

SALES MANAGEMENT RESEARCH REPORT

5

Hallmarks of
High-Impact Sales
Organizations



SellingPower

Our Mission

To improve the performance of sales teams by providing customized, skills-based training programs that produce sustainable behavior change.

This Research Report, co-produced by Sales Readiness Group and Selling Power, summarizes findings from the High-Impact Sales Management survey.

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I. BACKGROUND

Why a Research Report about Sales Management?

Sales Readiness Group and Selling Power partnered on this research report with the intention of shining a spotlight on the key role of sales management.

Selling Power has been publishing content about the topic of sales management since 1981 in its award-winning flagship periodical (now published digitally once a month).

The principals at Sales Readiness Group have spent more than 20 years helping sales managers create elite sales organizations. Their insights regularly help sales managers achieve the necessary perspective to realize short- and long-term goals, learn vital management skills, and avoid common pitfalls. In their book, *The High-Impact Sales Manager*, Sales Readiness Group says that high-impact sales managers “transcend the daily grind and are both confident and enthusiastic, knowing they are leading and empowering their organizations to achieve unparalleled success.”

Our joint vision is that sales leaders will use this research report analysis to make intelligent and strategic decisions about investing in the development of their sales managers, who are essential to the success of the entire sales organization.

Research Report Objectives

Research Report objectives include helping senior sales executives gain the following insights:

- The current state of sales management across different organizations
- The most important skills sales managers need to perform their jobs
- How to optimize their organization’s sales management initiatives
- How to benchmark annual investment in training for sales managers
- The relationship between sales management skills and results

Research Report Demographics

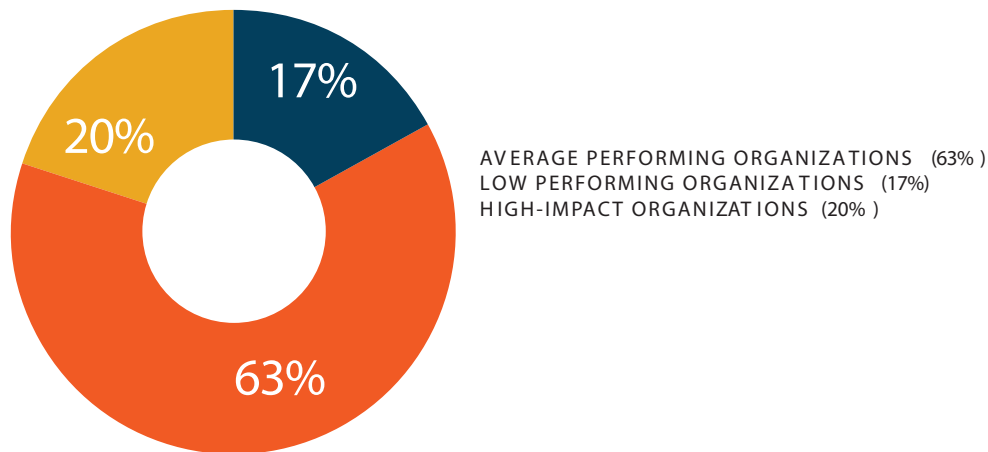


The insights in this research report are based on self-reported answers provided by 400 respondents in more than 20 industries in 2017. Companies and sales organizations of all sizes are represented; but 44% of respondents have more than \$51 million in annual sales. Slightly more than half of all respondents have the job function of a sales leader; 45% list their role at the level of director or above. Respondents’ organizations assign individual quotas ranging from less than \$250,000 to more than \$2 million; 47% have annual quotas that exceed \$500,000. Sales cycles vary from less than one month to 12 months or longer; 57% have an average sales cycle of between one and six months.

Defining Success: Quota Attainment

To define success for purposes of the research report, we grouped respondents into three groups based on quota attainment: low performing organizations, average performing organizations, and high-impact organizations.

1. Low Performing Organizations (17% of respondents): Fewer than 25% of sales reps achieve quota
2. Average Performing Organizations (63% of respondents): 25 - 75% of sales reps achieve quota
3. High-Impact Organizations (20% of respondents): More than 75% of sales reps achieve quota



II. THE IMPORTANCE OF DEVELOPING SALES MANAGERS IN A DIGITAL AGE

Selling has never been an easy job. These days, however, selling requires a special kind of fortitude, knowledge, and skill.

Salespeople must now compete in a fast-paced, technology-driven environment where B2B buyers have high expectations for quality interactions – and low levels of patience for generic sales pitches. Although technology has brought dramatic changes, sales organizations are still made up of people – and those people need good managers in their corner.

For all the industry reports, analysis, and thought leadership that have emerged in the past two decades about the shifting preferences of B2B buyers, not much research has been devoted to the state of sales management. While of course it's vital to gain insight about B2B buyers, it's also necessary to check in with sales managers. Why? First, the capabilities of the frontline manager will almost always dictate how successful a sales organization will be. In fact, one of the major findings of our research report was that sales managers at high-impact sales organizations are more proficient in every key skill area. Second, data from our research report also shows that better sales management skills lead to higher quota attainment and better win rates.

We are living in a technology rich era where sales leaders have numerous sales enablement tools to help salespeople become more efficient and effective. However, it seems that developing the skills of sales managers might be getting lost in the technology shuffle: Our research results indicated that one of the major obstacles to investing in sales manager training is the problem of competing priorities (65% of all

respondents). Although sales enablement technology offers many benefits, sales organizations still need the benefits of skills development – both for salespeople and sales managers.

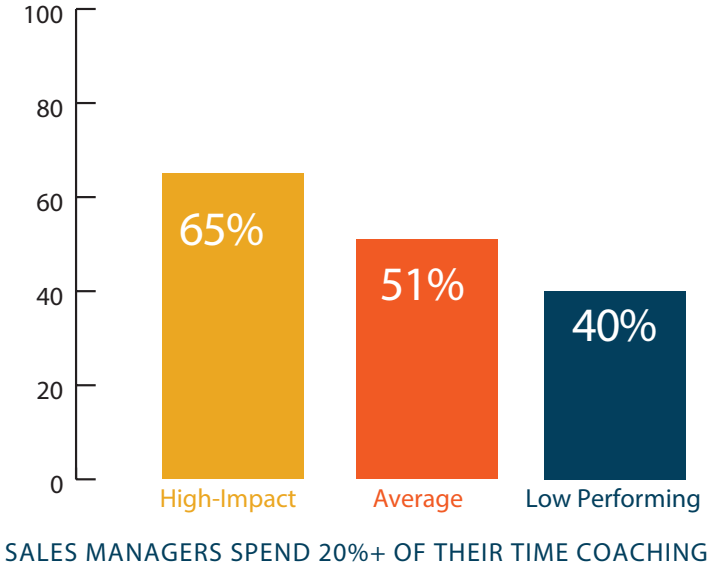
Salespeople are going to need sales managers more than ever as technology and B2B buying habits continue to shift. Selling is faster and more competitive than ever before – and simply adopting sales enablement tools will not be enough to prepare salespeople for selling in a digital age. As we move into the next decade of selling, we hope the findings from this research report will help sales leaders make smart, strategic decisions that will help their sales organizations grow and thrive.

III. RESEARCH REPORT FINDINGS: THE FIVE HALLMARKS OF HIGH-IMPACT SALES ORGANIZATIONS

HALLMARK 1

Sales managers at high-impact sales organizations spend more time coaching.

High-impact sales organizations prioritize sales coaching and are far more proficient at sales coaching than average and low performing groups. They also spend more time coaching: 65% of sales managers at high-impact organizations spend more than 20% of their time coaching, versus 51% of average performing organizations and 40% percent of low performing organizations.



Sales managers in high-impact organizations (29%) are also far more likely to participate in sales coaching training programs than sales managers from the average (17%) or low performing (10%) organizations. Unfortunately, 73% of all sales managers receive no coaching training.

Generally speaking, there is greater room for improvement in sales coaching (across all groups) than in any other skill areas analyzed in this survey.

HALLMARK 2

High-impact sales organizations are better at managing sales performance.

Seventy-five percent of respondents from high-impact sales organizations believe that their managers are effective at managing sales performance. This is in sharp contrast to average (47%) and low performing organizations (43%) who agreed that their managers were effective in managing sales performance.



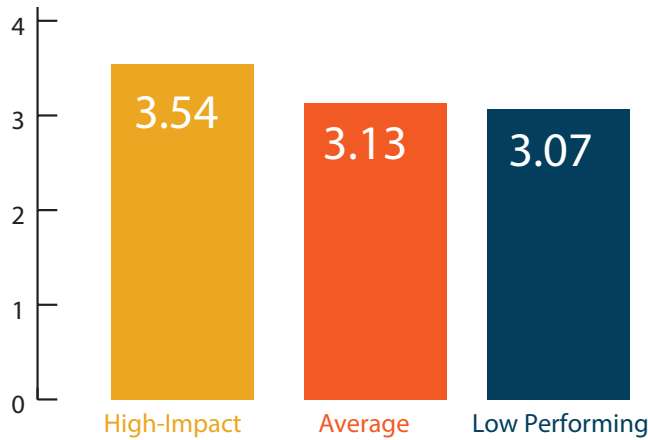
Sales Managers in high-impact sales organizations are more proficient at:

- Clearly defining and communicating performance expectations to salespeople
- Holding salespeople accountable
- Providing actionable, regular feedback to salespeople
- Monitoring and managing key performance indicators (KPIs)
- Conducting effective sales pipeline reviews

HALLMARK 3

High-impact sales organizations are more proficient at recruiting and hiring salespeople.

Sales managers in the high-impact group are slightly more involved in recruiting, interviewing, hiring, and training than sales managers in the average and low performing groups. High-impact sales organizations assign greater importance to – and are far more proficient at – recruiting and hiring than average and low performing groups. In particular, sales managers in the high-impact sales group are more proficient in recruiting and sourcing candidates, developing job profiles, using interview questions that align with desired skills and personal qualities, using objective criteria to make hiring decisions, and the onboarding and training of new hires.

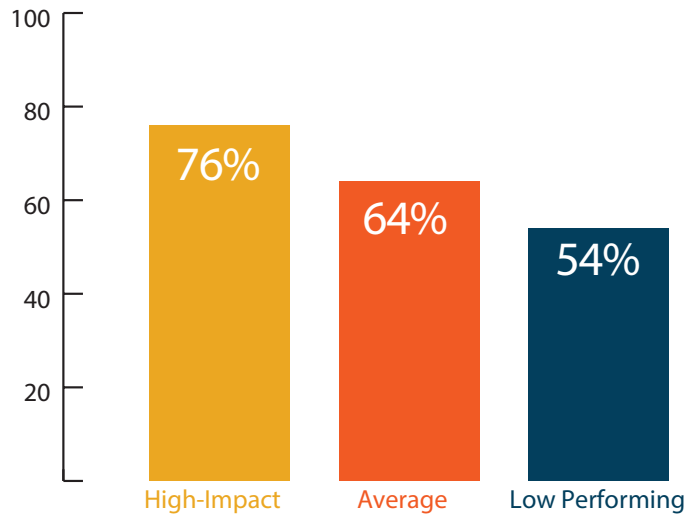


AVERAGE RATING (ON SCALE FROM 1=LOW, 5=HIGH)
AT RECRUITING AND HIRING PROFICIENCY

HALLMARK 4

High-impact sales managers earn their sales organizations' trust and respect.

A much higher percent of respondents in the high-impact group (76%) agree or strongly agree with the statement "our sales managers have earned their sales organizations' trust and respect" than respondents in the average (64%) or low performing (54%) groups.



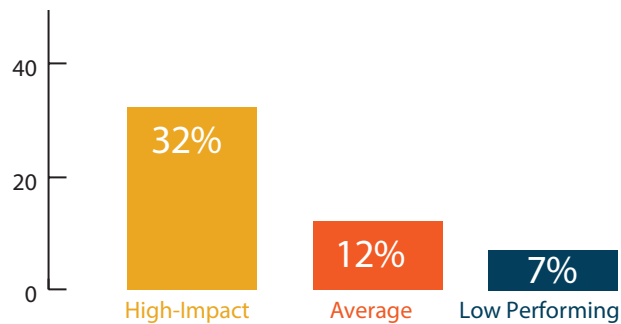
AGREE OR STRONGLY AGREE WITH THE STATEMENT
"our sales managers have earned their sales teams' trust and respect"

High-impact sales organizations assign greater importance and are far more proficient at leading their sales organizations. Managers at high performing organizations rated themselves as being more proficient in the following leadership areas:

1. Setting challenging but realistic sales performance goals
2. Research facts, analyze data, and explore options prior to making important decisions
3. Make unpopular decisions when necessary
4. Adapt leadership styles based on the situation
5. Identify motivators for individual sales reps

HALLMARK 5

High-impact sales organizations invest more to develop their sales managers.



PERCENT LIKELY TO INVEST MORE THAN \$2,000 PER MANAGER

Some of the most interesting results of the research report were revealed when we asked about budget devoted solely to sales manager training. Thirty-two percent of high-performing organizations spend “more than \$2,000” annually per manager, which was significantly higher than average (12%) or low performing (7%) organizations spend to develop the skills of sales managers. Among all respondents, 45% had no budget at all allocated for sales manager training.

Summary

The Five Hallmarks of High-Impact Sales Organizations

According to results of the 2017 High-Impact Sales Management Research Report, high-impact sales organizations do the following:

1. Spend more time on sales coaching.
2. Better manage the sales performance of salespeople.
3. Are more proficient at recruiting and hiring.
4. Earn their sales organizations’ trust and respect.
5. Invest more to develop their sales managers.

Conclusion: Sales Coaching Is the Highest Priority

Salespeople need a good, skilled sales manager on the front lines to support, encourage, coach, and train them to compete in order to win deals with today’s customer.

- While most organizations recognize the leverage sales managers can have in increasing sales performance, the majority of all sales managers are still left on their own to learn how to coach; and 45% reported they do not have sufficient resources or budget for the development of their sales managers.
- The top challenge to implementing a training program for sales managers (according to 65% of all respondents) is too many competing priorities.

- High-performing sales organizations employ sales managers who spend more time on sales coaching. More than 65% of high-performing sales organizations spend more than 20% of their time coaching salespeople.
- They also tend to invest more in developing their sales managers. Research report results show nearly one-third of high performing sales organizations spend over \$2,000 per sales manager in training annually.

The Top Skills Needed to Excel as a Sales Manager

Here are the key attributes where high-impact sales organizations rated themselves as more proficient than the average and low performing groups:

- Clearly defining sales and communicating sales expectations.
- Holding salespeople accountable.
- Assessing salespeople's knowledge and skill levels on a regular basis.
- Using interview questions that align with desired skills and personal qualities.
- Onboarding and training of new hires.
- Setting challenging but realistic performance goals.
- Researching facts, analyzing data, and exploring options prior to making important decisions.

About Sales Readiness Group

Sales Readiness Group (SRG) is an industry-leading sales training company that helps companies develop highly effective sales organizations. SRG's solutions include comprehensive sales training, sales coaching, and sales management programs that deliver sustainable skills improvement. SRG has been in Selling Power Magazine's Top Sales Training Companies list for seven consecutive years.

salesreadinessgroup.com

About Selling Power

In addition to Selling Power magazine, the leading digital magazine for sales managers and sales VPs since 1981, Personal Selling Power Inc. produces the Sales Management Digest and Daily Boost of Positivity online newsletters, as well as a five-minute video series featuring interviews with sales executives. Selling Power is a regular media sponsor of the Sales 3.0 Conference.

sellingpower.com

Our Values

At SRG, we:

- ◆ operate with integrity and authenticity in everything we do
- ◆ actively listen to understand our client's priorities
- ◆ are innovative and highly responsive to our clients
- ◆ deliver quality programs that create value for our clients
- ◆ operate with a sense of passion
- ◆ value grit and perseverance toward longer-term goals

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