



RESEARCH REPORT

The Value-Driving Difference

How to Grow Revenue, Improve Win Rates, and Retain
Top Sellers through Value

by Mike Schultz, Gord Smith & Vivek Kumar

Contents

04	Executive Summary
05	The Value-Driving Difference
07	Sales Leadership Priorities
07	Process Orientation
09	Investment in Sales Training
10	Sales Skills
11	Sales Force Motivation
12	Account & Lead Assignment
14	Pricing
15	Conclusion
16	Research Methods & Demographics
17	Sales Benchmark Analysis & Plan
18	About RAIN Group

“ *Everyone pays lip service to value, but not many organizations live and breathe it. Those that do have significantly higher win rates, revenue growth, and lower undesired turnover.* ”

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Executive Summary

The Value-Driving Difference: How to Grow Revenue, Improve Win Rates, and Retain Top Sellers through Value

Authors

Mike Schultz, Gord Smith, & Vivek Kumar

As part of our *Top-Performing Sales Organization* research, we studied 472 sellers and executives globally at mid-size and large companies. Of 72 core factors we studied, five were geared to assessing an organization's customer focus and value orientation:

1. Our sales organization focuses on driving maximum value for the customer.
2. Our sales force structure is aligned with the way our customers prefer to buy from us.
3. Our sales process is customer-focused and maps to our buyers' buying processes.
4. Our sales process is flexible to apply to our buyers' various roles and situations.
5. Our company leaders prioritize developing sellers to be as valuable to our buyers as possible.

Sixteen percent of respondents agreed with all five. We compared this group, which we labeled Value-Driving Sales Organizations, with the remaining 84% who did not meet these criteria.

The Value-Driving Sales Organizations are much more likely to grow revenue, have higher win rates, and they are better able to retain top sales talent.

7 Key Differences between Value-Driving and Non-Value-Driving Sales Organizations:

1. **Priorities:** Value-Driving Sales Organizations are not only much more likely to prioritize improving sales force effectiveness, but their leadership is also more likely to execute on priorities.
2. **Process Orientation:** Value-Driving Sales Organizations infuse value in their sales processes and methodologies. When sellers think buying first and align their sales process to the customer's buying process, they are more successful.
3. **Focus and Investment in Sales Training:** Leaders at Value-Driving Sales Organizations don't just prioritize developing sellers to be as valuable as possible to buyers, they invest in it. Value-Driving Sales Organizations have 3.6 times more effective sales training and 2.9 times greater investment in sales training than Non-Value-Driving Sales Organizations.
4. **Better Sales Skills:** Across every skill area, Value-Driving Sales Organizations have significantly stronger sales skills—in some cases three times stronger skills than Non-Value-Driving Sales Organizations. These skills include core consultative selling, filling the pipeline, sales negotiation, and more.
5. **Highly Motivated Sales Forces:** Sellers bring their own intrinsic motivation to their jobs, but it's up to the organization to tap into seller motivation at a high level and sustain it. Having a true focus on value for buyers correlates highly to seller motivation.
6. **Account and Lead Assignment:** Value-Driving Sales Organizations understand what their buyers are looking for and assign the right people who are best suited to win and grow accounts.
7. **Pricing:** Value-Driving Sales Organizations are two times more likely to agree that their pricing strategy allows them to capture maximum prices in line with the value they provide. By focusing on customer value over price, companies are able to maximize prices and improve margins.

Introduction: The Value-Driving Difference

Ask someone in the presence of other people if their company and sales organization drives value for their customers, and they'll say yes. Ask them confidentially in a research study, and you'll get a wholly different answer.

Everyone says value makes a difference in sales and business results. We wanted to test that assumption, and see just what kind of difference it makes.

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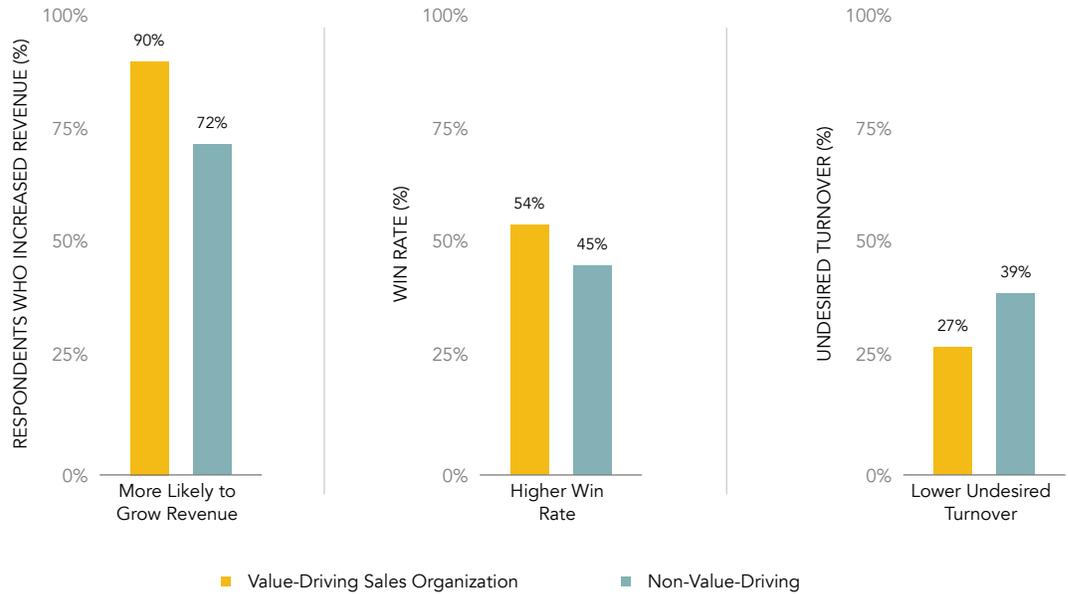
Top-Performing Sales Organization Benchmark Report

For our *Top-Performing Sales Organization* study, we surveyed 472 sellers and executives who represent companies with sales forces ranging from 10 to 5,000-plus sellers. Respondents were located in the Americas, EMEA, and Asia-Pacific, and represented 26 industries.

In [The Top-Performing Sales Organization Benchmark Report](#), we looked at what separated Top Performers—those organizations with higher win rates, revenue growth, and quota attainment—from The Rest. The findings are broken down by the eight categories of [RAIN Group's Sales Performance Wheel](#), which looks at the differences between the performance groups and provides analysis on what you should do and where you should focus to improve your sales results.

There was a marked difference between the two groups. The Value-Driving Sales Organizations were much more likely to grow revenue, have a higher sales win rate, and have lower undesired sales turnover (i.e., they retain their productive sellers).

Figure 1. The Value-Driving Difference



These organizations are not only able to achieve better business results, but also are more mature in their sales processes and focus on and invest in their sales forces. This report focuses specifically on some of the starkest differences between the Value-Driving Sales Organizations and Non-Value-Driving ones.

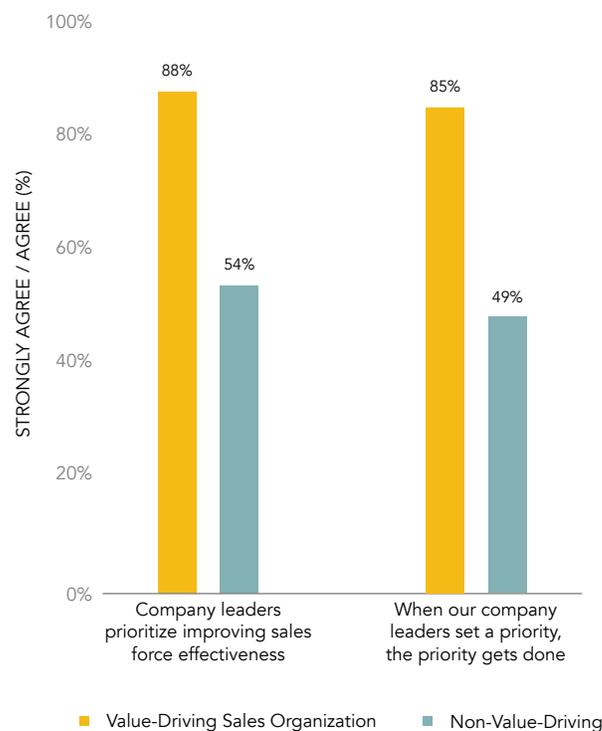
We've uncovered seven key takeaways from the RAIN Group Center for Sales Research's analysis of these two groups and provide commentary on each.

7 Key Differences between Value-Driving and Non-Value-Driving Sales Organizations

1. Priorities

We studied both leadership's prioritization of improving sales force effectiveness and leadership's ability to execute on priorities. Both correlate significantly to top sales performance, with the Value-Driving Sales Organizations scoring much higher than Non-Value-Driving ones. It's no surprise: the rigor and investment leadership allocates to sales performance makes a difference.

Figure 2. Sales Leadership Prioritization



Takeaway: Everyone pays lip service to maximizing customer value. To make value a reality, leaders have to a) truly prioritize sales force effectiveness and b) be able to execute change.

2. Process Orientation

Organizations in the Value-Driving group are more likely to have a more [mature sales process](#), sales method, and strategic account method (figures 3-5 on the next page). In our experience, without a unifying framework for these areas, sellers are left to their own devices. When left to their own devices, some sellers focus on value, and others don't—not necessarily for dubious reasons, often they don't know how. When this happens, average results are the norm.

Figure 3. Sales Process Maturity of Value-Driving Sales Organizations

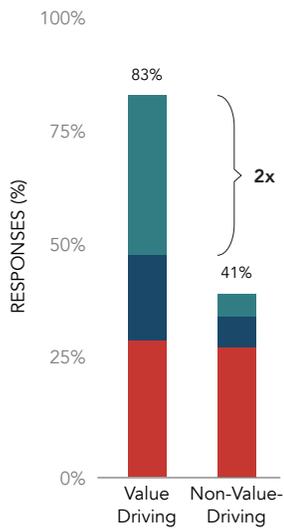


Figure 4. Sales Method Maturity of Value-Driving Sales Organizations

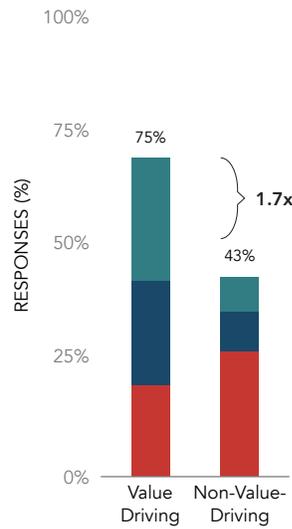
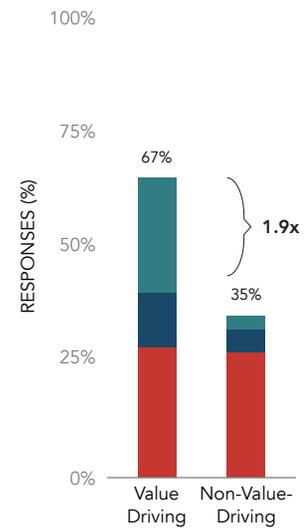


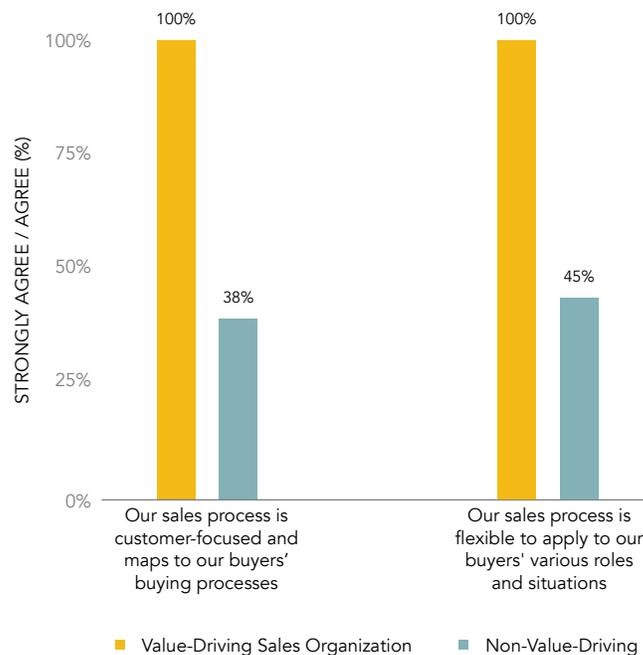
Figure 5. SAM Maturity of Value-Driving Sales Organizations



■ 5. World-Class ■ 4. Managed ■ 3. Defined

Driving customer value is often at the center of the more sophisticated sales process, method, and strategic account approaches. It makes sense that when these approaches are more mature, each seller is expected and better equipped to drive value. Value-Driving Sales Organizations infuse value in their sales processes and methodologies. When sellers [think buying first](#) and align their sales process to the customer's buying process, they are more successful (figure 6).

Figure 6. Sales Process Orientation



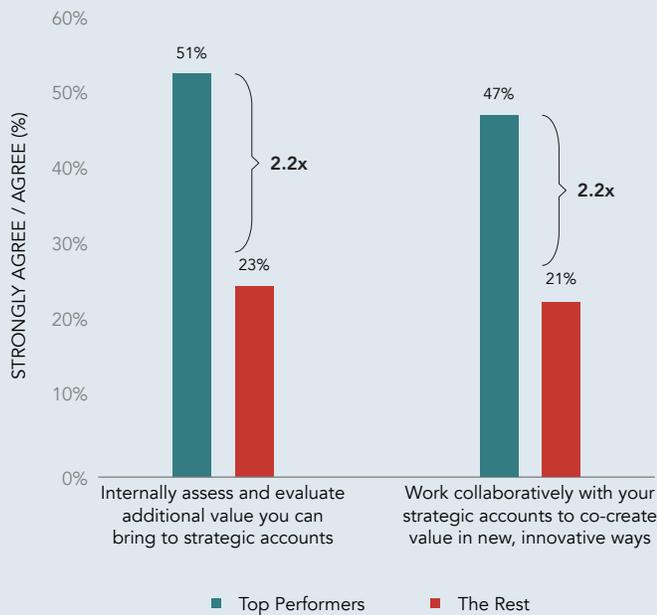
Takeaway: Process matters. It's not, however, just about process. Process is a guide for behavior. If those guides direct sellers to think about and take action to drive value, process will make a difference in results.

Processes for Driving Value with Strategic Accounts

For our [Top Performance in Strategic Account Management Benchmark Report](#), we studied two specific processes for driving value with accounts. The first is internally focused: whether or not the organization has a strong process for assessing and evaluating additional value they can bring to strategic accounts. The second is external: whether or not an organization has a strong process for working collaboratively with strategic accounts to co-create value in new, innovative ways.

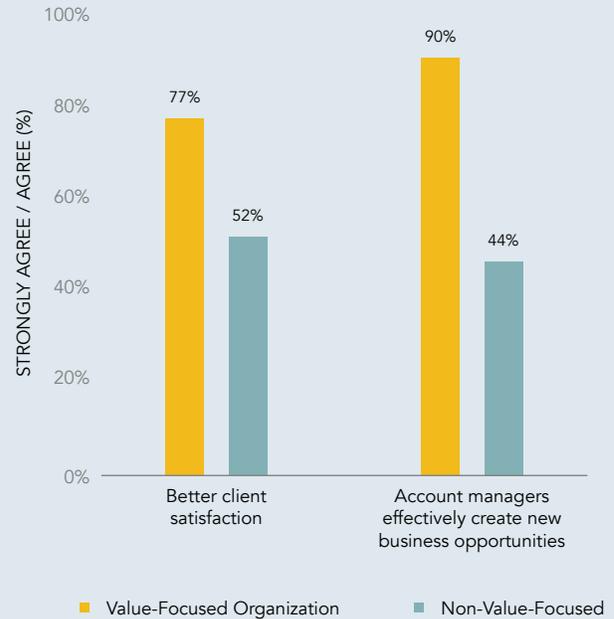
The difference between Top Performers and The Rest was stunning.

Figure 7. Effectiveness of Company Process to...



When organizations were effective at both processes, we labeled them “Value-Focused Organizations.” These Value-Focused Organizations produced more new business opportunities and better client satisfaction:

Figure 8. Better Value Focus, Better Results



Producing this kind of result is the holy grail of strategic account management: expanded business opportunity and higher satisfaction at the same time.

3. Focus and Investment in Sales Training

Leaders at Value-Driving Sales Organizations don't just prioritize developing sellers to be as valuable as possible to buyers, they invest in it. And when sales leaders prioritize training, there is a significant rise in sales skills across the board.

Sales training goes hand-in-hand with process, method, and strategic account maturity. Processes and methods themselves don't mean anything. It's when sellers apply them properly, and use them to their best advantage, that results happen. For sellers to do this, they need to learn what these processes and methods are, and then become proficient in using them effectively.

Figure 9. Value-Driving Organizations Have More Effective Sales Training

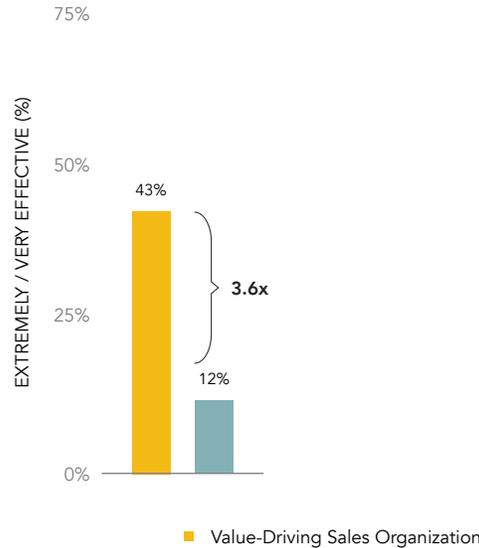
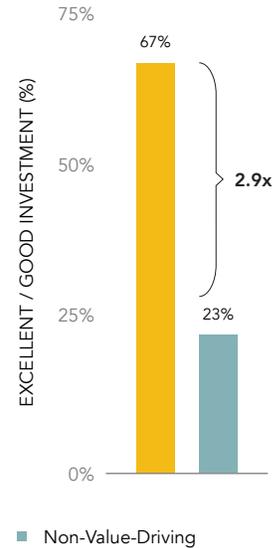


Figure 10. Value-Driving Organizations Have Greater Investment in Sales Training

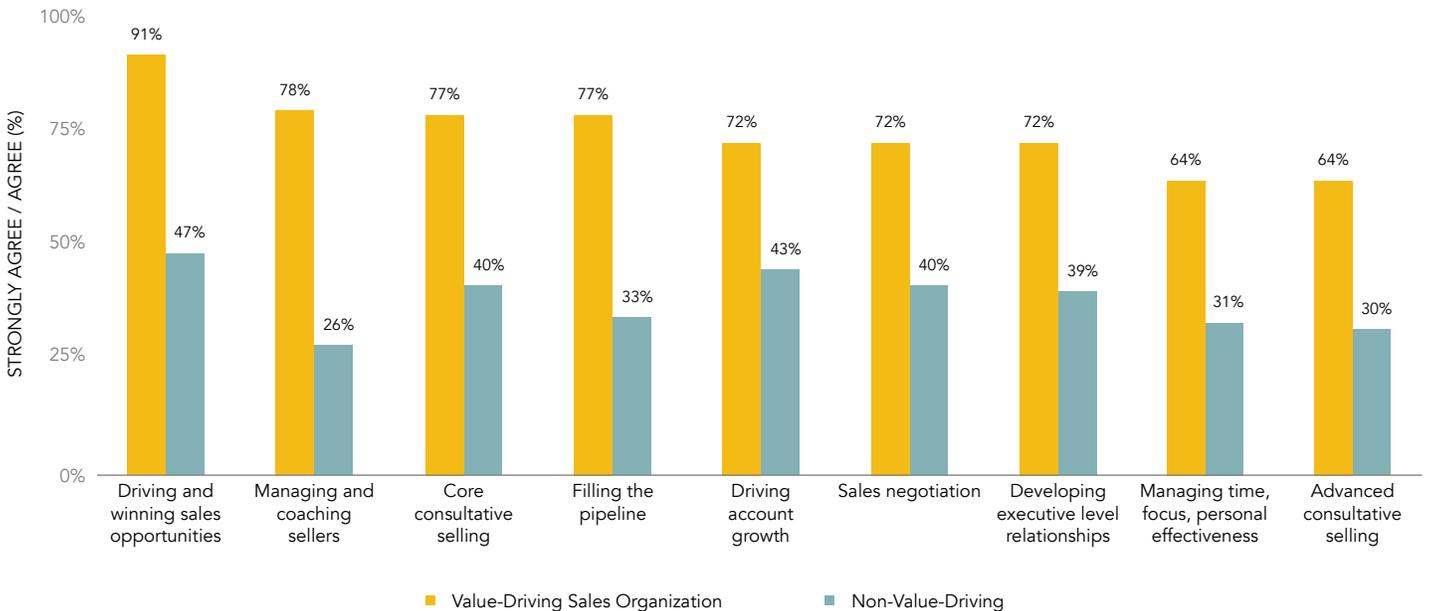


Takeaway: Invest in the sales force. [Training done right](#) pays dividends (see next point).

4. Better Sales Skills

Across every skill area, Value-Driving Sales Organizations have significantly stronger sales skills—in some cases three times stronger skills than Non-Value-Driving Organizations. Given that we know they invest more heavily in their sales training and that their training is rated more effective, it's no wonder they have a higher win rate, revenue growth, and sales force retention.

Figure 11. Sales Skills in Value-Driving vs. Non-Value-Driving Sales Organizations



Takeaway: Invest in the sales force, and you'll build the skills sellers need to drive value.

5. Highly Motivated Sales Forces

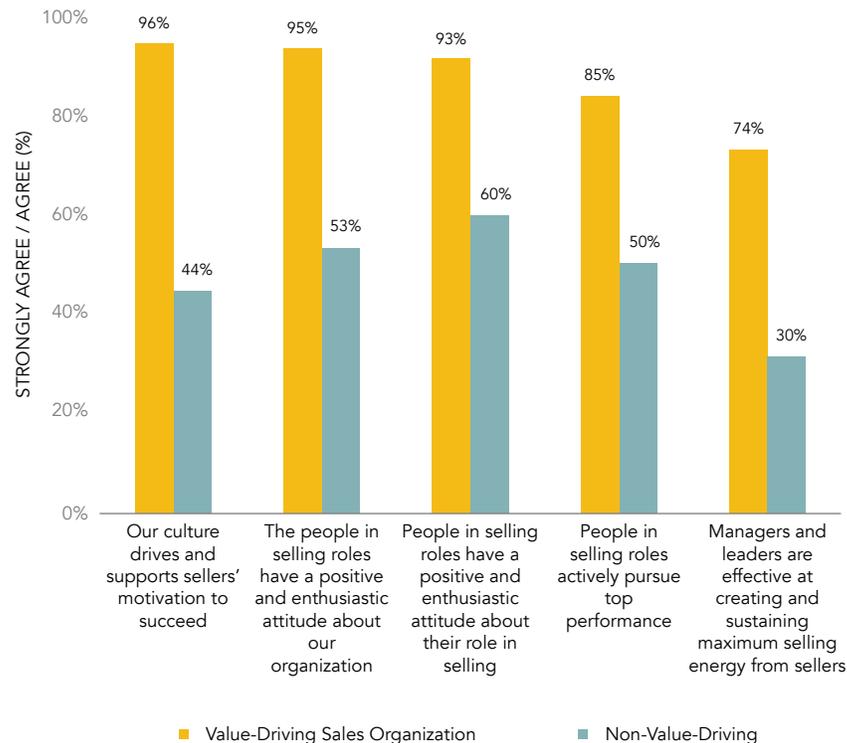
Sellers will tell you, “If I believe in what I’m selling, I can sell so much more of it.” When sellers work at an organization they believe prioritizes driving customer value, and when their leaders prioritize helping sellers to create said value, seller motivation is drastically higher.

It was interesting just how high the motivation ratings were for Value-Driving Sales Organizations compared to Non-Value-Driving Sales Organizations.

Certainly, sellers bring their own intrinsic motivation to their jobs. It’s up to the organization, however, to tap into seller motivation at a high level and sustain it. Having a true focus on value for buyers—and when we say true, we mean that everyone says they focus on value, but in reality some do and some don’t—correlates highly to seller motivation. In our field work, we see that perhaps nothing is as demotivating to sellers as needing to hit quota and selling as much as possible regardless of whether it adds value to buyers.

Too many organizations focus on motivation directly. Focus on value and you’ll unleash motivation.

Figure 12. Motivation in Value-Driving vs. Non-Value-Driving Sales Organizations

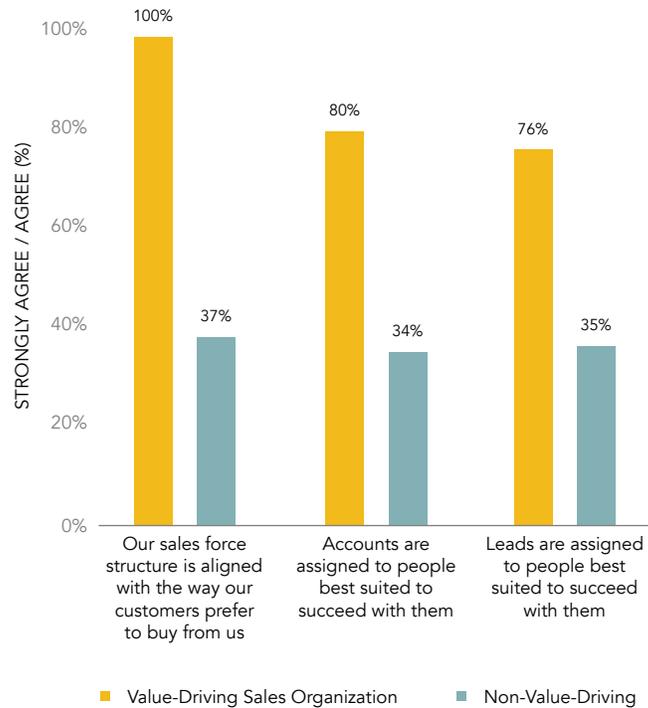


Takeaway: Vibrant, proactive sales organizations have value at the core.

6. Account and Lead Assignment

By definition, Value-Driving Sales Organizations align their sales force structure with the way customers prefer to buy from them. This often means assigning leads and accounts not just based on territory, but also on buyer industry, company size, and need. Value-Driving Sales Organizations understand what their buyers are looking for and assign the right people who are best suited to win and grow accounts.

Figure 13. Account and Lead Assignment at Value-Driving Sales Organizations



Takeaway: Make sure the right people are assigned to the right opportunities and accounts. Your status quo may not be very good for you or your buyers.

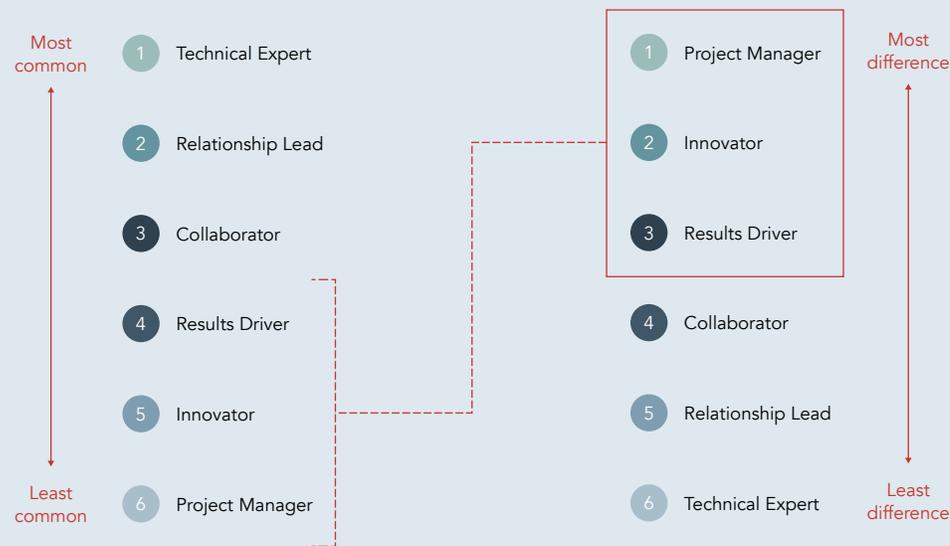
Strategic Account Manager Competencies of Top Performers

It's also true that Top Performers in Strategic Account Management have account managers with very different outlooks and skills.^{1,2} There are [six Strategic Account Manager Competencies](#), or "hats," SAMs might wear on any given day. Some combination of these competencies are the key to success of most every strategic account manager.

For both Top Performers and The Rest, the competencies most commonly played well are, in rank order:

1. Technical Expert
2. Relationship Lead
3. Collaborator
4. Results Driver
5. Innovator
6. Project Manager

Competencies Most Commonly Played across All Organizations



What's more interesting, however, is to look at the roles with the greatest competency gaps between Top Performers and The Rest. Note that the ranking is completely flipped upside down.

Organizations need Technical Experts, Relationship Leads, and Collaborators to get a seat at the table and have an opportunity to drive conversations and sales. When these roles aren't played well, they're disqualified from competing. These are the price of entry. If you want to drive the greatest account growth, make sure the Project Manager, Innovator, and Results Driver roles are played well.

1 Top Performers, representing 13% of total respondents, were defined as those companies with increased profits in strategic accounts, increased annual revenue, improved/same levels of client satisfaction, and excellent/very good overall SAM success.

2 Mike Schultz, John Doerr, and Mary Flaherty, *Top Performance in Strategic Account Management Benchmark Report* (RAIN Group, 2016).

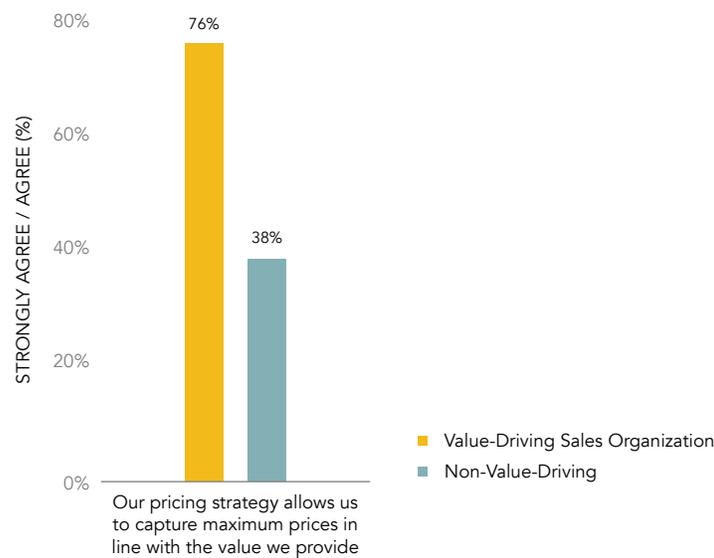
7. Pricing

By definition, Value-Driving Sales Organizations focus on driving maximum value for their customers (100% compared to 59% of Non-Value-Driving Sales Organizations).

Value-Driving Sales Organizations are also two times more likely to agree that their pricing strategy allows them to capture maximum prices in line with the value they provide. Our experience supports this. By focusing on customer value over price, companies are able to maximize prices and improve margins.

Also note from point #4 (page 10) just how much more proficient sellers at Value-Driving Sales Organizations are at sales negotiation than those at Non-Value-Driving Sales Organizations.

Figure 14. Value-Driving Sales Organizations Capture Maximum Prices



Takeaway: Value-Driving Sales Organizations deserve to get better prices because they get better results for buyers, and they *know how to negotiate* so they maintain price in line with the value they deliver.

Conclusion

All told, Value-Driving Sales Organizations get a triple-whammy effect:

1. Their sellers win more sales at more efficient win rates and are more likely to grow revenue overall.
2. Top sales people turn over less often.
3. Sellers sell with better motivation, energy, attitudes, and skills.

Achieving these effects, however, takes real work and commitment. Leaders must make value a mission. This might seem like a given, but since only 16% of our respondents do this well enough to be labeled a Value-Driving Sales Organization, apparently it's not. It's worth stating directly: **focus on value with missionary zeal.**

Sales organizations that focus on creating and delivering value, aligning their structures and processes to do so, and investing in sellers' abilities to be more skilled, knowledgeable, and valuable get better results.

Research Background, Method, and Demographics

The data shared in this report was collected for our *Top-Performing Sales Organization* study. The objective of the research was to answer the question: what do the Top-Performing Sales Organizations do differently than The Rest? The survey examined performance results and various elements of sales organization performance, including: strategy, structure, operations, enablement, talent management, training, capabilities, and motivation.

The data was analyzed in multiple slices, including: annual sales revenue, number of sellers, industry, geography, revenue per account, revenue and profitability growth, competitive position, sales process (maturity and adoption), sales methodology (maturity and adoption), sales training (maturity, effectiveness, and investment), value focus, and sales performance. Data for this report was analyzed based on value focus.

Data was collected from 472 sellers and executives via online survey administered between June and August 2015 to The RAIN Group Center for Sales Research (CSR) Panel, and RAIN Group and partner audiences.

Annual Revenue	% of Total
Less than \$50 million	36%
\$50 million to less than \$1 billion	37%
\$1 billion or greater	27%

Number of Sellers	% of Total
10 to 99	54%
100+	46%

Role in Organization	% of Total
Individual Contributor	20%
Manager	26%
Director	24%
Vice President	16%
C-Level	12%
Other	2%

Geography	% of Total
Americas	57%
Europe, Middle East, Africa	28%
Asia-Pacific	15%

Industry	% of Total
Professional Services	24%
Technology	21%
Banking, Insurance & Financial Services	13%
Business Services	11%
Other	31%

Sales Benchmark Analysis and Plan

Benchmark Your Organization Against Top Performers

Most leaders know there is huge untapped revenue growth potential in their sales organization. However, structuring and organizing for growth, finding and developing the right people, and enabling them to achieve their sales potential is frustratingly elusive. In the name of sales performance improvement, companies try many different tactics that often fall short of their goal.

In *The Top-Performing Sales Organization Benchmark Report*, we studied 472 sellers and executives, representing companies with sales forces ranging from 10 sellers to 5,000+. Our goal was to learn what the Top-Performing Sales Organizations—those with higher win rates, that meet their sales goals, and achieve maximum pricing in line with the value they provide—do to reach Top Performer status.

We've identified 75 specific factors, organized around the eight drivers in the Sales Performance WheelSM, that impact a sales team's ultimate performance and growth. In our Sales Benchmark Analysis and Plan, we will benchmark your organization against these Top Performers, and our consultants will perform an analysis of the greatest areas of improvement opportunity in your sales organization. You will:

- Find out how you stack up against our database of Top-Performing Sales Organizations in each category
- Learn the best avenues for sales performance improvement for your company
- Identify current strengths and areas of improvement across sellers
- Put a Sales Growth Plan of Action in place to implement improvements as quickly and effectively as possible

The Sales Benchmark Analysis and Plan will uncover your greatest, and often hidden, opportunities for growth. You'll be equipped with a Sales Growth Plan of Action allowing you to implement with confidence.



Contact Us to Discover How You Stack Up Against Top Performers

Top Performers:

- Achieve higher opportunity win rates
- Meet their sales goals more often
- Capture value-based pricing
- Grow revenue more often and more dramatically than The Rest

To benchmark your organization and learn what you need to do join their ranks, contact RAIN Group today at 508-405-0438 or info@raingroup.com.

About RAIN Group

Unleash the Sales Potential of Your Team with RAIN Group

RAIN Group is a sales training, assessment, and performance improvement company that helps leading organizations improve sales results. We've helped hundreds of thousands of salespeople, managers, and professionals in more than 62 countries increase their sales significantly with RAIN Group's consulting and sales methodology.

We can help you:

Implement Sales Training that Delivers Real Results

RAIN Group's sales training system inspires real change and delivers real results that last. Our rigorous approach includes sales team evaluation, customized training programs, robust reinforcement, and coaching to help you and your team develop sales and negotiation skills, and maximize your results.

Grow Your Key Accounts

At most companies, there's a huge, untapped opportunity to add more value—and thus sell more—to existing accounts. We help our clients capitalize on these revenue growth opportunities. Whether it's simply increasing cross-selling and up-selling or implementing a major strategic account management program, we can help.

Identify Who Can and Will Sell with Great Success

Our assessments measure sales attributes and skills, identifying the factors that really make a difference in sales performance. Whether you're looking to hire someone who can and will sell, or looking to improve sales performance, we'll help you build the most successful sales team.

Implement World-Class Sales Coaching

We coach sellers, professionals, and leaders individually and in groups to achieve the greatest and fastest increase in sales results. And we train and certify leaders and managers in our RAIN Sales Coaching system. Often, it's RAIN Sales Coaching that truly unlocks the team's potential, and keeps them motivated to produce the best results consistently.

Find out more about how RAIN Group can help you
unleash the sales potential of your team by visiting
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