SBI's 8TH Annual Research Project

HOW TO MAKE YOUR NUMBER IN 2015

August 2014

How To Make Your Number in 2015, SBI's 8th Annual Research Report.
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SBI
888.556.7338
www.salesbenchmarkindex.com

ABOUT SBI RESEARCH

Each year Sales Benchmark Index (SBI) produces a piece of forward looking research that allows organizations to understand what leading sales executives are doing heading into the new year. In this report, SBI discusses what these top producing sales organizations began doing in Q3 of 2013 through Q2 of 2014. Most importantly, SBI analyzed what changed, the causes of the changes, and the early results from the changes. SBI produced this report to enable other progressive organizations to follow these early trends in 2015 to achieve similar results.

If you want help implementing some, or all of the trends leading companies are embracing for 2015, please visit here and register for a free consultation with one of our researchers. Alternatively you can email Christina Dieckmeyer at christina.dieckmeyer@salesbenchmarkindex.com or call 317-750-7443.

If you are not sure if you are ready for direct assistance but want to learn more, please subscribe to our blog here. Each day SBI publishes a proven best practice including a companion execution tool that you can put to work immediately. It is delivered to your mobile device and can be read in less than 5 minutes, 365 days per year.

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ABOUT SBI

SBI is a sales and marketing consultancy focused exclusively on helping B2B companies "make the number". The firm uses the benchmarking method to help companies accelerate their rate of revenue growth. Benchmarking allows our clients to get access to, and implement, best practices from the top sales and marketing organizations.

The firm is different from other consultancies in five ways:

REFERENCES	We are proud to tell you we work with many of the world's finest leaders. To see what our clients have to say about our work, go here.
CLIENT ROSTER	Top executives inside of top companies consistently turn to SBI for sales and marketing help. For a sample client list, go here.
TEAM	Every member of our team is an experienced former leader in sales and marketing. For the biographies of our consultants, go here.
METHODOLOGIES	The methods we use to solve your problems are proven and supported with before-and-after results. For information on our methodologies, go here.
EXECUTION	SBI is an execution based firm whose solutions get embraced and fully adopted. We are known as the "no shelf ware" firm. To review case studies of our work, go here.

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EXECUTIVE SUMMARY

In the last 12 months SBI monitored the emerging sales trends of B2B companies. We compared these trends to the trends of 2007-2013, as we have been conducting this research for 8 years. Many trends from previous years carried forward to this year. For example, decision makers continued to embrace the self-directed buyer's journey. Social Selling continued to replace traditional prospecting tactics. Mobility continued to penetrate sales teams, getting a boost from Salesforce1, tablets, and smart phones. And the list goes on and on.

> "What are the top 10% of sales teams doing differently that is contributing to their outstanding performance?"

However, the focus of this research is what is new and different from previous years. We asked: "What are the top 10% of sales teams doing differently that is contributing to their outstanding performance?" The evidence we collected pointed to one thing: Sales Strategy.

Sales leaders who have developed a best-in-class sales strategy benefit in 3 ways:

JOB SECURITY Sales leaders with a best-in-class sales strategy have an average tenure of 5+ years. Sales leaders that do not have a best-in-class sales strategy have an average tenure of 1.5 years.

INCOME Sales leaders with a best-in-class sales strategy earn, on average, $153,126 more than sales leaders who do not.

WEALTH CREATION The stock options granted to sales leaders who have a best-in-class sales strategy are on average worth 13% more than the stock option grants held by sales leaders without a best-in-class sales strategy.

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We also were surprised at how much confusion there is around the term Sales Strategy. When we asked average sales leaders for their definition of sales strategy, they provided an incorrect answer. In most cases, they confused sales tactics with sales strategy. When we asked average sales leaders to describe their sales strategy, they could not.

In contrast, best-in-class sales leaders had a clear definition, and a well articulated description of their specific sales strategy.

Here is how best-in-class sales leader defined sales strategy:

What is a Sales Strategy?

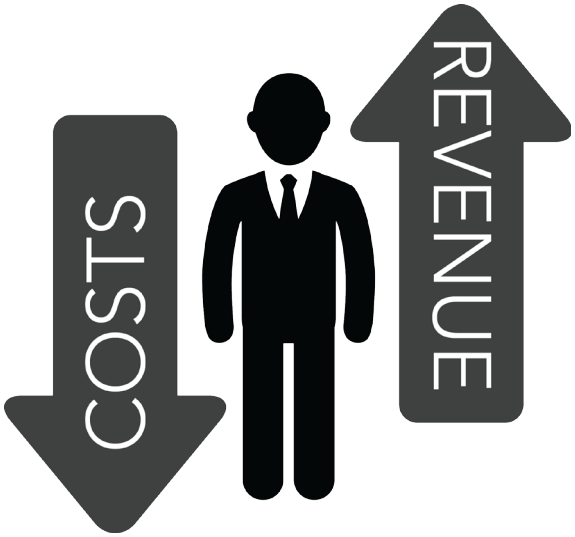
A Sales Strategy is an operating plan for a company's sales force.

What does a Sales Strategy do?

A Sales Strategy allocates sales resources efficiently to drive selling costs down and revenues up.

What does it mean to use a Sales Strategy?

The use of a Sales Strategy means an executive can get the most out of his/her sales force.



Our research then turned to understanding why sales leaders struggle with sales strategy. See *Figure 1 - Reason for the Wrong Sales Strategy*. Three root causes dominated the feedback - Sales Strategy same as the Competition, Not Aligning the Sales Strategy to Buyer Needs, and Tactics Masquerading as Strategy. Other common problems included having No Sales Strategy, Not Aligning the Sales Strategy to the Product Strategy and Not Aligning the Sales Strategy to the Corporate Strategy.

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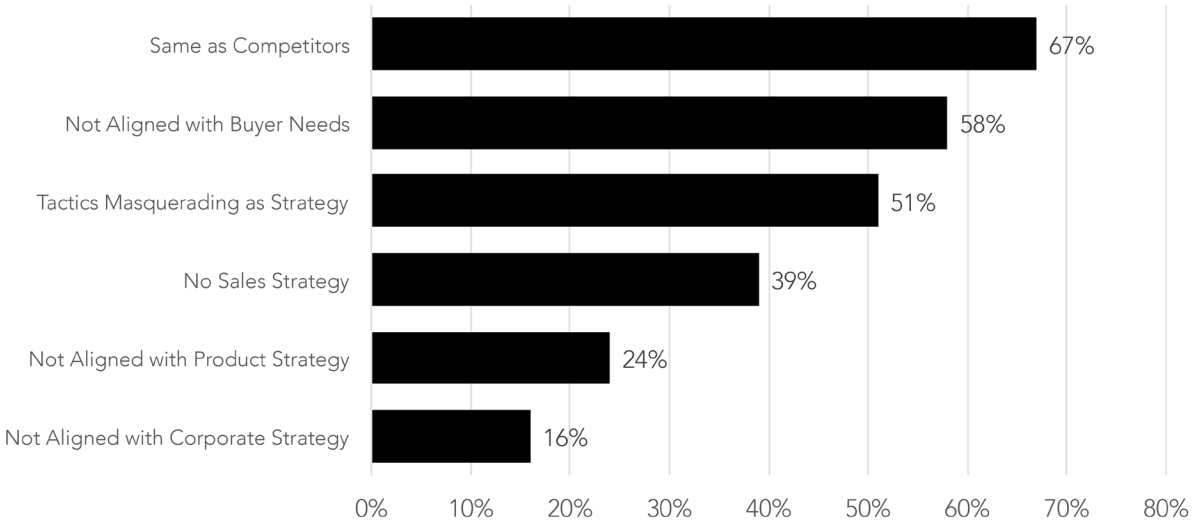

Figure 1 – Reasons for the Wrong Sales Strategy

Each of these six problem areas come with unique implications:

- Same Sales Strategy as Competition - When a sales team has the same strategy as the competition, the sales experience becomes a commodity. When this happens, there is no longer the ability to differentiate on anything other than product or price. Unless the company is lucky enough to sell a product superior to others, an advantage that is likely to be short lived, the pricing pressure will result in missing the number.
- Sales Strategy Not Aligned with Buyer Needs - When a sales team does not align the strategy to buyer needs, friction results. Buyers may have a great experience during the self-directed portion of the buyer's journey. But once the sales team engages, the experience degrades substantially. The result is frustrated buyers who take their business to a competitor who can meet their needs.
- Sales Tactics Masquerading as a Sales Strategy - When the sales strategy is just a compilation of tactics, the organization is reactive vs proactive. They may make the number one quarter, but miss the next. They are unable to make the number, every quarter unless they can systematize these tactics.

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- **No Sales Strategy** – When there is no sales strategy, the number is missed frequently. This results in periodic success coming from the heroic activities of a few sales super stars. Without a sales strategy, the sales leader becomes overly dependent on a few reps. This is very dangerous.
- **Sales Strategy Not Aligned with Product Strategy** – When the sales strategy is not aligned with the product strategy, the sales team often misses the number. Product management delivers new solutions to specific problems of certain prospects. The sales strategy needs to be built around these prospects, with these problems.
- **Sales Strategy Not Aligned with Corporate Strategy** – When the sales strategy is not aligned with the corporate strategy, the sales team is in conflict with other functions in the company. At times, the internal sale is harder than the opening of a new account. Getting a contract modified, a price exception approved, or a configuration altered can take too much time. The prospect begins to feel your company is difficult to do business with. This can result in losing some deals.

With an understanding of the 6 common obstacles to sales strategy, we then studied why these obstacles were present. The environment sales leaders operate in provided us the answer. Here is a picture of life as a sales leader circa 2014, see *Figure 2 - A Picture of Struggling Sales Leaders*.

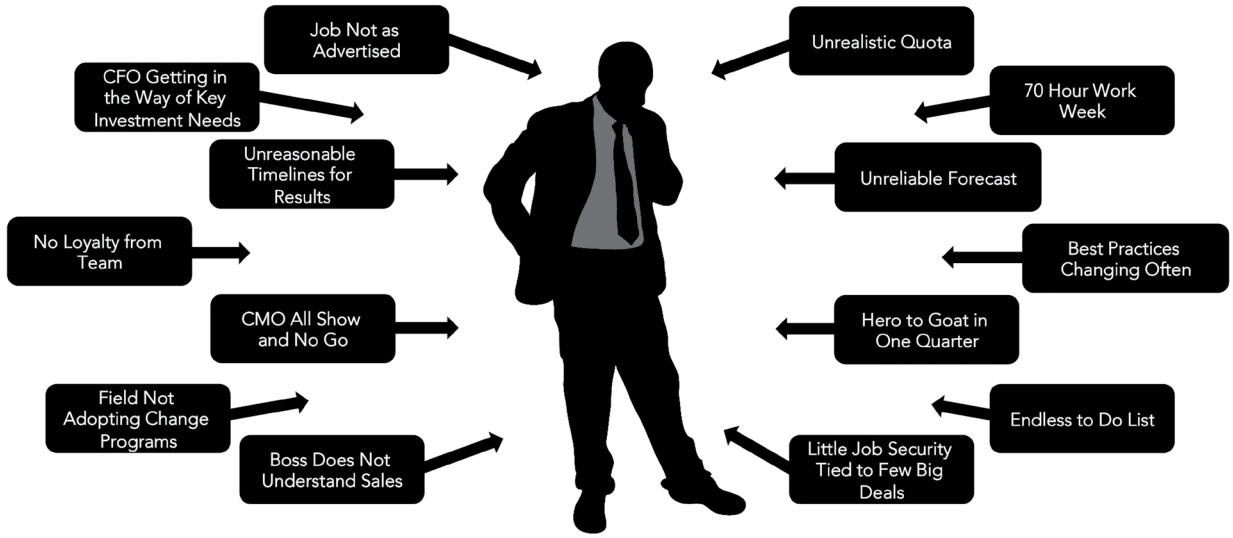

Figure 2 – A Picture of Struggling Sales Leaders

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If you can identify with many of these quotes, you are not alone. SBI found the majority of sales organizations still have the wrong Sales Strategy, see *Figure 3 – The Reason Sales Leaders Are Suffering*. An alarming 78% of sales teams do not have the right sales strategy. The wrong sales strategy is the biggest threat to a sales team being successful. This is the #1 obstacle that must be addressed if you are going to make your number.

Figure 3 – The Reason Sales Leaders Are Suffering

THREE REASONS YOU SHOULD CARE

There are three reasons a sales leader should care about these SBI findings. Sales leaders with the wrong sales strategy feel daily pain. But to prevent the longer term consequences, sales leaders need to act with urgency to deploy the right sales strategy.

The first reason you should care is the impact on tenure, see *Figure 4 – Impact on Your Job Security*. The average tenure of a sales leader continues to hover around 18 months according to Forrester, Sales Leadership Council (CEB), LinkedIn, Accenture and Selling Power magazine. However SBI found that sales leaders with the right sales strategy enjoy job security for 5+ years.

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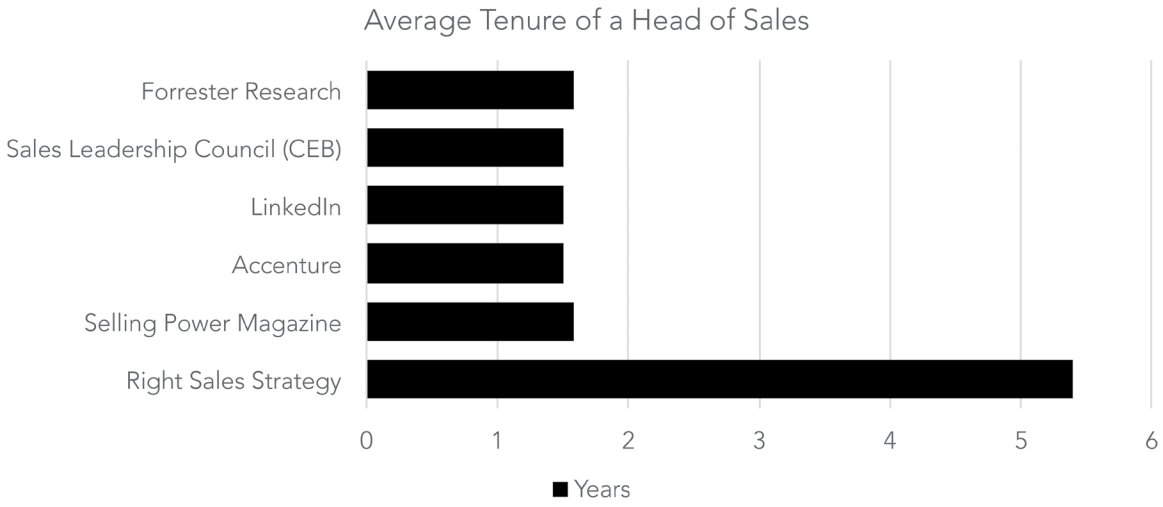

Figure 4 – Impact on Your Job Security

The second reason you should care is the impact on compensation. SBI found best-in-class sales teams with the right sales strategy exceed plan, on average, by 20+%. Whereas many sales teams with the wrong sales strategy miss the number, on average, by 20+%. This has implications on compensation, see *Figure 5 – Impact on Your Pay*. In this example the sales leader with the right sales strategy earns $150K more than the sales leader who does not have the right sales strategy. This equates to a 37.5% pay raise.

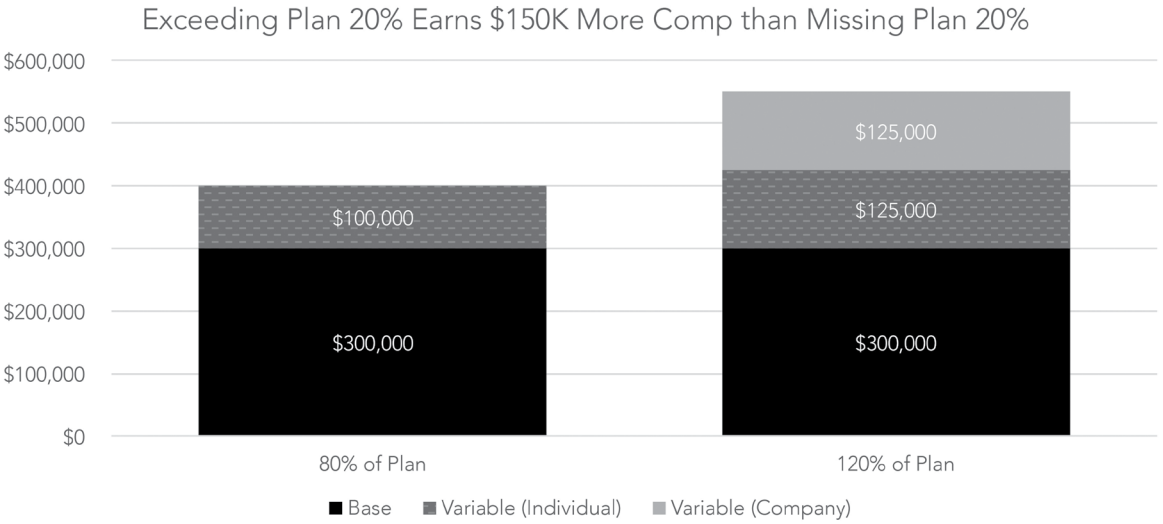

Figure 5 – Impact on Your Pay

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The third reason you should care is the impact on equity. SBI found that sales teams with the right sales strategy grew shareholder value 28% per year between 2012 and 2014. While companies with the wrong sales strategy only grew by 19%. In this example an equity position worth $1M in 2012 is worth $1.42M in 2014 for companies with the wrong sales strategy. That is compared to $1.63M for companies with the right sales strategy. This equates to 45% more wealth creation or $209K in equity value created in 2 years, see *Figure 6 – Impact on Your Equity*.

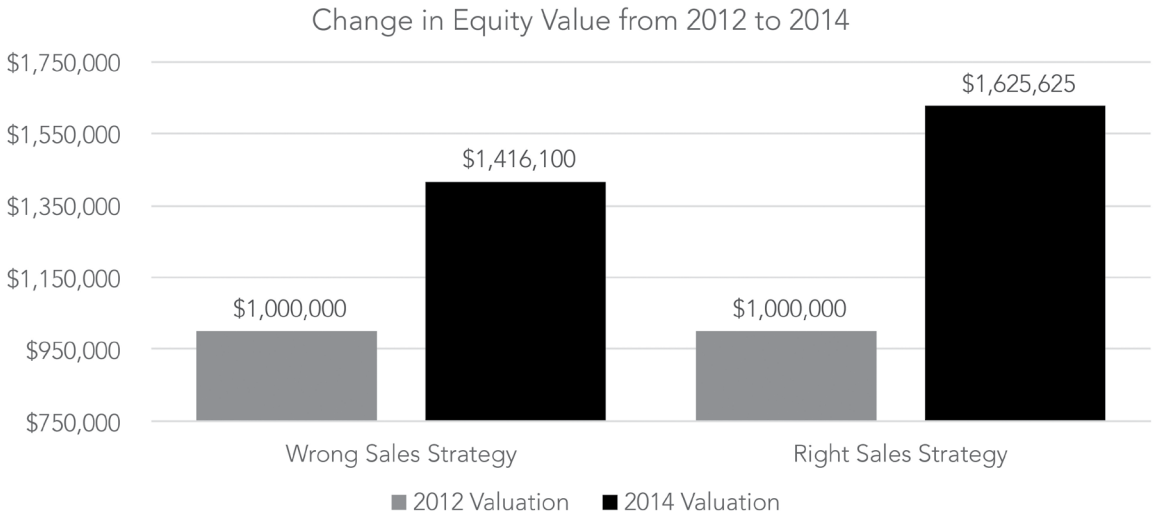

Figure 6 – Impact on Your Equity

This year's research puts you, the sales leader, in a difficult position. The evidence tells you that you must make a choice:

CHOICE #1 Continue with the status quo. If you have the right sales strategy, there is no reason to do anything differently in 2015. As a member of the 22%, you are likely to keep your job, get paid well, and increase your net worth.

CHOICE #2 Develop, and execute, a new sales strategy that is:

- Different than your competitors
- Aligned with the needs of your buyers
- More than just a bunch of flavor-of-the-year tactics
- Specific to your product/solution road map
- In harmony with the corporate strategy

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This is a very difficult choice to make. Why? You may not know if you have the right sales strategy. Not knowing if you have the right strategy is dangerous. It is better to be sure. If you think you have the right strategy and are wrong, you are likely to be looking for a new job.

How can you be certain? Reading this research is a good start. But it will not tell you if you have the right sales strategy. This research needs to be applied to you, and your company. We can help you do this. Please go here. We will arrange for one of our consultants to put you through a benchmarking exercise. The output will tell you if you have the right sales strategy, or not.

SALES STRATEGY OVERVIEW

Now that you understand the definition of sales strategy, the benefits of having the right one, and the implications of getting this wrong, you need to figure out what to do, see *Figure 7 – 6 Step Sales Strategy Methodology*. There are 6 steps to defining the right sales strategy – Segmentation, Planning, Engagement, Org, Execution, and Support. In the rest of this report we will dive into the details of each of the steps and provide guidance on how to pull them off.

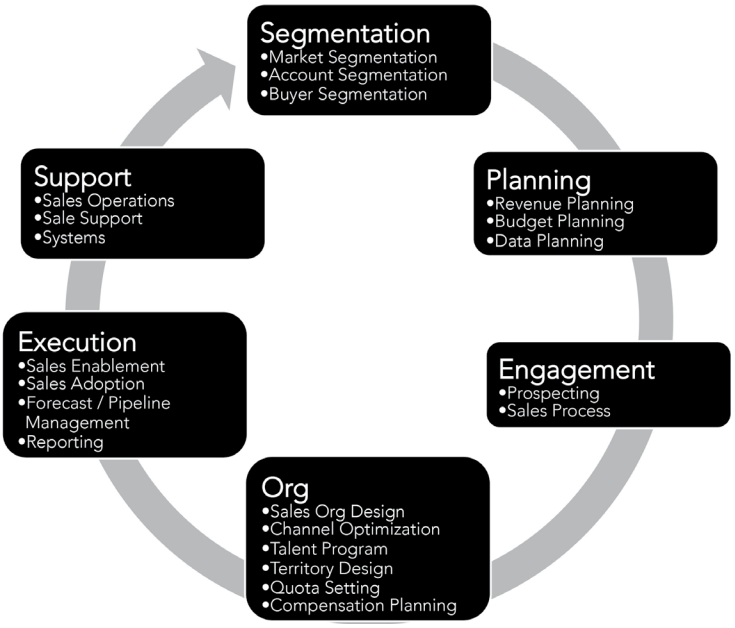

Figure 7 – 6 Step Sales Strategy Methodology

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RESEARCH APPROACH

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SBI's research findings presented in this report are pulled from fourteen data collection techniques across 4 lenses; see *Figure 8 – SBI Research Sources Collected 7/13-6/14*.

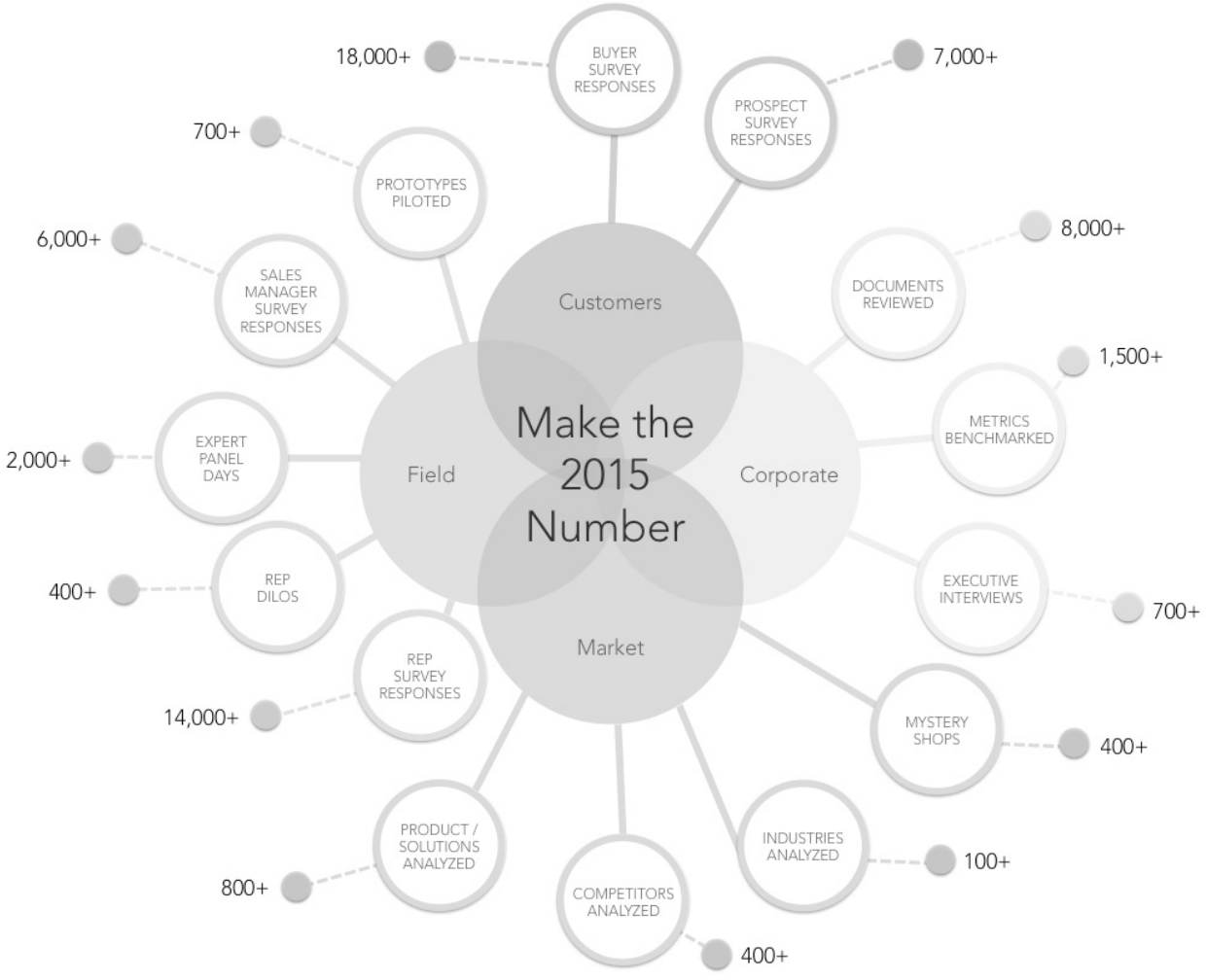

Figure 8 – SBI Research Sources Collected 7/13 - 6/14

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The first lens is the Customer lens. Some call this the buyer view, comprised of current customers and potential prospects. SBI uses the customer lens to understand, from the customer's perspective, how buyers buy and how buying behavior is changing. Over the last year, SBI collected input from:

- **More than 18,000 current buyers.** These are people who recently made complex B2B purchasing decisions.
- **More than 7,000 prospective buyers.** These are people who are contemplating making complex B2B purchase decisions.

SBI separates Customers from Prospects because they behave differently. Customers have already made a purchase decision, providing insights on what they had done previously, and why. Prospects may or may not be in the market to make a purchasing decision, providing insight on what they anticipate doing, and why. By comparing and contrasting Customers to Prospects, SBI is able to identify ways in which buyer behavior is changing.

The second lens is the Corporate lens. Some call this the executive view. SBI uses the corporate lens to understand what executives want their sales force to deliver. During the last year, SBI collected input from:

- **More than 8,000 documents reviewed.** Examples of documents include account plans, training material, compensation plans, etc. Because producing documentation requires investments from sales leaders and their teams, they represent executive priorities.
- **More than 1,500 metrics benchmarked.** Examples of metrics include data points like revenue per head, cost per head, quota attainment figures, etc. Metrics indicate both leading and lagging performance. This empirical data provides a view into what corporate executives are measuring, revealing what is important to them.
- **More than 700 executive interviews.** Executives include the CEO, CFO, CMO, the Head of Sales, Head of Human Resources, the Head of Products, etc. SBI wants to hear directly from their point of view what it means to be a world-class sales organization.

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The third lens is the Market lens. SBI uses the market lens to understand the external environment in which a sales force operates. Over the last year, SBI collected input from:

- **More than 400 individual mystery shops.** A mystery shop is where SBI poses as a customer or a prospect. We shop several vendors within the same product category to understand how the sales forces differentiate themselves, at the moment of truth. The moment of truth being when a seller and a buyer are actively engaged in a sales campaign.
- **More than 100 industries analyzed.** Industry analysis investigates the macro industry in which a sales force operates. The goal is to understand the industry's dynamics today and how these are likely to change in the near future. This helps understand the industry trends that need to be considered when building a sales strategy.
- **More than 400 competitors analyzed.** Competitor analysis examines the competitors with whom a sales force typically competes. The goal is to understand how competitors are going to market. It uncovers the strengths and weaknesses of each organization. By studying these, a competitive advantage can be gained in the sales strategy by exploiting competitive opportunities and mitigating the competitive threats.
- **More than 800 product/solutions analyzed.** Product/solution analysis explores the possible ways a customer can address a given problem. This enables a sales team to understand the strengths and weaknesses of each solution. Incorporating this into the sales strategy helps the sales force differentiate their solution in a way that captures customer preference relative to the alternatives.

The Market lens illuminates how organizations, selling similar products, services, or solutions, in the same industry, to the same set of buyers, sell similarly or differently. By considering this context, SBI is able to identify the similarities and differences in the sales strategies. When this is combined with the results achieved, SBI can validate what is working and what is not.

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The fourth lens is the Field lens. SBI uses the field lens to understand, from the sales person's perspective, what is contributing to and preventing success when sales teams engage with buyers. Over the last year, SBI collected input from:

- **More than 14,000 sales reps.** SBI uses surveys to understand what reps are experiencing from customer interactions. Surveys uncover how reps spend their time, overcome sales objections, utilize technology tools, and what they want from their sales management team.
- **More than 400 sales rep DILOs.** A DILO stands for Day In the Life Of. This is where SBI goes out into the field and rides with sales people to understand, through direct observation, the typical day. SBI has found that often sales reps respond to interviews and surveys one way but then do something entirely different when they are in their natural habitat.
- **More than 2,000 expert panel days.** An expert panel is where SBI gets together the top 10% of a company's sales force in a classic focus group. SBI uses this select group to understand what they are doing that is contributing to their success. SBI extracts this insight, summarizes it and turns it into intellectual property that can be spread it across the remaining 90% of the sales force. The goal in doing this is to replicate top performance.
- **More than 6,000 frontline sales managers.** These are people that manage sales people directly. SBI uses sales managers to understand the differences between what corporate wants/expects and the realities that their field sales teams are experiencing. The front line sales manager has a very unique perspective and a difficult job, sandwiched between those two oftentimes conflicting stakeholder groups. Yet it is the most important job in all sales organizations, serving as the connective tissue that links the corporate strategy to field execution.
- **Test results from more than 700 field prototypes.** These are actual sales and marketing improvement programs where SBI captures before and after results to see what works and what does not. Examples include lead generation programs, buyer personas, call plans, technology tools, sales process, etc. SBI tests to see how the prototype performed. Did it behave as anticipated? Did it generate the desired outcomes?

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Qualitative and quantitative data collected from these sources is analyzed using rigorous statistical processes. Highly trained, industry experienced professionals with a focus on removing biases from any single lens/source ensure quality, accuracy, timeliness, and integrity of the findings. Statistical analysis techniques used by SBI include:

- **Pattern and Trend Recognition** – SBI constantly seeks out patterns and trends to ensure integrity of the data is maintained. If patterns and/or trends from a single data source contradict previous findings, in-depth analysis is performed to validate or disqualify the findings.
- **Deductive Reasoning** – SBI constantly challenges previously known facts to validate the conclusions drawn from the data. Conclusions or findings are updated in real time as data becomes available.
- **Inductive Reasoning** – SBI uses a proprietary Hypothesis Testing Methodology based on proven statistical principles that allow confidence levels to be associated with all data findings. Because some findings cannot be statistically proven with 100% certainty, SBI constantly analyzes and refines the findings to ensure the highest level of statistically sound confidence can be associated at all times.
- **Verification** – SBI seeks out data to prove or disprove Best Practices. For each Best Practice, the expected results from deploying each technique are verified after implementation.
- **Predictive Analysis** – SBI does not limit itself to just historical data analysis. A variety of Predictive Analytics are used to describe or categorize the data and develop models to understand behavior. These can then be used to guide future decision making.
- **Regression Analysis** – SBI has found that selling cannot be simplified to test a single hypothesis in isolation. Understanding the relationships among multiple inputs using techniques like regression analysis allows for relationships and dependences to be quantified and measured.
- **Constant Refinement** – SBI Best Practices are never static. Research and refinement is an ongoing process with new information constantly integrated as new data sources are located or existing data becomes available.

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6 STEP SALES STRATEGY METHODOLOGY

6 STEP SALES STRATEGY METHODOLOGY

When SBI studied how top producing sales organizations landed on the right sales strategy, we found they followed a 6 step process, see *Figure 9- 6 Step Sales Strategy Methodology*:

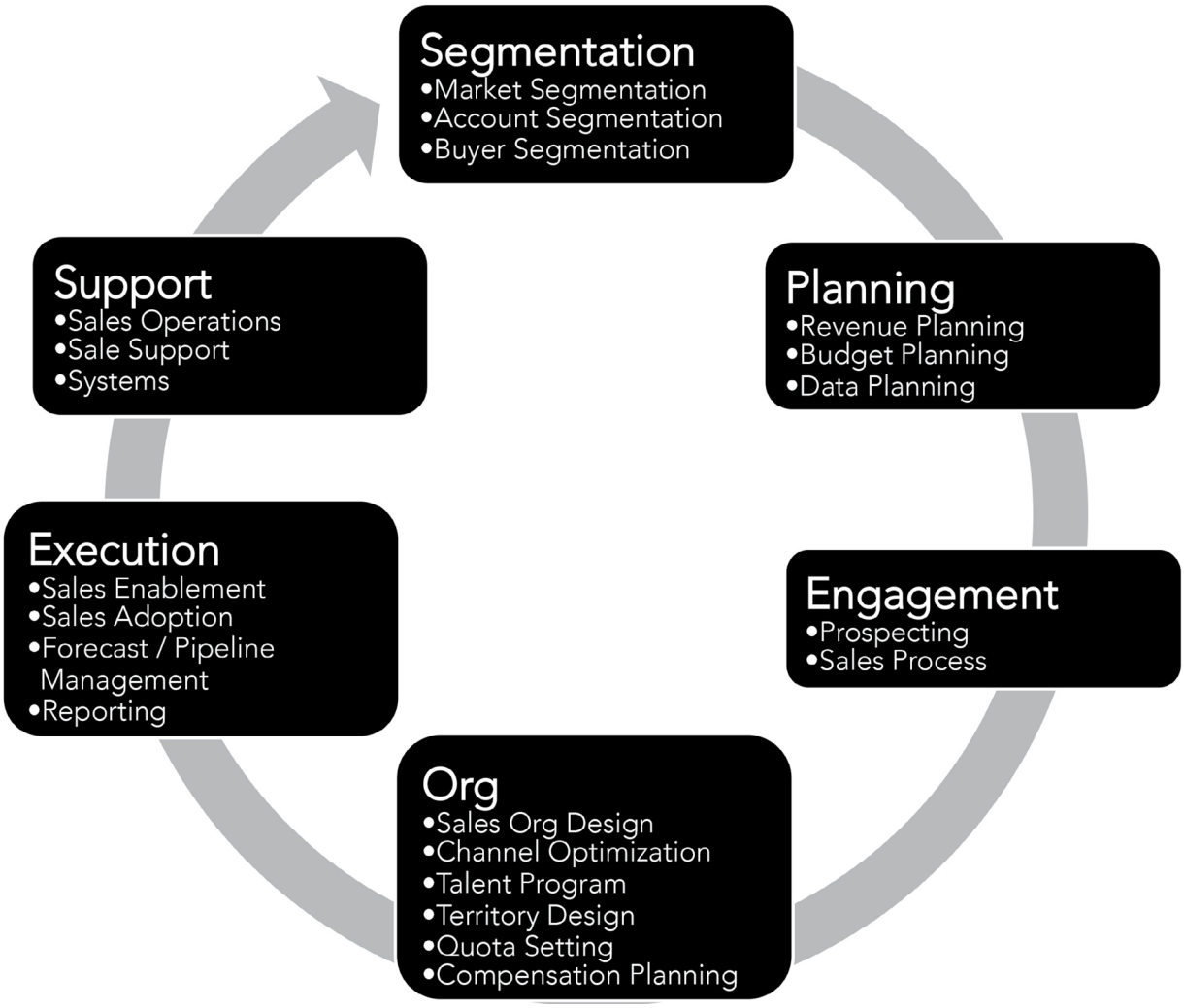

Figure 9 – 6 Step Sales Strategy Methodology

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STEP 1 - SEGMENTATION

Understand market, accounts and buyers. This ensures the strategy is differentiated from the competition while being aligned with the buyer needs, the corporate strategy and the product strategy.

STEP 2 - PLANNING

Leverage the segmentation findings to develop revenue, budget and data plans that once executed will allow the organization to make the number.

STEP 3 - ENGAGEMENT

Define the processes for how the sales team is going to interact with prospects and customers.

STEP 4 - ORG

Make sure the organizational structure is set up correctly so the right people are in the right roles to execute the processes.

STEP 5 - EXECUTION

Begin executing the strategy by focusing on areas like sales enablement, sales adoption, pipeline/forecast management, reporting, etc.

STEP 6 - SUPPORT

Help the sales team be effective in perpetuity by supporting them and making the internal organization easy to do business with.

Following the six steps above will enable a sales force to define the right sales strategy to grow revenues organically. As a result the sales team will get much better at doing what they are trying to do today. However, many sales teams that perform these steps fail to achieve the desired results. The reason for that is they perform the steps out of sequence. Even the best intentions cannot overcome improper sequencing. The steps as outlined above must be done in the following order:

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- **Step 1 - Segmentation** – Segmentation must be the very first thing done. If the sales team does not fully understand the market, accounts and buyers, then everything else that is done will be flawed.
- **Step 2 - Planning** – Planning must follow Segmentation but be done before Process. The plans need to build on the segmentation findings. They need to broadly define how the number is going to be met. They serve as an outline for the processes that get built next.
- **Step 3 - Engagement** – Now with the plans in place, the processes can be defined. Process must come before people. If people are addressed before process, the result will be resources running around not exactly sure what they are supposed to be doing. This results in wasted resources and role corruption.
- **Step 4 - Org** – Organization comes after Engagement. Now knowing what needs to get done, the team can be organized to make it happen. This include placing the right people in the right roles to prepare for Execution.
- **Step 5 - Execution** – Now that the what, why, where, when, how and who is defined, it is time to focus on doing the work. This is the actual execution of the strategy.
- **Step 6 - Support** – Support follows Execution. Once a firm starts executing, they will run into obstacles. The support work will help overcome these obstacles while making the ongoing execution easier.

STEP 1 - SEGMENTATION

Segmentation is where you gain an in depth understanding of the market, accounts and buyers. It is comprised of 3 phases:

- **Phase 1: Market Segmentation** - Divide the broad target market into subsets of buyers who have common needs and priorities.
- **Phase 2: Account Segmentation** - Understand which accounts in your market are going to generate the most revenue over the shortest period of time.
- **Phase 3: Buyer Segmentation** - Understand how buyers in your accounts make purchase decisions.

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STEP 2 - PLANNING

Planning is where you develop revenue, budget and data plans that when executed will make the number. It is comprised of 3 phases:

- **Phase 4: Revenue Planning** - Define the plan for how you are going to achieve your revenue goal relative to your competitors.
- **Phase 5: Budget Planning** - Determine the budget needed and how to allocate it to attain your goals.
- **Phase 6: Data Planning** - Define data required to drive sales decisions.

STEP 3 - ENGAGEMENT

Engagement is where you define the processes for how the sales team is going to interact with prospects and customers. It is comprised of 2 phases:

- **Phase 7: Prospecting** - Fill the sales funnel with enough opportunities to make the revenue goal.
- **Phase 8: Sales Process** - Deploy a sales process tailored to how your buyers want to buy to improve win rates and deal sizes while shortening the sales cycle length.

STEP 4 - ORG

Org is where you set up the correct organizational structure so the right people are in the right roles to execute the processes. It is comprised of 6 phases:

- **Phase 9: Sales Org Design** - Design the appropriate sales organizational model and determine the proper headcount.
- **Phase 10: Channel Optimization** - Select, sign and enable partners with whom you can secure the greatest share of their resource commitments.
- **Phase 11: Talent Program** - Source, hire, on-board, coach, train and develop talent required to execute the sales strategy.
- **Phase 12: Territory Design** - Create balanced territories by placing the right reps in the right territories.

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- **Phase 13: Quota Setting** - Translate the corporate revenue goal into sales quotas that reflect the potential of each territory.
- **Phase 14: Compensation Planning** - Develop an incentive compensation program that stays within the corporate budget, attracts/retains top talent and motivates the desired behavior.

STEP 5 - EXECUTION

Execution is where you begin doing the work. It is comprised of 4 phases:

- **Phase 15: Sales Enablement** - Get the right sales content into the hands of the right sellers at the right time through the right channel to move a sales opportunity forward.
- **Phase 16: Sales Adoption** - Drive sales adoption of sales programs.
- **Phase 17: Forecast / Pipeline Management** - Analyze data to produce insights for sales leadership.
- **Phase 18: Reporting** - Identify, design and create a set of reports that consistently satisfy the needs of the executive leadership team.

STEP 6 - SUPPORT

Support is where you help the sales team be effective by removing their non-selling responsibilities and streamlining those that can't be offloaded. It is comprised of 3 phases:

- **Phase 19: Sales Operations** - Increase sales efficiency through process, technology, metrics, and best practices.
- **Phase 20: Sales Support** - Represent the field inside other corporate functional groups to allow the company to be easy to do business with.
- **Phase 21: Systems** - Automate the core business processes to increase the productivity of the sales organization by removing the administrative burden.

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STEP 1
SEGMENTATION

STEP 1 SEGMENTATION

Segmentation is where you gain an in depth understanding of the market, accounts and buyers. This will help you differentiate your sales strategy from your competition. You will know which accounts to prioritize. You will be able to align your sales strategy with buyer needs. As a result of this work, your sales strategy will be aligned with the external market. As long as you are also aligned with the internal strategies from corporate, product, marketing, etc., then you are well on your way to defining the right sales strategy.

> "Segmentation is where you gain an in depth understanding of the market, accounts and buyers."

There are 3 phases to the Segmentation step:

PHASE 01 - MARKET SEGMENTATION

Divide the broad target market into subsets of buyers who have common needs and priorities.

PHASE 02 - ACCOUNT SEGMENTATION

Understand which accounts in your market are going to generate the most revenue over the shortest period of time.

PHASE 03 - BUYER SEGMENTATION

Understand how buyers in your accounts make purchase decisions.

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PHASE 01 - MARKET SEGMENTATION

Divide the broad target market into subsets of buyers who have common needs and priorities.

THE PROBLEM

Not all markets are created equal…

> Determining which customers to serve with which sales channels can be difficult. You begin to understand why when you multiply your customers' diverse needs by the many sales channels available.
>
> Pursuing markets that are too wide often means that you're aiming off-target. Without a clear understanding of market segments, limited sales and marketing resources get misallocated and revenue goals are missed. Broad markets need to be divided into subsets of buyers who have common needs and priorities.

THE SOLUTION

To complete the Market Segmentation phase, you need to answer the following questions:

- How big is our market? What is its growth rate?
- What are the needs of the market? How are these changing?
- What should be our go to market strategy for each product/service/solution?
- How do my competitors go to market?
- What are the strengths/weaknesses of our sales team?
- What are our opportunities/threats in the market?
- For our solution set, what is the life cycle stage of adoption for our buyers?

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PHASE 02 - ACCOUNT SEGMENTATION

Understand which accounts in your market are going to generate the most revenue over the shortest period of time.

THE PROBLEM

Define account potential, and you will achieve it…

> The sales team is typically provided revenue potential by market level only, when what they really need is to know the revenue potential by account, product and solution. When the sales team has only incomplete information, territories and quotas are poorly designed and assigned, resulting in suboptimal performance.

THE SOLUTION

To complete the Account Segmentation phase, you need to answer the following questions:

- What is our ideal customer profile (i.e. what defines our ideal prospect/customer)?
- How does each prospect/customer score relative to our ideal customer profile?
- What is the potential spend for each prospect/customer?
- What is the cost to acquire each customer?
- What is the lifetime value of each customer?
- What is the propensity to buy for each prospect/customer (i.e. how likely is each prospect/customer to buy from us)?

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PHASE 03 - BUYER SEGMENTATION

Understand how buyers in your accounts make purchase decisions.

THE PROBLEM

Need to know your buyer down to the last detail…

> The explosion of information access and information channels online has altered the buying process forever. Many sales and marketing teams still rely on tribal knowledge and past experiences, but without an updated understanding of how your buyers make decisions, revenue opportunities will pass you by.

THE SOLUTION

To complete the Buyer Segmentation phase, you need to answer the following questions:

- Who are our buyers?
- What do our buyers care about?
- How do our buyers make purchase decisions?
- What do our buyers value when engaging with our sales team?
- What must our sales team be best-in-class in to succeed in our industry?

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SEGMENTATION ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Segmentation, here are a few examples of what "good" looks like. Each of these artifacts were collected during SBI's research. You can use these to gain insight into Best Practices. And compare your approaches to those used by leading companies in defining their 2015 sales strategy.

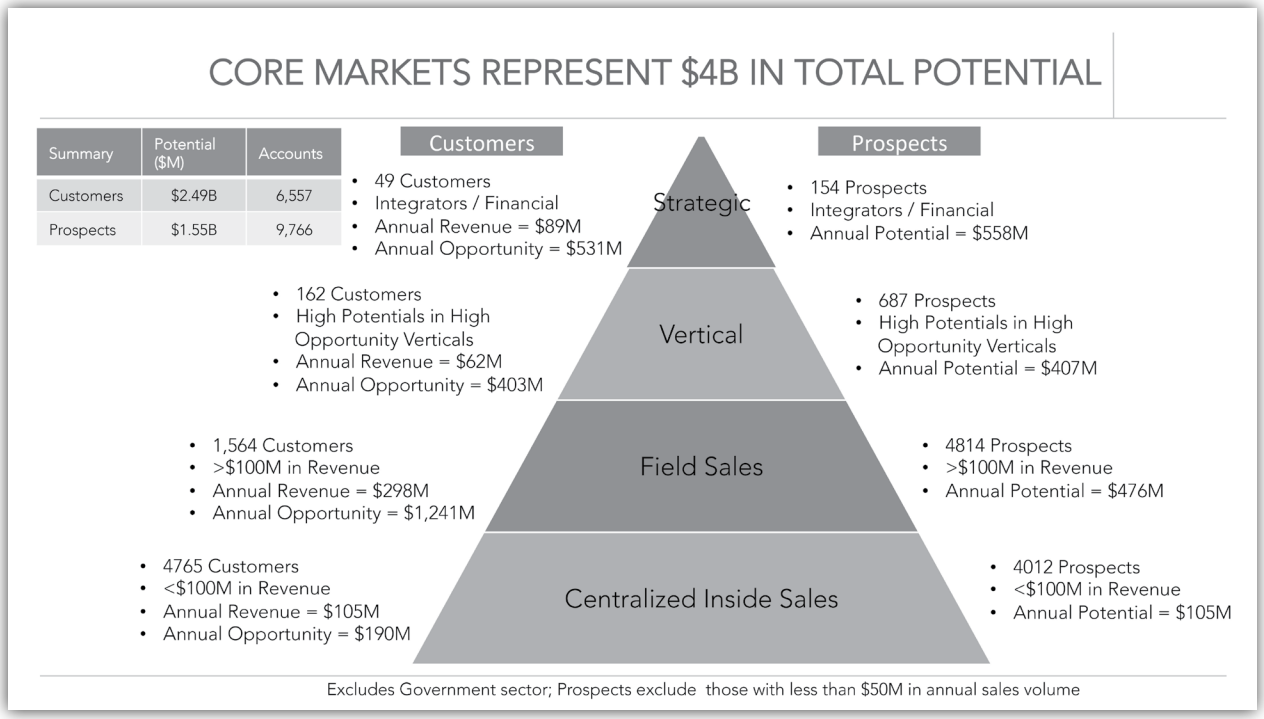

Figure 10 – Market Segmentation

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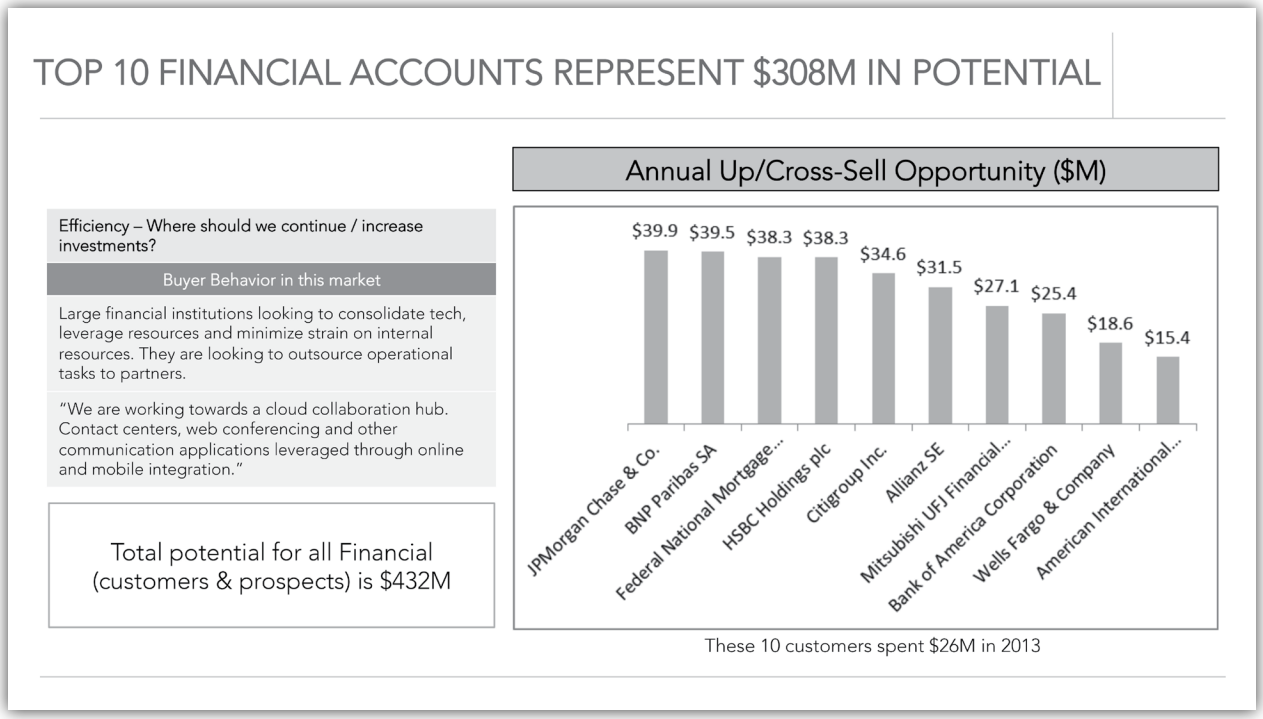

Figure 11 – Account Segmentation

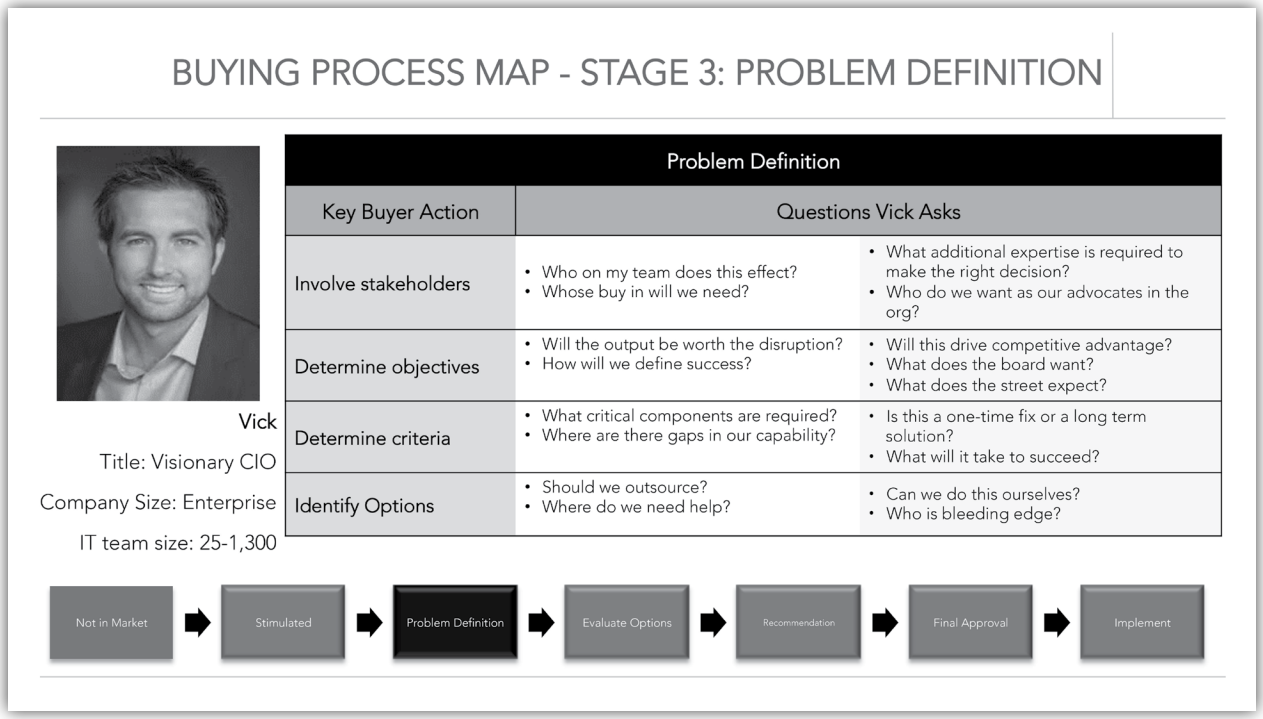

Figure 12 – Buyer Segmentation

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STEP 2
PLANNING

STEP 2 PLANNING

Planning is where you develop revenue, budget and data plans that when executed will make the number. This will help you plan for how you are going to get to your goal. You will know what budget is needed to set you up for success. You will know what data you need along the way to help you make decisions. With the right plans in place, you improve your chances of success.

> "Planning is where you develop revenue, budget and data plans that when executed will make the number."

There are 3 phases to the Planning step:

PHASE 04 - REVENUE PLANNING

Define the plan for how you are going to achieve your revenue goal relative to your competitors.

PHASE 05 - BUDGET PLANNING

Determine the budget needed and how to allocate it to attain your goals.

PHASE 06 - DATA PLANNING

Define data required to drive sales decisions.

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PHASE 04 - REVENUE PLANNING

Define the plan for how you are going to achieve your revenue goal relative to your competitors.

THE PROBLEM

To make the number, you need a clear plan…

> Sound familiar? The CEO hands a revenue number to the sales and marketing leaders and says, "This is what I need from you this year." Without a revenue plan, the employees work disjointedly, and the probability of success plummets.
>
> But creating a revenue plan can be overwhelming. The number of variables—changes in products, prices and competitors—is staggering. And sales and marketing leaders are busy people with many other responsibilities.

THE SOLUTION

To complete the Revenue Planning phase, you need to answer the following questions:

- What is the financial model that summarizes how we are going to make the number?
- What is the financial model that summarizes the costs associated with making the number?
- What KPIs do we need to measure to know we are on track?
- What is the execution plan that details what we will do in pursuit of the revenue goals?
- What resources are needed to make the number (time, budget, people, etc.)?

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PHASE 05 - BUDGET PLANNING

Determine the budget needed and how to allocate it to attain your goals.

THE PROBLEM

Need to find out where to spend your dollars…

> Did you ever have too big a budget? Most of us haven't. With limited budgets, it's critical to invest the dollars you do have wisely, in programs that produce revenue, so you don't see your budget get slashed in the future. How do you know what investment will produce the desired results?

THE SOLUTION

To complete the Budget Planning phase, you need to answer the following questions:

- What budget method is right for us (Percentage of Revenue, Competitive Benchmarking, Objective Based, Affordability, etc.)?
- How will we track spending to ensure we are stay on track?
- What is our desired return on sales investment?
- What budget do we need approved that is sufficient to meet our revenue goals?
- What headcount do we need to get approved that is sufficient to meet our revenue goals?

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PHASE 06 - DATA PLANNING

Define data required to drive sales decisions.

THE PROBLEM

Need Big Data applied to sales…

> It's the era of Big Data. While data-driven decision making has become an expectation, many sales leaders are unclear about how to implement it. Dirty data, systems issues, having lots of data but not knowing how to derive meaningful insight from it—it's not simple. But if you don't find a solution to harness the power of Big Data, your competitors will do so first, out marketing and out selling you.

THE SOLUTION

To complete the Data Planning phase, you need to answer the following questions:

- What data do we have? What data do we need? Where do we have data gaps?
- Where does the data you need sit? How can you get your hands on it?
- What is the data architecture design needed to provide the data we need?
- What data is clean vs. dirty? How do we keep the data we need clean?
- Who owns what data? What does this data ownership mean?

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PLANNING ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Planning, here are a few examples of what "good" looks like. Each of these artifacts were collected during SBI's research. You can use these to gain insight into Best Practices.

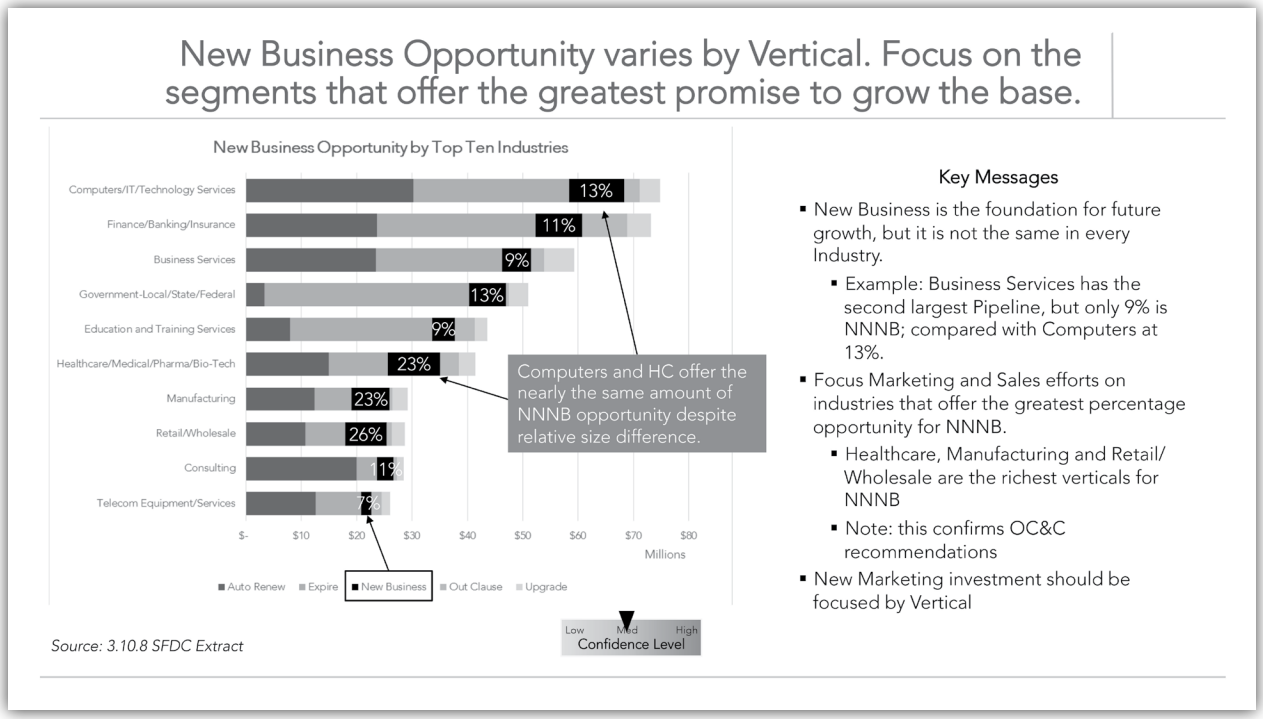

Figure 13 – Revenue Planning

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Headcount Planning by Role

	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
RMs								
First Q Ramp RMs	0	1	0	3	0	0	0	0
Second Q Ramp RMs	0	0	1	0	3	0	0	0
Full Ramp RMs	0	0	0	1	1	4	4	4
Outside Sales Overhead								
Manager Headcount	0	0	0	0	0	0	0	0
SC Headcount	0	0	5	5	5	5	5	5
ISR								
First Q Ramp ISRs	0	0	0	3	0	3	0	0
Second Q Ramp ISRs	0	0	0	0	3	0	3	0
Full Ramp ISRs	0	0	0	0	0	3	3	6
IRM								
First Q Ramp IRMs	0	0	0	1	0	0	0	0
Second Q Ramp IRMs	0	0	0	0	1	0	0	0
Full Ramp IRMs	0	0	0	0	0	1	1	1
Inside Sales Overhead								
Manager Headcount	0	0	0	0	0	1	1	1
SC Headcount	0	0	0	1	0	1	1	1
Annual Sales		$ 21,000				$ 2,038,358		$ 2,479,943
Quarterly Sales	$ -	$ 21,000	$ 84,000	$ 273,045	$ 619,680	$ 1,061,633	$ 1,174,268	$ 1,305,675
Quarterly Cost	$ -	$ 41,500	$ 358,500	$ 606,500	$ 596,750	$ 766,250	$ 775,250	$ 785,750
Cost of Sales		*198%*	*427%*	*222%*	*96%*	*72%*	*66%*	*60%*

Costs	***IRM***	***ISR***	***RM***	***Total***
New Rep Heads	1	6	4	11
Base Salary/Head	$80,000	$80,000	$160,000	
Variable Salary/Head	$30,000	$40,000	$60,000	
Overhead %	15%	15%	25%	
Overhead $/Head	$16,500	$18,000	$55,000	
Total Incremental Rep Expense	$126,500	$828,000	$1,100,000	
New Mgr Heads	0.14	0.86	-	1
OTE Compensation/Head	$150,000	$150,000	$300,000	
Overhead %	15%	15%	25%	
Overhead $/Head	$22,500	$22,500	$75,000	
Total Incremental Mgr Expense	$24,643	$147,857	$0	
New SC Heads	0.14	0.86	5.00	6
OTE Compensation/Head	$120,000	$120,000	$200,000	
Overhead %	15%	15%	25%	
Overhead $/Head	$18,000	$18,000	$50,000	
Total Incremental SC Expense	$19,714	$118,286	$1,250,001	
Total Selling Expense	**$ 171,000**	**$ 1,094,000**	**$ 2,350,000**	**$ 3,615,000**

Financial Impact (100% Productivity)	***IRM***	***ISR***	***RM***	***Total***
Total License Sales	$300,000	$2,328,000	$2,000,000	$4,628,000
Total Services Sales	$240,000	$210,000	$1,600,000	$2,050,000
Total SMS Sales	$60,000	$465,600	$400,000	$925,600
Total Revenue Impact	**$600,000**	**$3,003,600**	**$4,000,000**	**$7,603,600**
Total Selling Expense	**$ 171,000**	**$ 1,094,000**	**$ 2,350,000**	**$3,615,000**
Cost of Sales	**28.5%**	**36.4%**	**58.8%**	**47.5%**

Figure 14 – Budget Planning

DATA STRATEGY OWNERSHIP

Data Strategy

- Alignment of Data use and responsibility with EMT
- Oversight of Sales Data, Governance and Cleanliness

Analytics

- Alignment of Analytics Objectives with Sales & EMT
- Alignment of Pipeline Management Process with Sales & EMT

Reporting

- Alignment of Dashboard / Scorecard / Pipeline KPI's with Sales & EMT

Figure 15 – Data Planning

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STEP 3
ENGAGEMENT

STEP 3 ENGAGEMENT

Engagement is where you define the processes for how the sales team is going to interact with prospects and customers. This begins with prospecting to generate early stage buyer interest. Even if you are supported by a world class marketing team the reality is sales will still need to source at least 50%-70% of your opportunities. And this process definition continues through the sales process. The sales process must match the way buyers turn their initial interest into a decision to buy.

> "Engagement is where you define the processes for how the sales team is going to interact with prospects and customers."

There are 2 phases to the Engagement step:

PHASE 07 - PROSPECTING

Fill the sales funnel with enough opportunities to make the revenue goal.

PHASE 08 - SALES PROCESS

Deploy a sales process tailored to how your buyers want to buy to improve win rates and deal sizes while shortening the sales cycle length.

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PHASE 07 - PROSPECTING

Fill the sales funnel with enough opportunities to make the revenue goal.

THE PROBLEM

Need to get decision makers to say, "I'm interested – when can we meet?"…

> Until you can close 100% of your deals, your sales team needs to generate new opportunities on an ongoing basis. One of the biggest obstacles to successful prospecting is getting the reps to do it, especially since traditional methods like cold calling or batch and blast email have sharply declined in their effectiveness.

THE SOLUTION

To complete the Prospecting phase, you need to answer the following questions:

- What does a buyer want from us when they are early in their decision process?
- What programs do we need to implement to generate leads (social selling, referrals, offline prospecting, etc.)?
- What resources does the sales team need when executing the prospecting processes?
- How are we going to get the sales team to adopt the prospecting programs?
- How are we going to make the prospecting process easy to execute with technology?
- How are we going to track metrics that indicate success and/or failure of the prospecting process?

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PHASE 08 - SALES PROCESS

Deploy a sales process tailored to how your buyers want to buy to improve win rates and deal sizes while shortening the sales cycle length.

THE PROBLEM

Need to win more deals in less time…

> Decision makers are making purchase decisions differently today. Traditional sales processes, based on needs development and solution position, will cause the majority of your reps to miss the number. How can you change the process for the better of your company?

THE SOLUTION

To complete the Sales Process phase, you need to answer the following questions:

- What does a buyer want from us at the later stages of their decision process?
- How will we know when a buyer exits one stage and enters the next one?
- What is our process for turning buyer interest into a purchase decision with us?
- What resources does the sales team need when executing the sales process?
- How are we going to get the sales team to adopt the sales process?
- How are we going to make the sales process easy to execute with technology?
- How are we going to track metrics that indicate success and/or failure of the sales process?

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ENGAGEMENT ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Engagement, here are a few examples of what "good" looks like. Each of these artifacts were collected during SBI's research and can be used to gain insight into Best Practices.

Figure 16 – Prospecting

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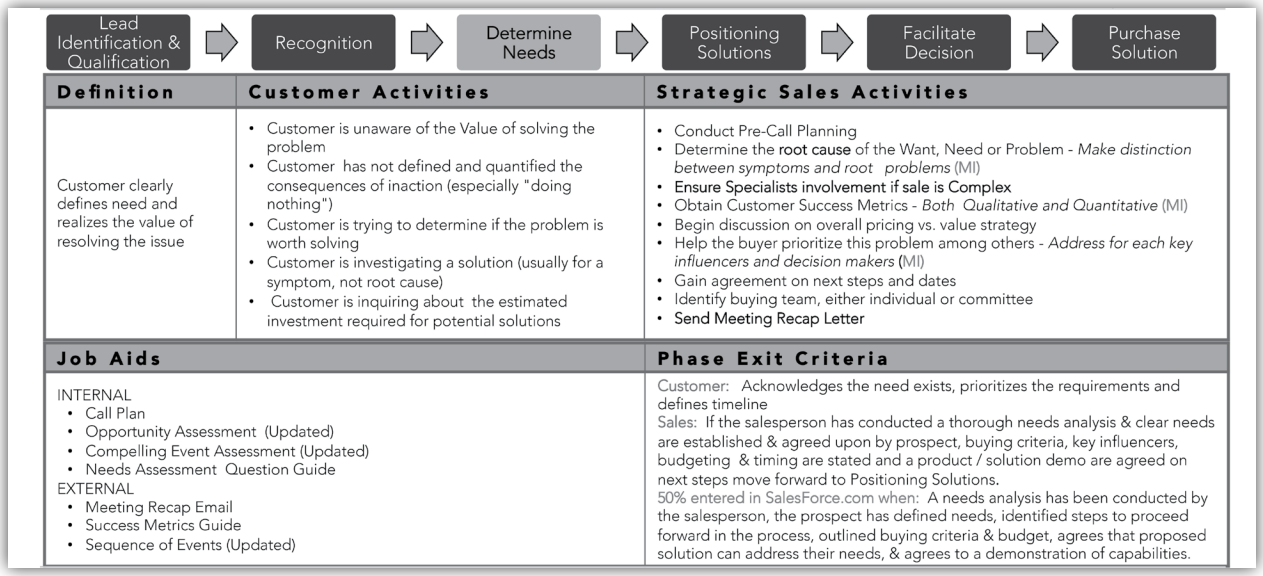

Figure 17 – Sales Process

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STEP 4
ORG

STEP 4 ORG

Org is where you set up the correct organizational structure so the right people are in the right roles to execute the processes. This is where you figure out how to deploy the resources you secured in the planning phase. You need to make sure they are the right resources to execute the processes defined in the Engagement step. And set them up for success by placing them in an optimally defined territory, assigning them the right quota and incenting them with a comp plan that reinforces the desired behaviors.

> "Org is where you set up the correct organizational structure so the right people are in the right roles to execute the processes."

There are 6 phases to the Org step:

PHASE 09 - SALES ORG DESIGN

Design the appropriate sales organizational model and determine the proper headcount.

PHASE 10 - CHANNEL OPTIMIZATION

Select, sign and enable partners with whom you can secure the greatest share of their resource commitments.

PHASE 11 - TALENT PROGRAM

Source, hire, onboard, coach, train and develop talent required to execute the sales strategy.

PHASE 12 - TERRITORY DESIGN

Create balanced territories by placing the right reps in the right territories.

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PHASE 13 - QUOTA SETTING

Translate the corporate revenue goal into sales quotas that reflect the potential of each territory.

PHASE 14 - COMPENSATION PLANNING

Develop an incentive compensation program that stays within the corporate budget, attracts/retains top talent and motivates the desired behavior.

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PHASE 09 - SALES ORG DESIGN

Design the appropriate sales organizational model and determine the proper headcount.

THE PROBLEM

Need to know the optimal number of sales people for you…

> Understaffed sales teams miss opportunities and fall short of revenue goals. A bloated sales team increases costs and hinders profits. Sales organizational models need to be revisited and restructured to keep up with the needs of the customers. A poorly executed reorganization can result in lost customers and superstar reps' resignations.

THE SOLUTION

To complete the Sales Organizational Design phase, you need to answer the following questions:

- Through which sales channels do our buyers want to engage our sales team?
- Which organizational model best supports our buyers?
- What level of sales specialization are our buyers willing to pay for?
- What roles need to be filled?
- What are the responsibilities for each role?
- What headcount is needed by role?
- What is the production and cost of each role?
- How should each role spend their time?
- How should we transition from the structure we have today to the structure we need going forward (Rapid Build, Safety Build, Pay As You Go)?

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PHASE 10 - CHANNEL OPTIMIZATION

Select, sign and enable partners with whom you can secure the greatest share of their resource commitments.

THE PROBLEM

Need to align your sales channels with customer demand…

> When sales channels overlap in their functions, both costs and customer frustration increase. How can you best allocate the channel mix to control costs and assure customer needs are satisfied?

THE SOLUTION

To complete the Channel Optimization phase, you need to answer the following questions:

- What is our ideal partner profile (i.e. what defines our ideal partner)?
- Through which partner channels do our buyers want to engage our sales team?
- How do we ensure we have proper coverage across the channel network?
- How will the channel sell our product?
- How are our competitors using the channel?
- How do we avoid/resolve channel conflict?
- What is the economic model when we sell through the channel?
- How do we select, recruit and onboard the right channel partners?
- How do we enable our channel partners?
- How do we structure our channel org model?
- How do we measure the contributions from the channel?

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PHASE 11 - TALENT PROGRAM

Source, hire, onboard, coach, train and develop talent required to execute the sales strategy.

THE PROBLEM

Need build a team of top performers...

> The annual HR-driven process is an antiquated process that delivers little value. Sales leaders need to manage performance more aggressively but often don't have the tools to do so.
>
> Sales leaders struggle with recruiting top performers, onboarding them effectively, retaining them and developing them into future leaders.

THE SOLUTION

To complete the Talent Program phase, you need to answer the following questions:

- What are our hiring profiles?
- How do we assess talent to ensure we have 'A' players in each role?
- How are we going to recruit top talent and reduce the time to fill an open position with an A player?
- What is our candidate selection process to hire top talent?
- How do we going to onboard new talent to reduce the time to productivity?
- What sales training program do we need to develop the competencies/skills/knowledge of the team?
- What sales coaching program do we need to reinforce the right behaviors?
- What is our sales performance management program to develop existing talent?

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PHASE 12 - TERRITORY DESIGN

Create balanced territories by placing the right reps in the right territories.

THE PROBLEM

Need to allocate territories for revenue potential…

> The allocation of sales territories is often based on criteria that have little to do with the proven effectiveness of the sales reps. As a result, resources are poorly allocated and revenue targets are missed. Territories should be designed such that your best sales reps work the territories with the most potential.

THE SOLUTION

To complete the Territory Design phase, you need to answer the following questions:

- What is the potential of each account?
- Which accounts should we prioritize?
- What is the optimal size of each territory?
- How do we design balanced territories?
- How do we assess the potential in each territory?
- How do we set goals for each territory?
- What is our process for territory planning?
- How do we transition accounts when we change territories?
- How do we communicate territory decisions to the team?

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PHASE 13 - QUOTA SETTING

Translate the corporate revenue goal into sales quotas that reflect the potential of each territory.

THE PROBLEM

Need to set realistic quotas…

> Unrealistic quotas demoralize your sales force and cause costly turnover. Profitability suffers. But even when they're trying, sales leaders find it difficult to accurately tie quotas to territory potential and the skill of the sales reps.

THE SOLUTION

To complete the Quota Setting phase, you need to answer the following questions:

- What is the potential of each account each rep is responsible for?
- What is the territory potential for each rep?
- What is the production capacity of each rep?
- What is our annual quota setting process?
- How do we rationalize the organization quota across all reps?
- How do we rationalize the quota of each rep against the organization's quota?
- How do we stress test quotas to determine where we are vulnerable?
- How do we communicate quota decisions to the team?

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PHASE 14 - COMPENSATION PLANNING

Develop an incentive compensation program that stays within the corporate budget, attracts/retains top talent and motivates the desired behavior.

THE PROBLEM

Need to design and execute effective compensation programs…

> Creating effective compensation plans can be a complicated and overwhelming process. To do it well requires the analysis of data from multiple sources, factoring in critical sales effectiveness drivers such as territory potential and quota setting.

THE SOLUTION

To complete the Compensation Planning phase, you need to answer the following questions:

- How do we accurately benchmark compensation for each role?
- How do we determine what we want to pay relative to the benchmarks?
- What is the optimal compensation plan design for each role?
- How do we calculate the cost implications of our compensation decisions?
- How do we automate compensation administration through technology?
- How do we communicate compensation decisions to the team?
- Who should be part of the compensation plan committee to approve changes?
- How do we measure the effectiveness of our compensation plans?

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ORG ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Org, here are a few examples of what "good" looks like. Use these artifacts to gain insight into Best Practices as they were collected during SBI's research.

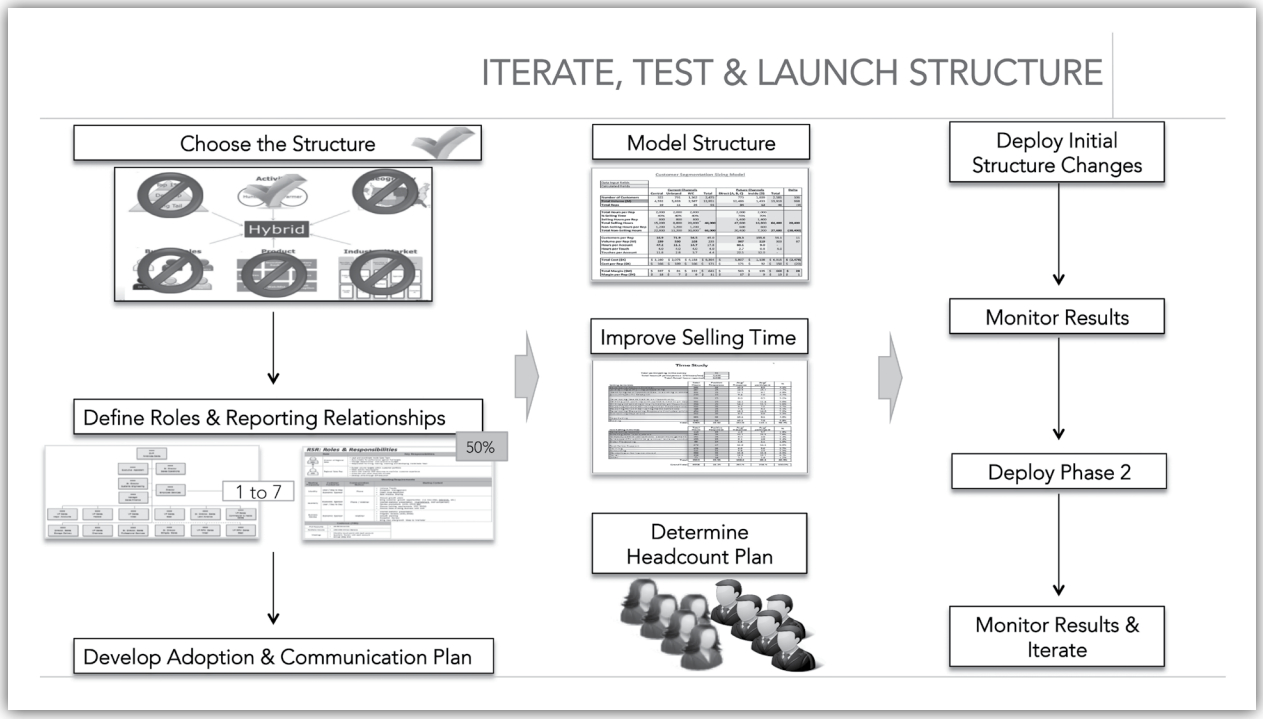

Figure 18 – Sales Org Design

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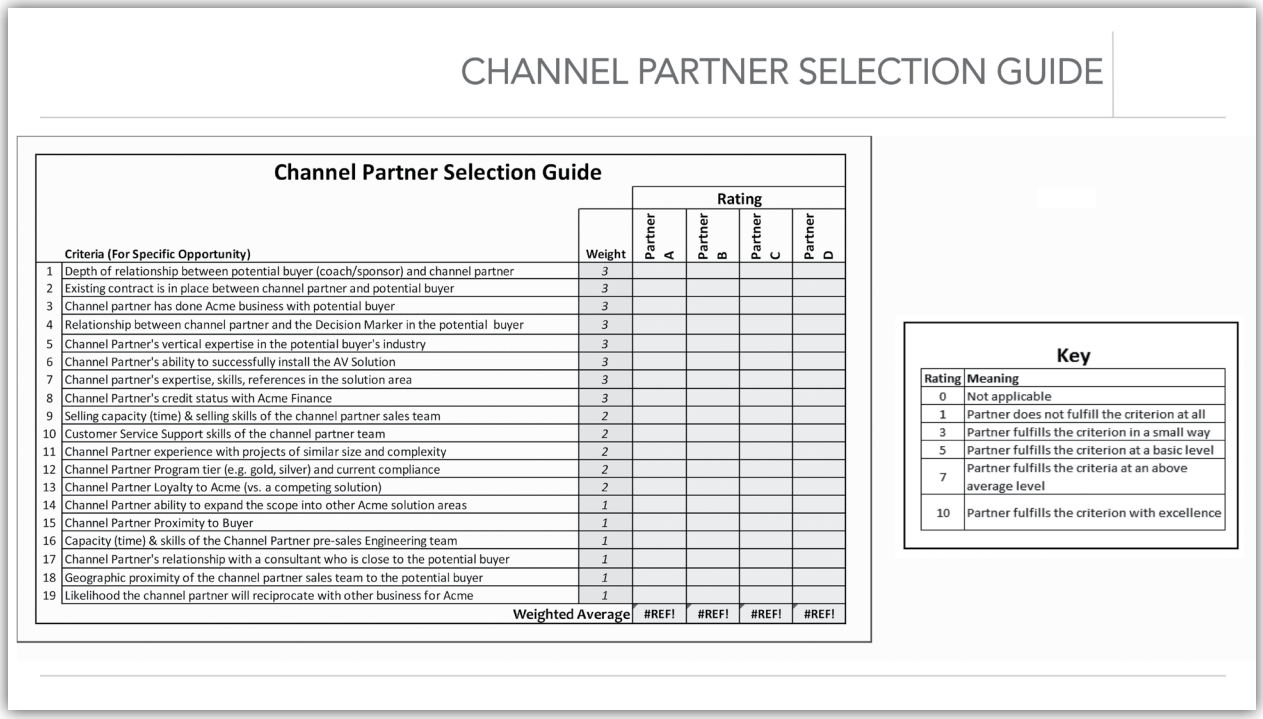

CHANNEL PARTNER SELECTION GUIDE

Channel Partner Selection Guide

	Criteria (For Specific Opportunity)	Weight	Rating: Partner A	Partner B	Partner C	Partner D
1	Depth of relationship between potential buyer (coach/sponsor) and channel partner	3				
2	Existing contract is in place between channel partner and potential buyer	3				
3	Channel partner has done Acme business with potential buyer	3				
4	Relationship between channel partner and the Decision Marker in the potential buyer	3				
5	Channel Partner's vertical expertise in the potential buyer's industry	3				
6	Channel Partner's ability to successfully install the AV Solution	3				
7	Channel partner's expertise, skills, references in the solution area	3				
8	Channel Partner's credit status with Acme Finance	3				
9	Selling capacity (time) & selling skills of the channel partner sales team	2				
10	Customer Service Support skills of the channel partner team	2				
11	Channel Partner experience with projects of similar size and complexity	2				
12	Channel Partner Program tier (e.g. gold, silver) and current compliance	2				
13	Channel Partner Loyalty to Acme (vs. a competing solution)	2				
14	Channel Partner ability to expand the scope into other Acme solution areas	1				
15	Channel Partner Proximity to Buyer	1				
16	Capacity (time) & skills of the Channel Partner pre-sales Engineering team	1				
17	Channel Partner's relationship with a consultant who is close to the potential buyer	1				
18	Geographic proximity of the channel partner sales team to the potential buyer	1				
19	Likelihood the channel partner will reciprocate with other business for Acme	1				
	Weighted Average		#REF!	#REF!	#REF!	#REF!

Key

Rating	Meaning
0	Not applicable
1	Partner does not fulfill the criterion at all
3	Partner fulfills the criterion in a small way
5	Partner fulfills the criterion at a basic level
7	Partner fulfills the criteria at an above average level
10	Partner fulfills the criterion with excellence

Figure 19 – Channel Optimization

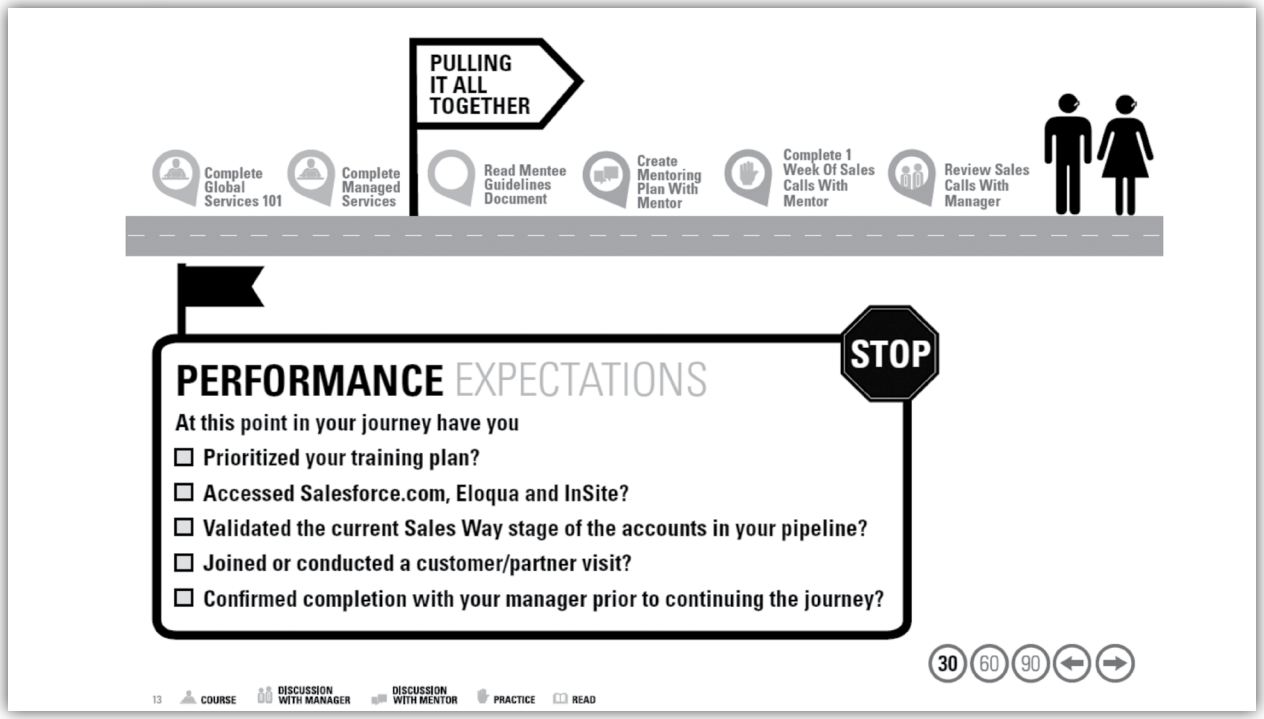

Figure 20 – Talent Program

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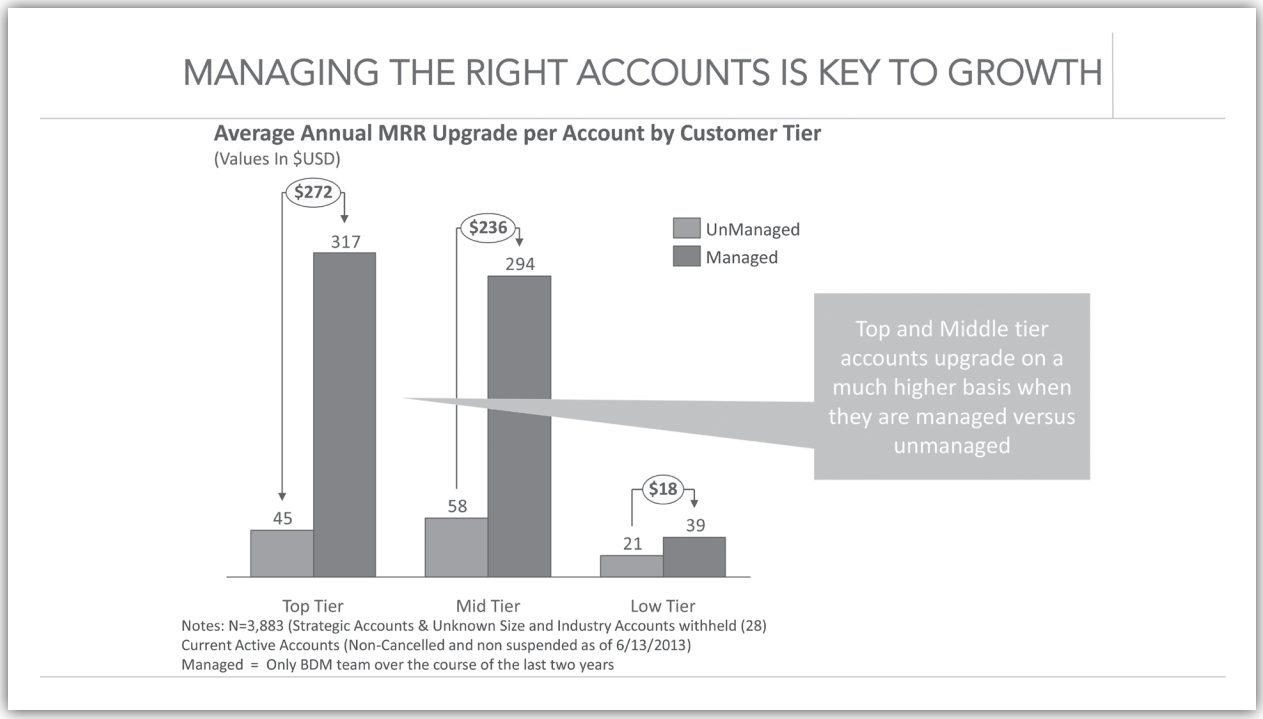

Figure 21 – Territory Design

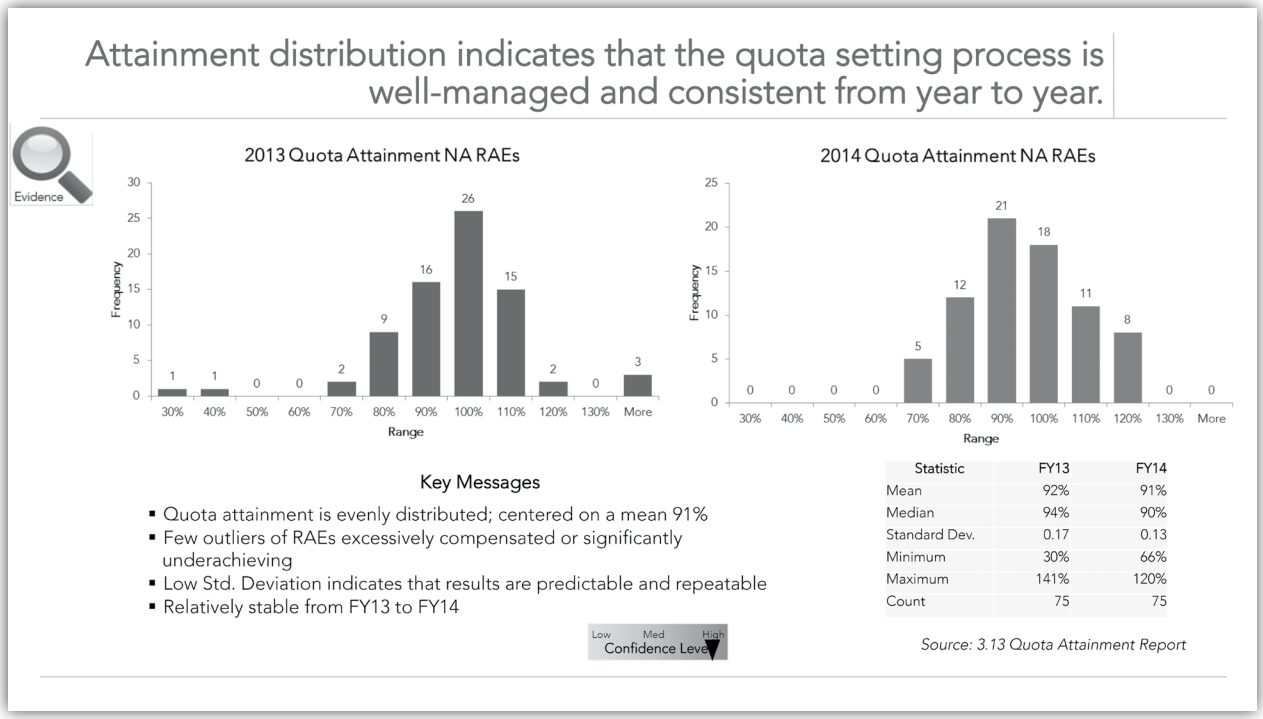

Figure 22 – Quota Setting

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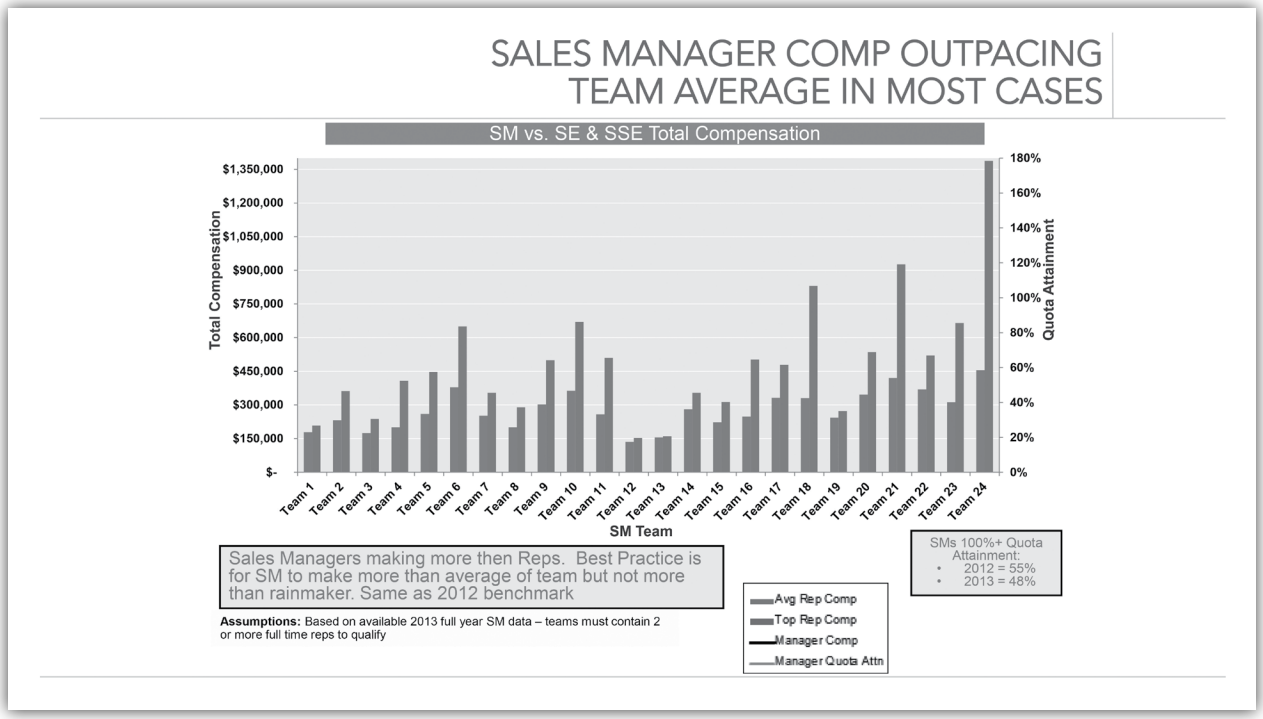

Figure 23 – Compensation Planning

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STEP 5
EXECUTION

STEP 5 EXECUTION

Execution is where you begin doing the work. At this point it is time to figure out how you are going to enable the sales team. You need to determine how you will drive adoption of the new sales initiatives. You need a process to keep a pulse on the sales pipeline/forecast. The data needed for decision making that was planned in the Planning step needs to come alive through reporting. Doing all of these things right will begin to bring your sales strategy to life.

> "Execution is where you begin doing the work."

There are 4 phases to the Execution step:

PHASE 15 - SALES ENABLEMENT

Get the right sales content into the hands of the right sellers at the right time through the right channel to move a sales opportunity forward.

PHASE 16 - SALES ADOPTION

Drive sales adoption of sales programs.

PHASE 17 - FORECAST / PIPELINE MANAGEMENT

Analyze data to produce insights for sales leadership.

PHASE 18 - REPORTING

Identify, design and create a set of reports that consistently satisfy the needs of the executive leadership team.

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PHASE 15 - SALES ENABLEMENT

Get the right sales content into the hands of the right sellers at the right time through the right channel to move a sales opportunity forward.

THE PROBLEM

Need to get the right content in the hands of the right people at the right time…

> The last mile plagues sales and marketing departments. The last mile is defined as the sales call. The moment of truth. A lot of work goes into generating interest in the mind of a buyer and in securing an appointment. Then the sales call happens and the tools and the talk track used by the sales rep vary from rep to rep. Leaving the last mile up to the sales reps to figure out will result in inconsistent, and in-effective, buyer experiences. This is one of the reasons rep revenue production varies greatly from rep to rep.

THE SOLUTION

To complete the Sales Enablement phase, you need to answer the following questions:

- What are the objectives for our sales enablement team?
- Where does sales enablement live and who owns it?
- How do we develop the content needed to enable the sales team?
- How do we package the sales enablement material into a playbook that is available to the sales team when they need it?
- What technologies are needed to facilitate sales enablement (mobile playbooks, sales portals, content management system, partner resource center, learning management system, etc.)?
- What should our training program include to build the necessary competencies, skills, knowledge?
- How do we certify the team knows what sales enablement tools are available and is able to use them?
- How do we incent utilization of the sales enablement tools through approaches like gamification?
- How do we reinforce our sales enablement strategy through coaching?
- How do we measure the effectiveness of our sales enablement investments?

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PHASE 16 - SALES ADOPTION

Drive sales adoption of sales programs.

THE PROBLEM

Need to craft improvement programs that sales will embrace…

> Millions of dollars and thousands of man-hours are wasted each year on creating sales programs that are never used in the field. Sales staff becomes numb to the constant flow of "new and improved" sales training programs. Eventually they just ignore them, or worse, pay lip-service to them while each sales rep continues to perform as s/he sees fit.

THE SOLUTION

To complete the Sales Adoption phase, you need to answer the following questions:

- How do we drive adoption of each new initiative?
- How do we stay agile in our adoption and incorporate learnings from successes/failures along the way?
- How do we communicate new initiatives to the sales team?
- How do we promote quick wins with new initiatives?
- How do we ensure compensation plan alignment with new initiatives?
- How do we get sales management to lead the adoption of new initiatives?
- How does the sales management cadence change with a new initiative?
- How do we get sales reps to change their behavior with a new initiative?
- How does the sales rep cadence change with a new initiative?
- How do we ensure the new initiative helps us win the few big deals that will make or break our year?

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PHASE 17 - FORECAST / PIPELINE MANAGEMENT

Analyze data to produce insights for sales leadership.

THE PROBLEM

Need to produce accurate forecasts…

> Deals that were supposed to close get pushed out to next quarter. Deals that were supposed to amount to millions dwindle into thousands as 500 unit forecasts become 50 unit orders. These forecasting issues hurt, causing a loss in personal credibility for the forecaster.

THE SOLUTION

To complete the Forecast/Pipeline Management phase, you need to answer the following questions:

- What pipeline KPIs should we focus on?
- What forecast KPIs should we focus on?
- What pipeline management process/cadence is needed to drive an accurate pipeline?
- What forecast management process/cadence is needed to drive an accurate forecast?
- How do we train the team on the forecast/pipeline process?
- How should we account for big deals in our forecast?
- How should we conduct quarterly business reviews that help us make the number but do not distract the team?

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PHASE 18 - REPORTING

Identify, design and create a set of reports that consistently satisfy the needs of the executive leadership team.

THE PROBLEM

Need to provide the right data to the leadership team…

> Sales force automation systems allow you to create KPI dashboards. But sales leaders often don't know what to measure, how often to measure it or how to apply the results.

THE SOLUTION

To complete the Reporting phase, you need to answer the following questions:

- What information does the sales leader need on their dashboard to make the right decisions?
- What information does the sales management team need on their dashboard to make the right decisions?
- What information do the sales reps need on their dashboard to make the right decisions?
- What information does the sales operations team need on their dashboard to make the right decisions?
- What information needs to be shared with other leaders (CEO, CFO, HR Leader, Marketing Leader, etc.) to enable them to make the right decisions?
- How will we train the team to interpret their dashboard?

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EXECUTION ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Execution, here are a few examples of what "good" looks like. Use these artifacts to gain insight into Best Practices as they were collected during SBI's research. And compare your approaches to those used by leading companies in defining their 2015 sales strategy.

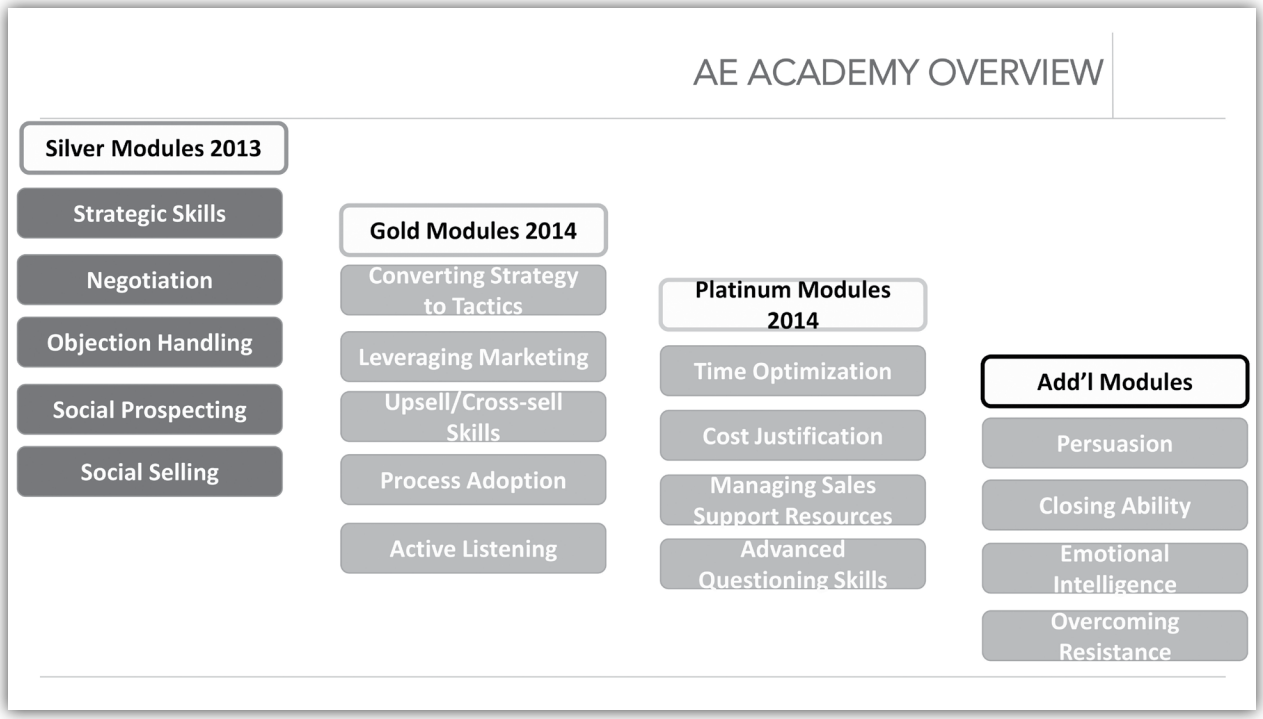

Figure 24 – Sales Enablement

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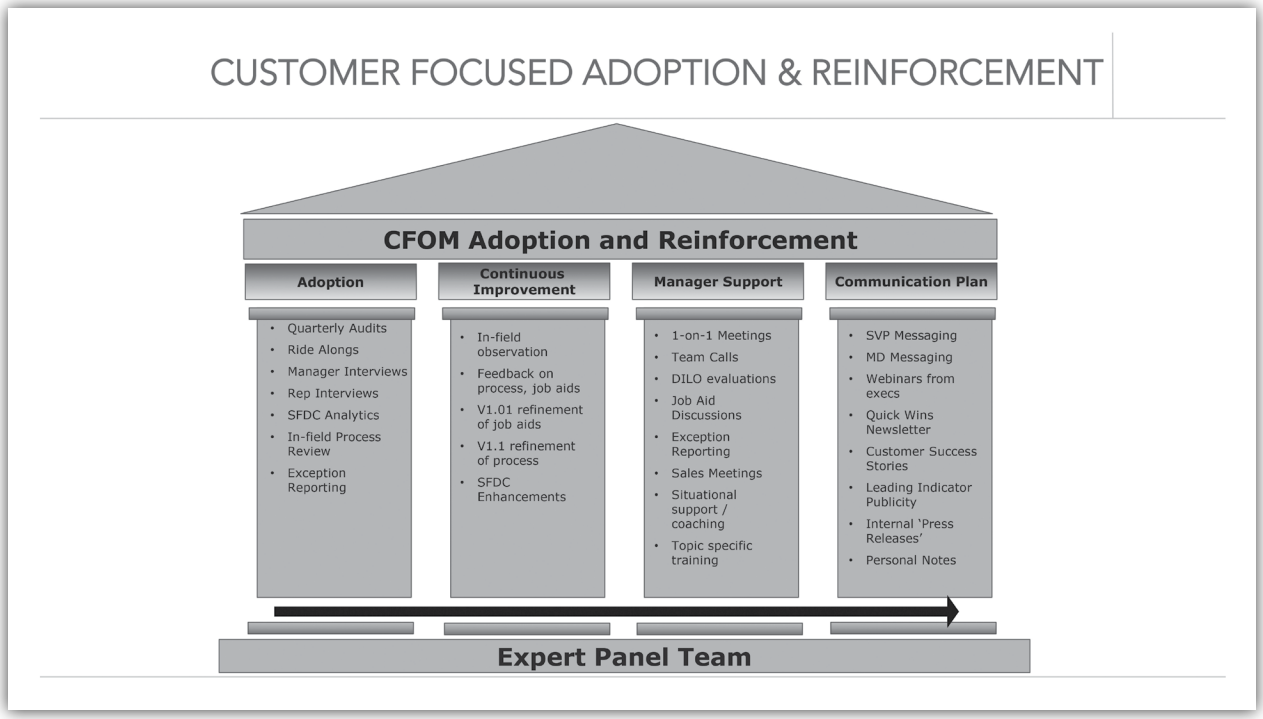

Figure 25 – Sales Adoption

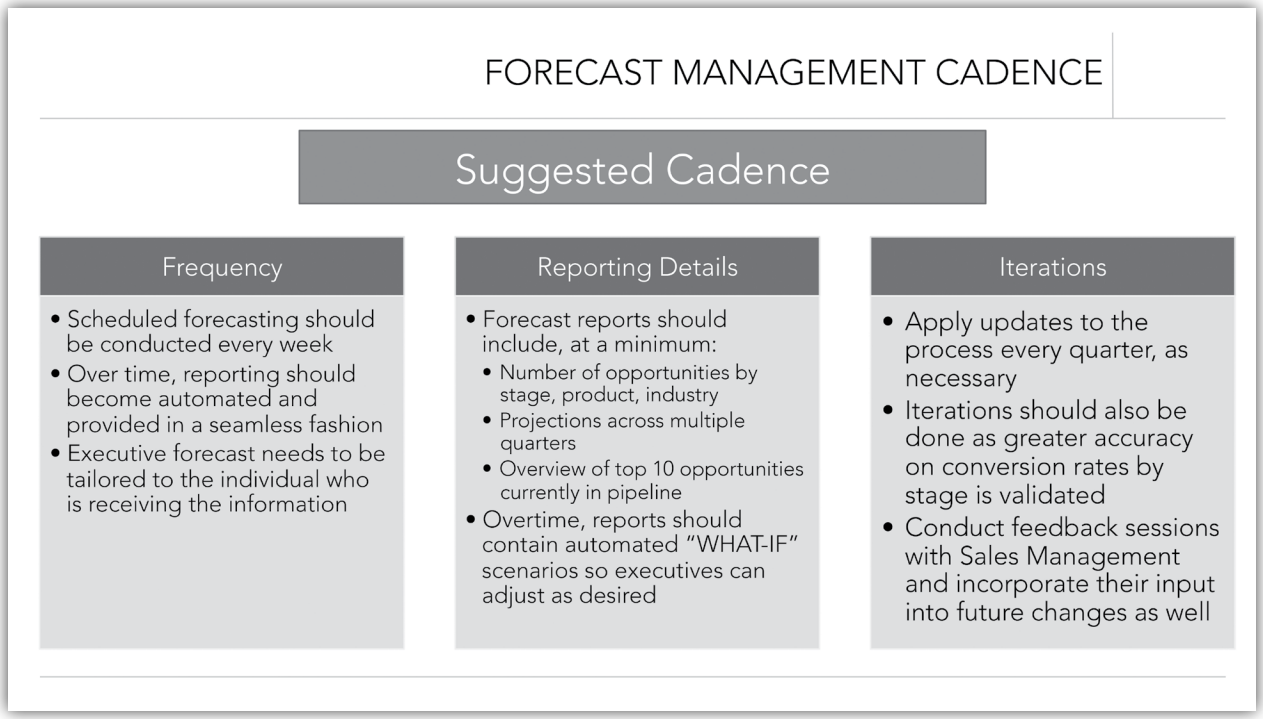

Figure 26 – Forecast / Pipeline Management

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METRICS REPORTING

Metric	Definition	Purpose	Example	Reports
New Opportunity Source – AE	• The source by which a new opportunity was created	• Determine the most effective channels of prospecting for AEs	• LinkedIn InMail • Email • Event	• All future Pipeline Reports
New Opportunity Volume & Velocity	• The volume of new Opportunities entering the pipeline by territory	• Determine Lead gen effectiveness and health of each territory	• New leads by month • New opportunities entering each Sales stage • New opportunities by Profile/LOB	• All future Pipeline Reports
Marketing Influence	• An indication on Marketing's influence on the success of a lead, opportunity and closed deal	• Determine the impact that Marketing is having to overall revenue generated	• Lead generated by an AE • Marketing sends email content to stimulate interest • Deal closes • Marketing receives "influence score"	• Marketing Dashboard
Persona Buying Stage	• The stage at which a Persona is in their buying process	• Ensure we are aligned with the buyer in their decision making process	• Early Stage (Aware) • Middle Stage (Consider) • Late Stage (Evaluate)	• Myriad of Pipeline Reports
Account Growth Rate	• The growth of an account year-over-year	• Determine how quickly an account is growing compared to the growth rate of their own company	• Advent customer is growing 5% YoY with Advent • That company is growing 3% (their revenue) • That customer is growing faster with Advent than their business is	• Market Report

Figure 27 – Reporting

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STEP 6
SUPPORT

STEP 6 SUPPORT

Support is where you help the sales team be effective by removing their non-selling responsibilities and streamlining those that can't be offloaded. With sales operations you will improve the efficiency of the team through process, technology, metrics and best practices. With sales support you will make the internal organization easy to interact with. With systems you remove the administrative burden by automating core business process.

> "Support is where you help the sales team be effective by removing their non-selling responsibilities and streamlining those that can't be offloaded."

There are 3 phases to the Support step:

PHASE 19 - SALES OPERATIONS

Increase sales efficiency through process, technology, metrics, and best practices.

PHASE 20 - SALES SUPPORT

Represent the field inside other corporate functional groups to allow the company to be easy to do business with.

PHASE 21 - SYSTEMS

Automate the core business processes to increase the productivity of the sales organization by removing the administrative burden.

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PHASE 19 - SALES OPERATIONS

Increase sales efficiency through process, technology, metrics, and best practices.

THE PROBLEM

Need to move from tactical to strategic…

> The role of sales ops has become corrupted. It is a catch-all job function without a defined role and without set expectations. What's worse, sales ops leaders end up working 80 hours per week with no end in sight.

THE SOLUTION

To complete the Sales Operations phase, you need to answer the following questions:

- What should be the objectives for our sales operations team?
- What is our data plan and how do we execute it?
- What is our analytics strategy? How do we execute it?
- How do we leverage QBRs to make our number?
- How do we make executive reports filled with sales insight available with a single click?
- What technologies does our sales team need to be effective?
- What internal processes - pricing, contracts, comp, quotas, order management, etc. - need to be streamlined and/or offloaded from the sales team?
- How should we track quote to revenue while providing visibility to the necessary stakeholders?
- What resources are required by the sales ops team? What is each responsible for? How should they be structured?

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PHASE 20 - SALES SUPPORT

Represent the field inside other corporate functional groups to allow the company to be easy to do business with.

THE PROBLEM

Need to make it easy for customers to do business with you.

> Even when sales has great rapport with customers, the other supporting departments may be bogging down the relationship. Contracts take too long to get through legal. Credit checks and price approvals delay important deals. Modifying product configuration can stall an order. Your processes are making it hard for companies to do business with you.

THE SOLUTION

To complete the Sales Support phase, you need to answer the following questions:

- How can our pricing process help us close more sales while meeting our profit objectives?
- How can our contracting process help us close more sales while not exposing us to unnecessary risk?
- How can we automate our compensation administration?
- How can we streamline our order management process?
- How can we better enable our channel partner community?
- How can we improve our territory design and quota setting processes to improve productivity?
- What should be the rules of engagement inside our sales team and with other parts of the organization?

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PHASE 21 - SYSTEMS

Automate the core business processes to increase the productivity of the sales organization by removing the administrative burden.

THE PROBLEM

Need to use automation to empower your sales team…

> Your sales team spends too many hours on administrative duties, preventing them from closing more sales. Technology systems should be automating many of these tasks, but in reality the systems aren't utilized well enough to increase the reps' selling time.

THE SOLUTION

To complete the Sales Systems phase, you need to consider how you can leverage the following technologies to improve productivity:

- CRM/SFA
- Mobile Playbooks
- Knowledge Management
- Partner Resource Management
- Learning Management System (LMS)
- Gamification
- Compensation Automation
- Contract Administration
- Configure-Price-Quote (CPQ)
- Territory Optimization
- Social Collaboration
- Predictive Analytics

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SUPPORT ARTIFACTS COLLECTED DURING RESEARCH

Now that you have an understanding of Support, here are a few examples of what "good" looks like. Each of these artifacts were collected during SBI's research and can be used to gain insight into Best Practices.

SALES OPS R.A.C.I.

	Role	CEO	SVP Sales	VP Sales Strategy	Sales Ops Mgr.	Sales Enablement Mgr.	Sales Management
	Function	Executive	Executive	Sales Ops & Enablament	Sales Ops & Enablament	Sales Ops & Enablament	Sales
	Person	Hess	Momsen	Arana	Toy	TBH	Various
Sales Strategy	Sales Process	I	A	R			I
	Executive Update & Cadence	I	A	R			I
	Sales Ops and Enablement Leadership	I	A	R			I
	Sales Ops and Enablement Dashboard	I	A	R			I
	Data Governance Steering	I	A	R			I
	Data Alignment with EMT	I	A	R			I
Sales Operations	Territory Design	I	C	A	R		I
	Account Segmentation	I	C	A	R		I
	Forecast Measurement	I	C	A	R		I
	Pipeline Reporting	I	C	A	R		I
	KPI Deck	I	C	A	R		I
	Executive Reporting	I	C	A	R		I
	Data Cleanliness	I	C	A	R		I
	Manage Systems (Analytics/CRM)	I	C	A	R		I
	Task	I	C	A	R		I

Responsible
Accountable
Consulted
Informed

Figure 28 – Sales Operations

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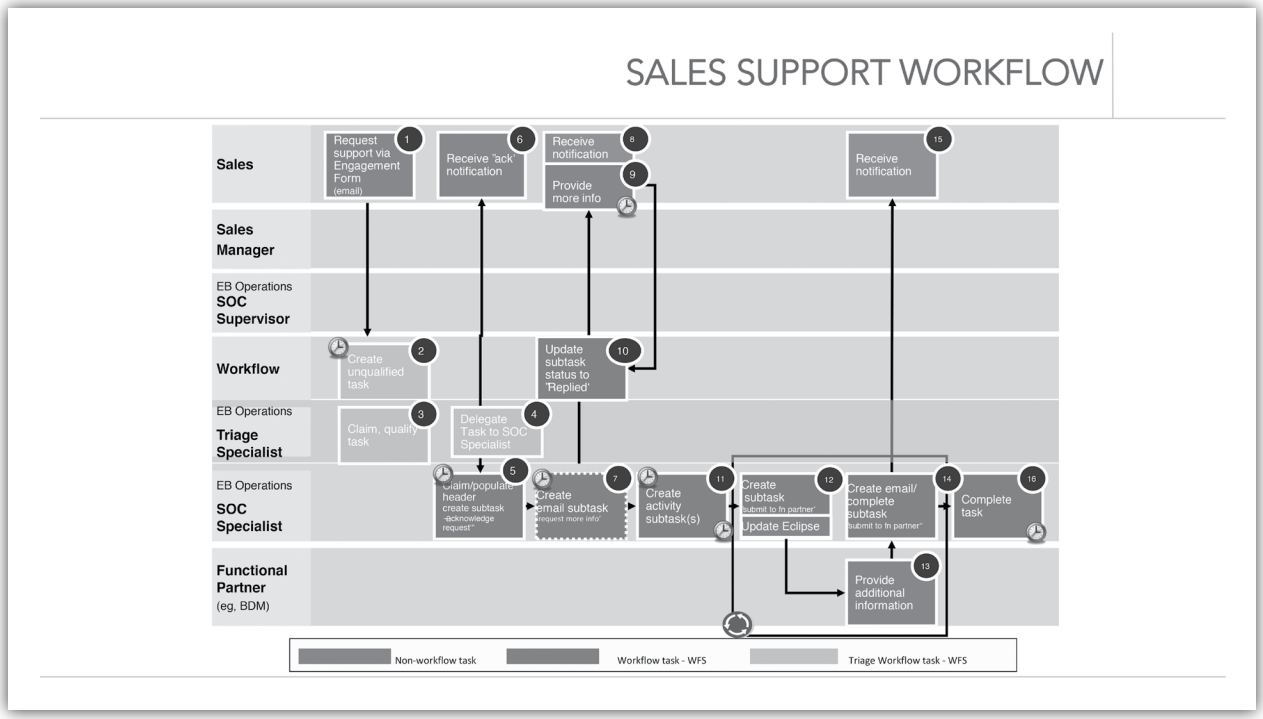

Figure 29 – Sales Support

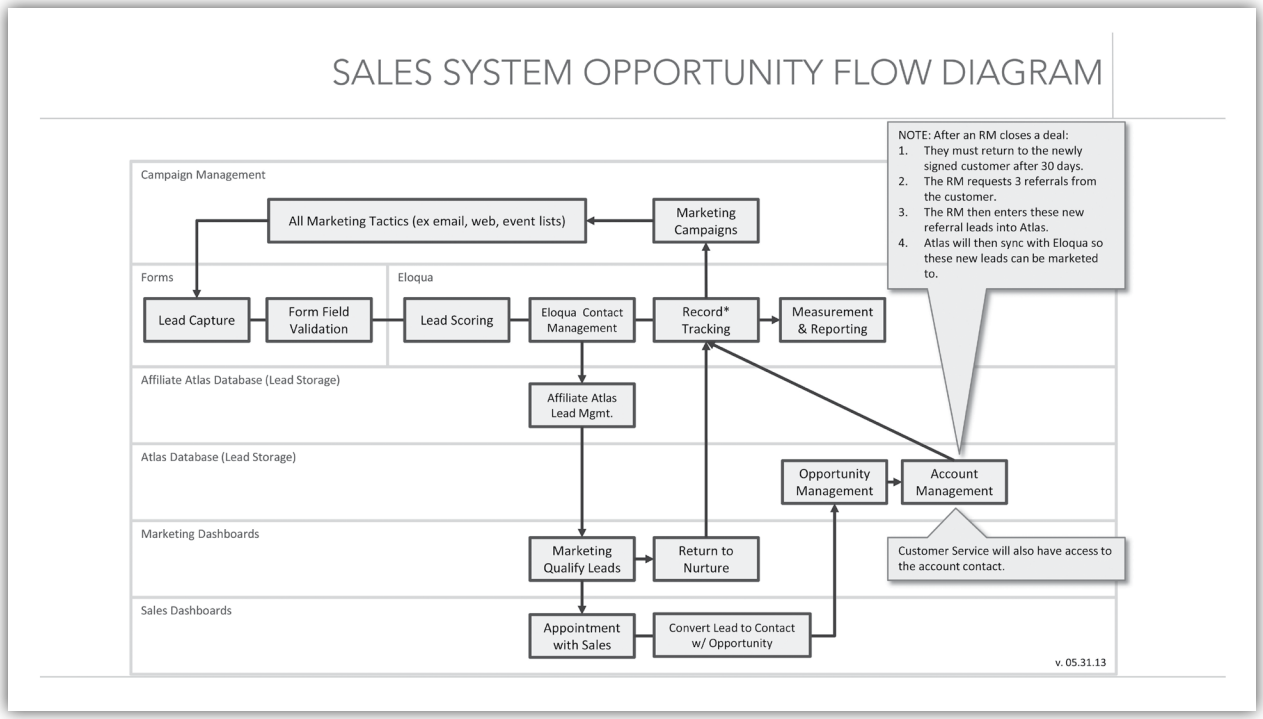

Figure 30 – Systems

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PUTTING THE RESEARCH TO WORK

PUTTING THE RESEARCH TO WORK

Through work with leading sales organizations with the right sales strategy, SBI found they embrace an annual sales planning process, see *Figure 31 – Annual Sales Planning Process*. This example assumes a company is on a calendar fiscal year beginning in January and ending in December.

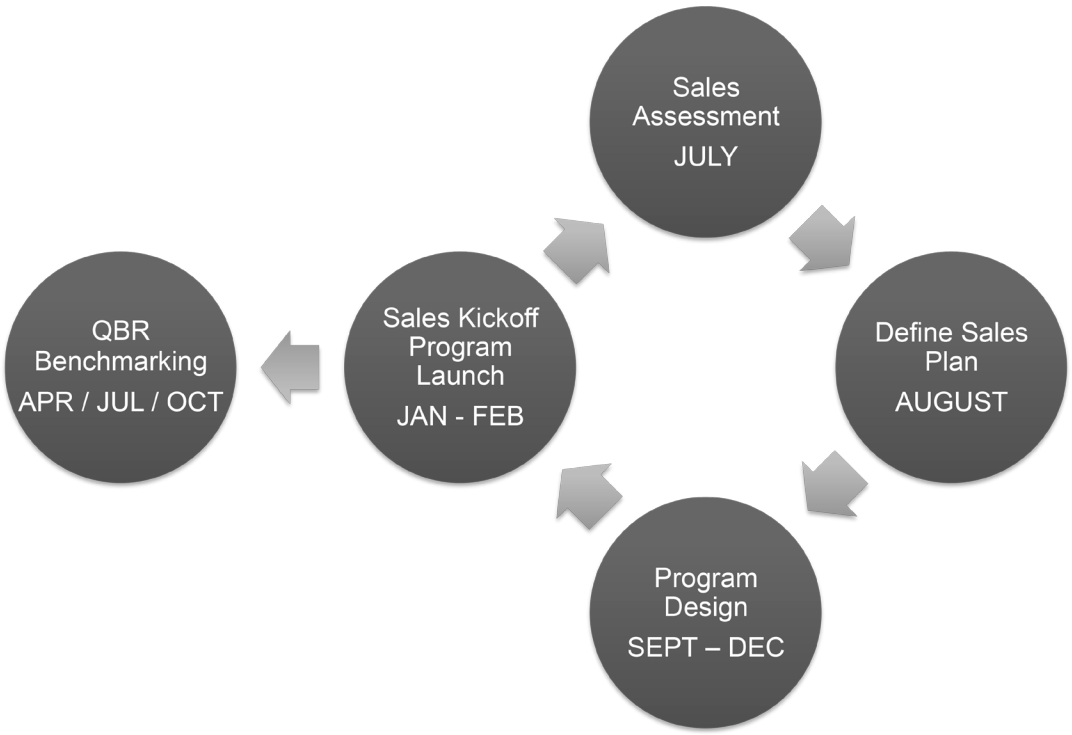

Figure 31 – Annual Sales Planning Process

These leading organizations begin by assessing their sales force in the July time period. With this assessment, they seek to understand changes in the market, industry, buyer and competitor landscape. They also use this as an opportunity compare how well their sales force is performing against a set of productivity measures relative to other top performing sales forces. The purpose of the assessment is to create a baseline and understand emerging trends.

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Following the assessment, in the August timeframe, the process moves to defining the sales plan for the upcoming year. The purpose of creating the sales plan is to define how the organization is going to make the number in the following year. From the plan will likely emerge a priority list of 3-5 things to focus on before the start of the new fiscal year. One problem that plagues underachieving sales forces is they try to do too much. Trying to do a dozen or more individual initiatives is a sure recipe for failure.

Once the priorities are identified, it is time to get into program design from September to December. It is one thing to say we should do X, Y and Z. It is quite another thing to turn X, Y, Z into project objectives, assign a project team, develop a project plan with milestones, dates, deliverables, and task ownership and get to work. There is a lot of work to complete to prepare for an implementation launch.

Typically leading sales and marketing organizations launch programs at what is known as the sales kickoff event (SKO). That happens in the January to February timeframe. The annual SKO is typically the only time during the year when the entire sales force is in one place together. It is a great time to launch a new initiative and build excitement. But the work does not stop there.

Leading companies follow up launch with Quarterly Business Review (QBR) benchmarks. Typically this occurs at the beginning of each quarter – April, July, October and January. QBR benchmarking is a way to track progress, monitor results and ensure execution that drives results is happening.

The process repeats itself starting the following July.

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CONCLUSION

CONCLUSION

We began this report by looking at the implications of having the wrong sales strategy. Then we explored how the 78% of sales forces with the wrong sales strategy can put in place the right one.

If you happen to be in the 22% that has the right sales strategy, congratulations. If 2015 is like 2014, then SBI's research says you have a 72% chance of making your number.

However, if you are like the majority of sales forces and have the wrong sales strategy, then you have a choice to make:

CHOICE #1 Continue with the status quo. If you have the right sales strategy, there is no reason to do anything differently in 2015. As a member of the 22%, you are likely to keep your job, get paid well, and increase your net worth.

CHOICE #2 Develop, and execute, a new sales strategy that is:

- Different than your competitors
- Aligned with the needs of your buyers
- More than just a bunch of flavor-of-the-year tactics
- Specific to your product/solution roadmap
- In harmony with the corporate strategy

If you pick Choice #2, then follow the guidance given in this report:

1. Start again from the beginning of this report.
2. Make your way through each of the 6 Steps.
3. Prioritize the sections you feel need the most improvement.
4. Implement the annual sales planning process in 2015.

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SBI wants you to make the number in 2015. We can help you. If you want help, go here, or give Christina Dieckmeyer a call at 317-750-7443 and she will get you to the right person. If you prefer email, she can be reached at christina.dieckmeyer@salesbenchmarkindex.com.

If you have it covered, congratulations. Check in with our blog from time to time by clicking here. Periodic check-ins will keep you up to date on SBI's latest research.

Good luck in 2015

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COMPANY INFORMATION

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SBI - SALES BENCHMARK INDEX
1595 Peachtree Parkway
Ste. 204-328
Cumming, GA 300441
Phone: +1 888 556 7338
www.salesbenchmarkindex.com

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