

What is your competitive edge?

Is your sales team *thinking outside their boundaries and comfort zone....*



- By: Brian Gardner
- February 9th, 2012

Here we go...

Goals for this session:

- Stimulate thought processes with regard to your company's approach to sales: "Are you hobbled by conventional wisdom or do you soar with sales eagles?"
- Share thoughts and insights that will help you excel in today's competitive sales environment.
- Takeaways



Brian Gardner BIO

- 18 years direct sales and sales management
- 10 years of sales consulting
- Founded Selltis, a sales team software provider, 14 years ago to help companies engaged in complex selling improve their sales processes and increase sales.



What is your company's competitive edge?



Any Volunteers?

Let's list them.

Competitive Edge

1. People
 2. Products
 3. Service
 4. Experience
- Etc.....

If I were to ask your competitor the same question what would be the response?



Competitive Edge

The same as yours!

A comparable edge is not a
competitive edge!



Takeaway



“A perceived competitive edge is not a competitive edge at all when peers are singing from the same sheet of music...you need real and meaningful differentiation in your approach if you are to have an edge at all.”

Competitive Edge

There is an aspect of your sales process on which you can **FOCUS** and which you can **CONTROL** that will give your sales team a real competitive edge.



Competitive Edge

Move your focus to the
“Front End”
of the sales cycle



Focusing on the “Front End” is analogous to looking out of the front windshield while driving rather than the mirror.

Are you looking at sales thru the front windshield?



Front Windshield

When you drive you are looking forward... correct?

THE WAY YOU SEE SALES





You don't drive looking thru the rear view mirror do you?

Why then do most companies look at sales thru the rear view mirror vs. the front windshield?

I will explain.

THE WAY YOU SEE SALES

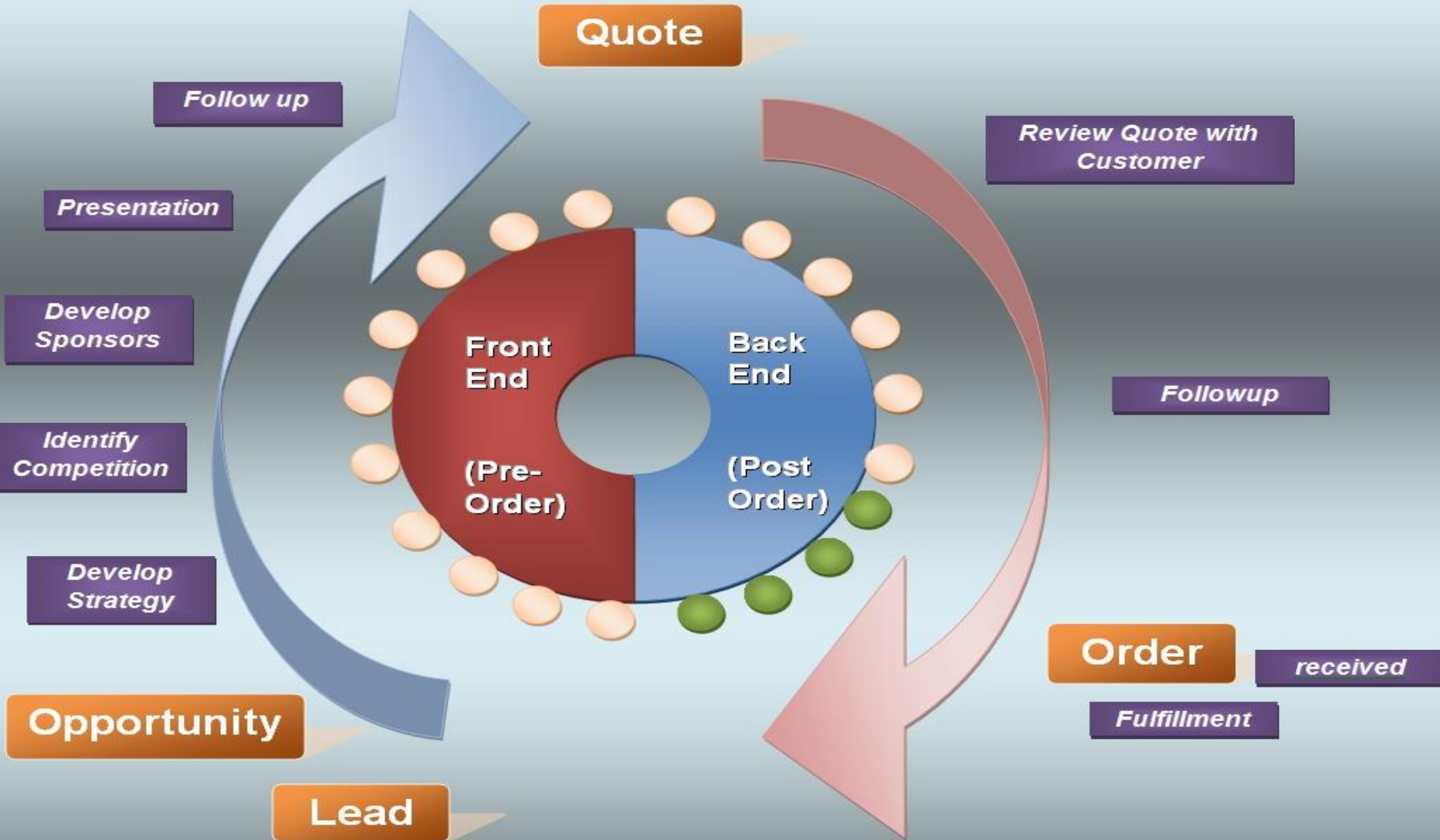


Competitive Edge

- Who here believes their team is truly focused on looking forward instead of backwards?
What I call the “Front End” of the sales cycle.
- (Show of Hands count)
- Let’s review the sales cycle



Sales Cycle



Sales Cycle Management

Which Part of the Cycle is your company Managing?

1

2

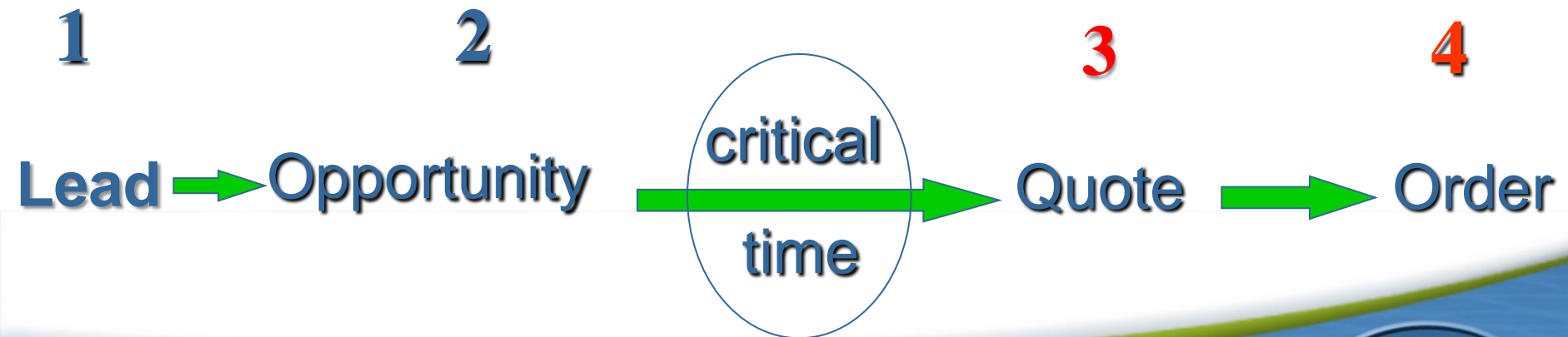
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4



Sales Cycle Management

Most companies think that they are focusing on #1 or 2, but in reality they are at #3 and most at #4.



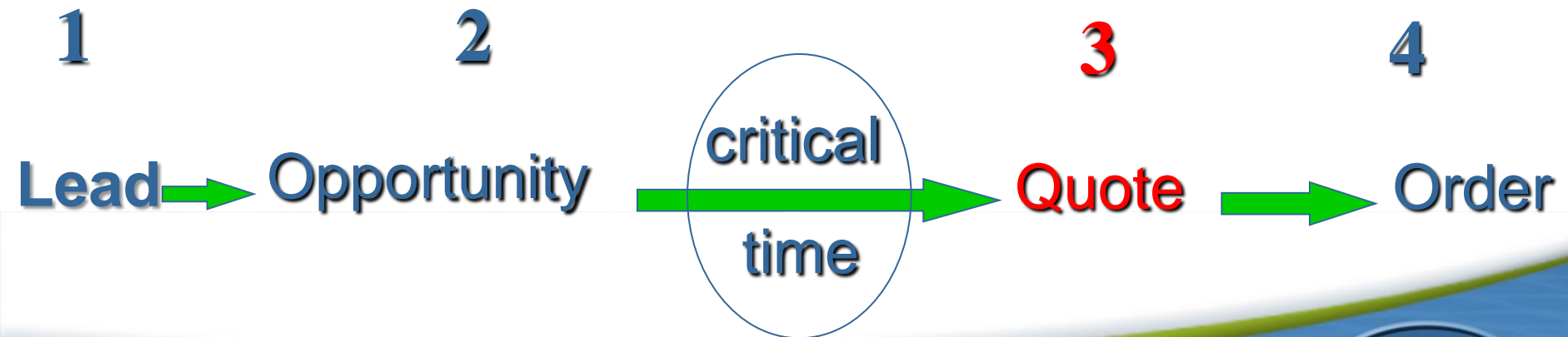
Sales Cycle Management

The **Opportunity** stage of the sales cycle is the most critical for increasing your probability of getting the order. (last year was about leads)



Managing at the **Quote** Stage

- You are **reactive**, not **proactive**
- You realize **lower margins**
- Hit rate decreased = wasted time and money
- You are on the **outside looking in (3rd bid)**

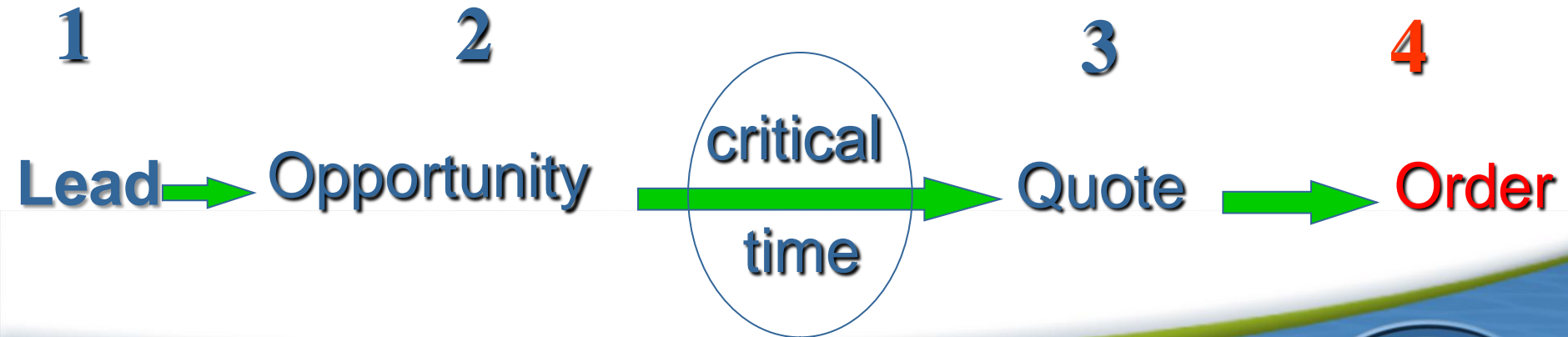


Sales Cycle Management

Lets do an exercise and analyze your company's focus

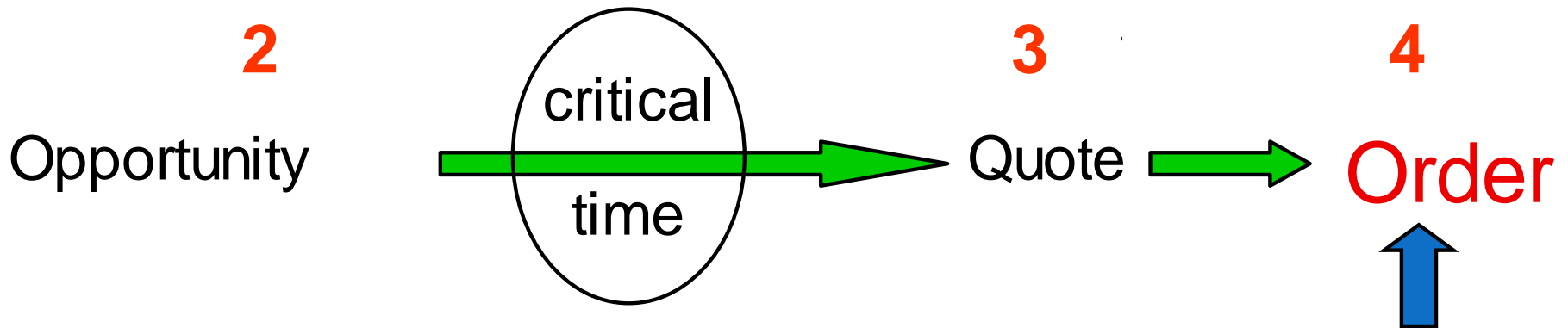
Starting with the back-end first (Order Stage)

Focus will be on stage 4,3,2



Sales Cycle Management

Sales Cycle



Rank your companies efficiency and Process: 1 -5

Order write up standards:

Score:

Procedures:

Score:

Order retrieval:

Score:

Payment follow up system:

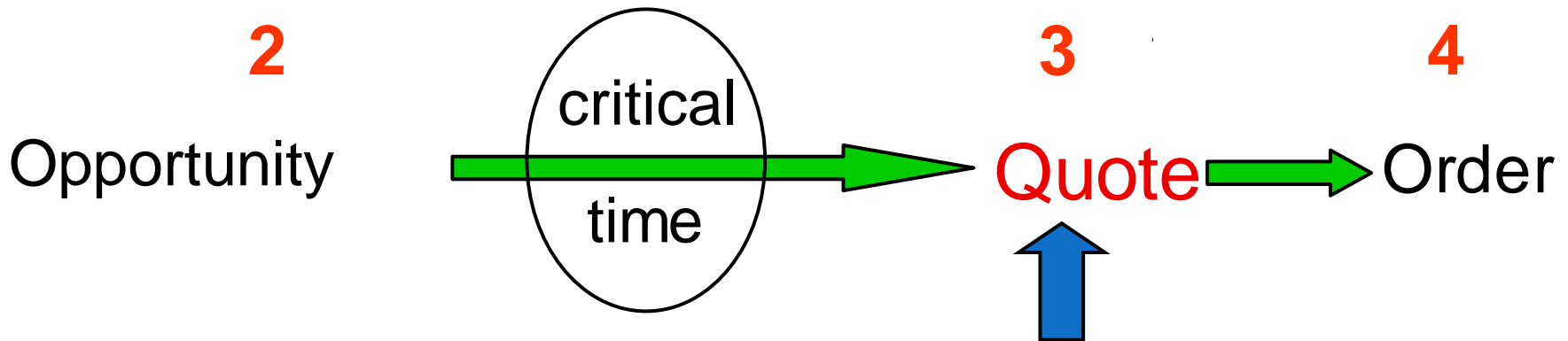
Score:

Reporting:

Score:

Sales Cycle Management

Sales Cycle



Rank your companies efficiency and Process: 1-5

Quote generation & standards:

Score:

Procedures:

Score:

Quote retrieval:

Score:

Proactive quote follow up system:

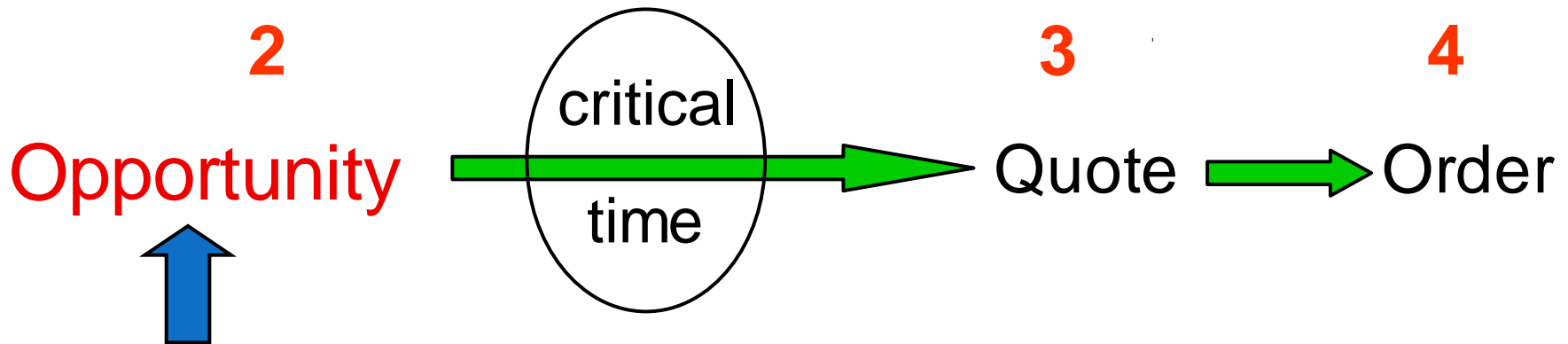
Score:

Quote reporting:

Score:

Sales Cycle Management

Sales Cycle



Rank your companies efficiency and Process: 1-5

Opportunity management system:

Score:

Procedures & standards for opportunity pursuit

Score:

Opportunity documentation:

Score:

(strategies, competition, actions)

Proactive follow up processes:

Score:

Reporting: (internal and external: Principals, Vendors) Score:

Thoughts/Comments/Questions

Blank Form



Takeaway



- Move your companies focus to the **Front End** of the sales cycle. Control your business where the ROI lives.
- Questions/Comments

What are others saying...

- “I focus on the Opportunity stage of the sales process. I have an excel sheet for my pipeline and forecast”.
- Retort: “What are you looking for? How do you measure it? What Load Input do you need to achieve your goals?”
- The plot thickens.



Sales Process

- How many of you have sales goals in your company?
Let's discuss.
- Broken down by what? Company, salesman, etc.?
- Typical companies...
 - Set goals in the beginning of the year..
 - Set it and forget it.
 - Have no system to manage or monitor goals.

The focus is on what has been sold. Very important but lets move our focus to the Opportunity Stage and what we need to grow our business.



Sales Cycle Management

“You Must Measure Input to Get Desired Output”

The Secret Sales Formula :

Sales Goal = Base Business + (New Load X Hit Rate)



Pipeline vs. New Load Input (Opps)

Pipeline is **NOT** the same as New Load Input!

Pipeline = Total Open Opportunities

New Load Input = New opportunities identified

The Focus must be on New Load Input #'s



Sales Cycle Management

Example: Salesman Monthly Goal

Sales Goal = Base Business + (New Input * Hit Rate)

100K = 40K + (120K * 50%)

150K = 50K + (??? * 25%)

\$400,000

Sales Cycle Management

Do you know what is in your company's funnel that will close this month? With accuracy?

Do you know how many **new opps** were loaded into the funnel this month?

Do you know how much was loaded by:

- *Sales Rep*
- *Product*
- *Territory*



Load Goal Exercise

Blank Form

Pick a Sales Goal or Quota Category:
Ex. Company, Territory, Product, Salesman

Sales Goal = Base Business + (**New Load Input** * Hit Rate)

Sales Goal: _____

Base Business: _____

Hit Rate: _____

$$(\text{New Load Input}) = \frac{\text{Sales Goal} - \text{Base}}{\text{Hit Rate}}$$



Load Goal Exercise

Pick a Sales Goal or Quota:

Ex. Company, Territory, Product, Salesman

Sales Goal = Base Business + (**New Load Input** * Hit Rate)

Sales Goal: 1,500,000

Base Business: 500,000

Hit Rate on New Opportunities: 25%

$$\frac{\text{Load} = \text{Goal} - \text{Base}}{\text{Hit Rate}}$$

$$\frac{\text{Load} = 1,500,000 - 500,000}{25\%}$$

New Input Load = \$4,000,000



Takeaway



Keep your eye on the ball.

...and that ball is the **New Load Input** at the “Front End” of the sales cycle that drives future sales.

Remember New Load Input is **NOT Pipeline.**

Example of Load Goal Dashboard

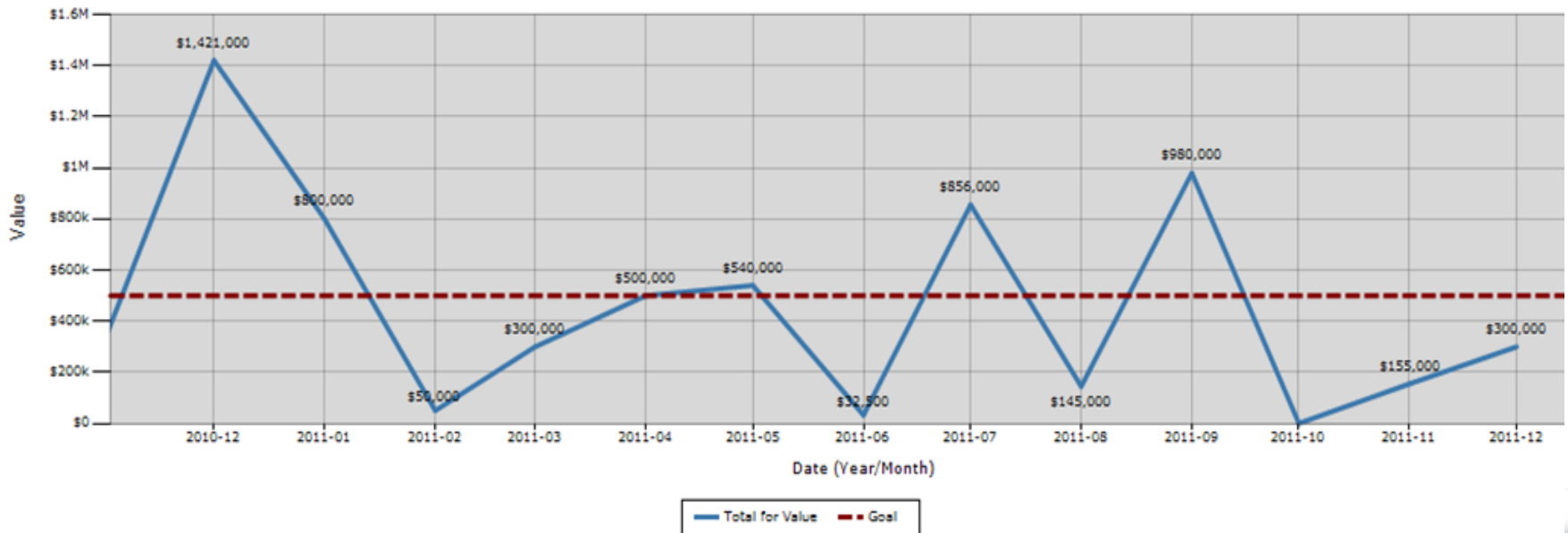
GPS Management Dashboard

Desktop Date Range: Last 12 months From: 2010-12-23 To: 2011-12-22

New Opportunity Create Linked View Desktop

Opportunity Input Trend

All (Click chart to drill down)



THE WAY YOU SEE SALES



Comments or Questions

Have you thought about this before?



KPI's

- Another area that is a natural “next step” once you start managing Load Input is KPI's.
- What are KPI's?
- Key Performance Indicators
- Look at these as Scorecards



KPI's

- Who has set up KPI's within their company?
- Typically companies have back-end focused KPI's. Very few companies have front-end focused KPI's.



KPI's

Back End Focused

- Days payable
- Bookings this month
- Inventory turns
- Sales this month
- Cash on hand

Front End Focused

- Number of new Leads
- Number of new Opps
- Number of new Quotes
- Avg. days from Lead to Order



Sales Focused KPI example:

- Start backwards
- \$2,000,000 Year Sales Goal (\$166,000/month)
- \$1,000,000 Base Business
- 35% Avg. Hit Rate on Quotes
- Average order = \$30,000



Blank Form

KPI Sales Calculator

Yearly Goal	\$2,000,000	Highlighted cells are input cells
Yearly Base Business	\$1,000,000	
Quote Hit Rate %	35%	
Average Quote \$	\$30,000	
Yearly NEW Input Load	\$2,857,143	
Monthly NEW Input Load	\$238,095	Bordered cells are calculated cells



Sales KPI's Calculated		
New Quote \$ Input a month	\$238,095	KPI
# of New Quotes	8	KPI
New Opportunities needed for every 1 quote	3 (Fill in)	
New Opportunities Needed a Month	24	KPI
Sales Visits needed for every 1 Opp	2 (fill in)	
Number of Sales Visits needed a month	48	KPI

Sales Visits > Opportunities > Quotes > Orders



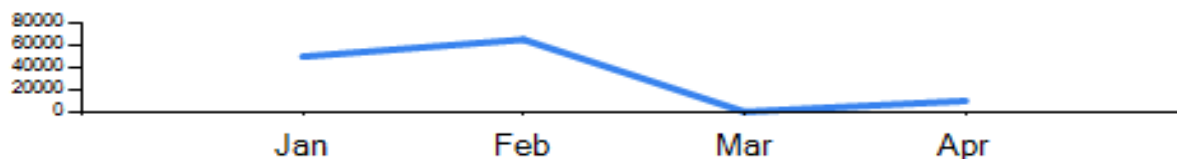
	KPI Sales Calculator	
Yearly Goal	\$2,000,000	
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Quote Hit Rate %	35%	
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Yearly NEW Input Load	\$2,857,143	
Monthly NEW Input Load	\$238,095	
Sales KPI's Calculated		
New Quote \$ Input a month	\$238,095	KPI
# of New Quotes	8	KPI
New Opportunities needed for every 1 quote	3 (Fill in)	
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Sales Visits needed for every 1 Opp	2 (fill in)	
Number of Sales Visits needed a month	48	KPI



Sales Focused KPI Example

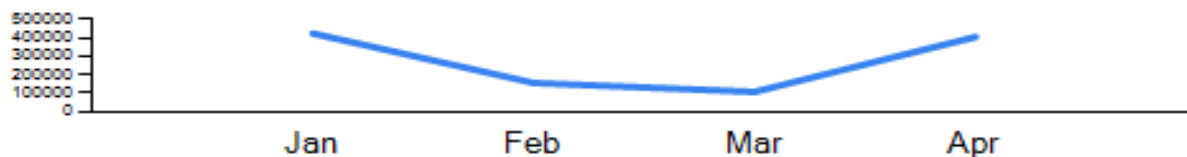
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Description	Monthly Goal	Jan	Feb	Mar	Apr
Sales Visit	60	11	7	2	10
Opp Load	\$183,333	\$50,500	\$66,000	0	\$10,010
Opp Count		7	6	0	3
Quote Load	\$141,667	\$1,955,526	\$69,691	\$217,965	\$390,323
Quote Count		32	19	21	21



Bennett, Dirk Sales Engineer 417-299-3333

Description	Monthly Goal	Jan	Feb	Mar	Apr
Sales Visit	60	16	5	4	21
Opp Load	\$350,000	\$422,900	\$154,844	\$106,400	\$404,200
Opp Count		12	8	5	17
Quote Load	\$391,667	\$944,329	\$211,049	\$489,278	\$273,407
Quote Count		67	51	65	62



Sales Focused KPI's

Questions or Comments?



Review

- Moving your focus to the Front End of the Sales Cycle.

Lead>Opportunity>Quote>Order

- Grade your company at these stages
- Secret Sales Formula

Sales Goal = Base + New Load x Hit Rate

- Exercise on New Load Goals needed
- KPI's



Review

Sitting back saying, “OK, this is some good stuff but how would I even start moving in this direction?”



The Conventional Wisdom:

- Always in a reactive state vs. proactive. Nature of the beast right?
- Sales meetings every Monday morning to get an update from the sales team.
- Sales team fills out excel sheets for forecasting or call reports.
- Perhaps a CRM system that is set up for contact management ,not a sales system.



On the CRM topic

- Who here has implemented CRM?
- What is your definition of CRM?
- My definition of CRM assuredly includes sales focus and process improvement in the definition.



CRM

- It's not just about software but a mindset, a company culture.
- It is about better management of the sales process.
- Should be sales driven not just technology driven...The Death of a CRM project is assured if it is driven by IT and not Sales.



What I see in the market:

- Implement CRM and then what?
- Think CRM is going to be the answer “Silver bullet”?
- Not driven by sales. Looked at as software/technology so IT drives it.
- Glorified and expensive contact manager and calendaring system.



CRM Don'ts

- Don't implement CRM if management is not ready to drive it within your business.
- Don't do it if you are not ready to change the sales culture inside your company.
- Don't turn this into an IT driven and focused project.



CRM Do's

- Drive this within your business. Let your team know you are serious about the initiative.
- Look at this as a sales team solution.
- Get involved and make sure you have your sales team involved when rolling it out.



CRM Do's

- Start slow and grow. Focus on 2 to 3 areas you feel can improve the sales pursuit.
- Find a vendor that can bring business value not just software to the table.



Elements for a Successful CRM Implementation

- Understand that there will be a culture change
- Communicate to the TEAM the reasons and benefits for the TEAM
- Must be driven and lived by management
- Communicate and document company standards
- ***Start slow and grow***
- Commit to training

Determine the sales process improvements this technology will improve.



Takeaway



CRM should be driven by Sales!!



How do you justify making these changes in your company (Where is the ROI?)

- First thing I always ask is, “are you happy with current sales, sales processes and systems?”
If yes, then stay the course. If no, then what is going to be different tomorrow?”
- Is your business growing?
- Is your competitor’s business growing?



Areas for ROI

- Documented communication amongst your sales team? Team Selling!
- What is the cost of losing a sales person with no documented roadmap? Out-the-door knowledge.
- Time spent getting your arms around the forecast and new input every month.



Areas for ROI

- Time spent on truly qualified opportunities and not just chasing every opportunity or worse, only the high dollar ones.
- Increased Sales due to proactive follow-up process on quotes alone. This number is huge. Calculate a 1% increase!



ROI

Questions/Comments?



Summary

We covered a lot of material in short period of time. Here is a summary of:

- Takeaways
- Action Plan



Takeaway Summary



- Your perceived competitive edge may not be an edge at all.
- Focus to the “Front-End” of the sales cycle.
- New Load Input is NOT Pipeline
- Secret Sales Formula
 - *Sales Goal = Base Business + (New Input * Hit Rate)*
- Put Sales Focused KPI's in place.
- CRM should be Sales driven not Technology driven

Action Plan when you get back

- Sit down with management team or key people and grade your processes and focus on the different stages. (Blank Form)
- Do the Load Goal exercise. (Blank Form)
- Determine KPI's your company needs to focus on with regard to sales pursuit and put in place a system to monitor and manage. (Excel)
- Forms downloadable at www.selltis.com/SMA



Thank You

- Hopefully you are leaving with some things to think about and challenge your team with regard to the sales side of your business.
- Again www.selltis.com/sma for takeaway exercises.
- Give me your business card for e-Sales Tips



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