
HOW TO CHOOSE THE RIGHT SALES KPIs

5 steps to get you started



11 **level eleven**

When you think of choosing the right sales KPIs...it's similar to playing a round of golf. If you tee off with a pitching wedge on a Par 5, you might find yourself coming up a bit short. In other words, choosing the right drivers will assist you in choosing the right sales KPI's.

Curious what your drivers should be for identifying sales KPIs?

Start with these 5:

1. A Focus on the Controllable
2. The Right Questions
3. Team Interviews
4. Leadership Buy-In
5. Application & Assessment



WAIT, SO WHO'S WRITING THIS GUIDE, ANYWAY?

LevelEleven helps VPs of Sales to identify their team's more critical KPIs and then spike sales performance around them.

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Let's tee it up.

DRIVER #1: A Focus on the Controllable

It goes without saying that creating a metrics-driven sales approach won't do much if you don't have the right sales KPIs. And that's no easy task. There are an abundance of activities that your salespeople engage in day in and day out. You need to assess all of that and discover the answer to the all-important question:

Which activities are really meaningful?

You can start to answer this question by making sure that you're looking at leading, not lagging, indicators.

Let's take a moment to make sure we're clear on what the whole "leading/lagging" thing means...

- **Leading Indicators** are strategic steps taken to trigger future outcomes. Ask yourself: "What proactive steps are my salespeople taking in the short term that will ultimately stimulate success in the long term?"
- **Lagging Indicators** represent metrics like your number of deals closed, average deal size, sales cycle or number of new customers secured. They are the output of the work that came before it. These are very important things to track, but it's not the right place to start when managing your salespeople's time and effort.

"...setting clear expectations is a cornerstone of good sales management."

- Authors Benson Smith and Tony Rutigliano

Now that you're focused on which activities are controllable, make sure to ask the right questions.

DRIVER #2: The Right Questions

In the next step, you'll collect insight from reps. You need to go into this with your own theory, though. Come up with an idea of what the 3-4 main sales KPIs for your team might be.

Before coming up with your main metrics, think of your ideal customer. Ask yourself these questions:

- Who is the buyer, and how does his or her company like to buy?
- What does that buying process look like?
- What are the day-to-day actions we can do to align with the way that persona likes to buy?

The Types of KPIs You Might Consider:

- **Proactive ideas delivered to customers.** Set specific measures on how many proactive ideas are sent to prospects.
- **Conversations.** If you're in sales, you need to be talking with people. It allows you to learn more about their business, get your ideas out there and uncover opportunities.
- **New Opportunities.** Create qualified sales opportunities. As you can see, each KPI has a cascading effect on the next, though remains somewhat in the salesperson's control.

“Know the customer, and use that knowledge to advise your KPI strategy.”

- LevelEleven CEO Bob Marsh

Bridge the gap between asking the right questions and getting your salespeople engaged.

DRIVER #3: Team Interviews

Your salespeople are a valuable source of information for identifying the right activities. Interview some of your top performers, middle-of-the-road performers and bottom performers.

Here's some guidance for those conversations:

- **Top Performers:** When you're talking to your top performers, preface the conversation with something like: "You're a top performer — what's your sense as to what you do that is different from your peers that impacts your performance?" and "What do you think others can focus more on to be successful?"
- **Middle Performers:** When you talk to your middle performers, ask: "What are you doing that is most important, and how do you keep track of how you are doing?" or "What do you want to learn that you don't understand?" You'll be shocked that many of these folks know what they should be doing, and admit that they don't do those things enough. Since this is the biggest chunk of your sales team (60-70% of your entire sales staff), just making small improvements with this group's performance will make dramatic impact. ([Read more on this here.](#))
- **Bottom Performers:** You'll likely see that this group doesn't necessarily know or can't articulate the reasons behind their performance. This will end up giving you confidence in the importance of doing this in the first place. Ask questions like: "What do you think your peers are doing that you should be doing?"

Don't be surprised if none of your salespeople have clear answers on what drives their performance. Even top performers typically just "get it done," but aren't really sure how they do it. Your goal here is to understand, to the best of your ability, which activities your team correlates with sales success.

Once your interviews are complete, start to search for trends and compare that to the 3-4 KPIs you came up with. Did one metric or activity come up repeatedly? Did one of your main KPIs never come up? Remember, you're the leader of your team for a reason, so you should make the ultimate decision, but insights from these interviews will help refine it.

Don't leave out leadership buy-in.

DRIVER #4: Leadership Buy-In

In order for this whole process to work, you need to gather a lot of data — to keep your research well-rounded. The next phase is to talk to other sales leaders on your team, and if you're the top sales leader, you'll want to discuss with your CEO, as well.

With these interviews, ask questions like:

- When you think about building a KPI-driven sales culture, what does that mean to you?
- What would be the KPIs that you want to manage our/your sales team(s) around?

Aside from helping with buy-in from other leaders, this step gives you a whole new set of perspectives to consider.

Let's break for 3 quick KPI tips, courtesy of Richard Harris, Sales Trainer & Industry Influencer:

1. Review sales KPIs constantly. This self-check system will keep your sales KPIs focused and data-driven. The data never lies.

2. Remember: Every sales KPI is a hypothesis. Every time you refine your sales process, you are really creating a hypothesis. Every time you craft a message, you are creating a hypothesis. The same remains true for KPIs.

3. Tailor KPI delivery to generations. Make sure the delivery of your KPIs fits the generation you're delivering them to, or else you'll never realize sales performance potential.

(Get more of Richard's KPI advice [here.](#))

"What gets measured gets managed."

- [Author Peter Drucker](#)

Once you have your leadership buy-in, it is time to apply and assess.

DRIVER #5: Application & Assessment

Time to take another look for trends and to also see which metrics really resonate with you. Again, you're in this leadership position for a reason, so trust your gut!

Settling on your main KPIs can be the overwhelming part because you have a lot of data available to choose from, but remind yourself that picking these main metrics is just a starting point.

Okay, let's drive these sales KPIs home...

Pick your sales KPIs wisely, but more importantly, measure them and keep an eye on them from day-to-day. You will adjust as you discover which ones truly correlate to success.

And remember, using these 5 drivers as you revisit your KPI strategy will assist you in choosing the right metrics. Then check out LevelEleven's [Sales Performance Blog](#) for more content on how to turn those "drivers" into dollars.

THANKS FOR READING!

Click here to chat about how LevelEleven can help you identify KPIs and then spike sales performance around them.

