribution strategy be evolving?

Are you adapting your **structures** for a new sales world? Do you need to develop a hybrid field sales/inside sales structure to support new converge models? What is going to be the best structure to capitalise on strategic relationships?

Do you need to structure your teams on industry verticals, geography, or a different model?

Do your **processes** need to be refreshed or even reformulated, given the significant changes in buying behaviours? How should you align digital and analogue sales into a streamlined process to work with “digital natives” described by *Harvard Business Review* as the increasing group of buyers who “are comfortable forming opinions by doing their own internet research and taking cues from peers and social networks.”

What **tools** do you need to have in place to make all this work? Research from SalesLevers suggests there are eight categories when it comes to applying sales enablement tools:

SHINY TOYS – Buying on whim or from over-enthusiastic sellers. The toys are little used and don’t work together

BUY THE BRAND – Buying from the market leader even if over-priced and not fit for purpose

DISAPPOINTED – The technical approach was fine but people simply don’t use the tools

OSTRICH – This is all hype and I just need people with a phone, car and pencil and paper

CONFUSED – Where do I start?

FROZEN – It is better to make no decision at all than to make the wrong one

EXPLORING – On the journey, but it’s hard

INTEGRATED – Sales enablement tools are integrated into coverage models, capabilities, compensation and marketing.

Selecting and implementing the right tools is not easy but it is important. Do talk with people who are surveying the market and seeing what is working and what is not.

Finally, on top of strategies, structures, processes and tools comes **leadership**. Leadership is what energises the whole sales machine. Applying the concept of GRACE as outlined in these articles will provide sales managers with a robust model for planning and delivering sales success. It will need to be underpinned by a strong understanding of motivation (I’m a big fan of Daniel Pink’s Motivation 3.0), highly effective coaching (often using AI-based coaching tools such as Refract) and emerging remote management skills.

TO SUM UP...

For a long time, sales could have been described as “the mysterious domain of talented individuals”, a Pandora’s Box that few were willing to open for fear of what they might find inside. The successful first and second-line sales managers and sales leaders of the 2020s will be those who embrace the new professionalism of sales and build a data-driven, transparent and ethical approach that results in increased value for the businesses they serve.



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