

The Sales Dichotomy



Many sales reps spend very little time actually selling. Instead, they allocate significant chunks of time to operational or administrative tasks. They follow up on stalled deals, pull together reams of paperwork for even the most straight-forward RFPs, or spend untold hours on myriad other back-office functions.

What's truly interesting is that this dichotomy is almost always self-inflicted. It stems mainly from management's choices with regard to sales policy, structure, and governance. On a deal by deal basis, these choices make customers wait longer than necessary and, generally, lead to poor customer satisfaction ratings. However, over a long-enough time horizon, these choices can lead to more impactful problems such as failed product launches, stagnant revenue, and poor strategy execution.

Companies in the markets we serve are certainly no exception. Sales teams are commonly the most unmanaged cost centers and, more importantly, highly underleveraged sources of growth and differentiation in many of the organizations we come across. That said, one only has to look at the complexity of sales transformations to understand why this is the case. They can be highly sensitive and time-consuming endeavors, and they are not to be taken lightly.

So we asked ourselves, what do management teams absolutely have to get right in order to make **meaningful and sustainable changes** to their sales operations? We answer this question along three dimensions:



Sales "Vision"

How do we better understand our customers and engage them with a well-conceived value proposition?



Sales "Actions"

How do we maximize time for selling and relationship building while minimizing time for operational / administrative tasks?



Sales "Talent"

How do we build and sustain our sales talent without disrupting current sales?

We focus this issue of *V2A Insights* on the key success factors for an effective Sales “Action” transformation because we believe this dimension is commonly underestimated and neglected vis-a-vis the other two. Working on sales “actions” can be tough, hands-on, highly time-consuming, and requires both aggressive commercial intent as well as a passion for process excellence and execution. In the future, we will address what we believe to be the key success factors of an effective Sales “Vision” transformation.

V2A’s Three Golden Rules for Successful Sales Process Transformations

Look Beyond Sales

Sales functions encompass far more than just transactional activities. Interdependent functions such as information technology, accounting, and human resources are equally relevant. Thus, management teams have to be sure to ‘map’ out their sales cycles in their most exhaustive form, taking into account all relevant pre-requisite and dependent steps. Using the broad view will allow the project team to identify the root cause of problems (e.g., governance, tool inadequacy, etc.), and to hone in on critical improvement needs to achieve the most meaningful and sustainable impact. For example, in some situations, sales process and tool upgrades may help to achieve short-term results, but revamping incentives and development planning could potentially unlock even greater and more sustainable value. In its full form, sales operations will likely be the organization’s most far-reaching function, so this step should not be underestimated.

Consider the Full ‘End-to-End’ Process

As a sales process is drawn fully, it is critical to determine how long it takes the company to go from one end of the sales cycle (e.g., prospecting, RFP response) to the other (e.g., billing, installation), otherwise known as ‘order-to-cash’ or sales ‘cycle time’. The objective is to minimize this time while avoiding discrete changes that may ultimately *increase* cycle time. For example, having each individual step take less time could lead to rework due to reduced quality or cause unwanted bottlenecks in the process. As such, a comprehensive solution will ensure that the end result is optimized for your most critical performance indicator. Conversely, quality measures or other such substitutes could be used in conjunction with cycle time, depending on the specifics of the situation. A key success factor to align this “end-to-end” view is to make sure the selected KPIs are visible and monitored by all participating functions. Performance evaluation (and remuneration) should be directly affected by these “end-to-end” KPIs.

Commit Fully!

A common mistake is to assume that the most senior sales executive is the best person to lead a transformation, and that he or she alone can handle the challenge. The truth is that an effective sales transformation will require a deep commitment (i.e., time and resources) from ALL senior

executives, and consensus around the notion that the transformation will be a continuous effort. For example, a revamped sales function will lead to numerous 're-think' opportunities throughout the organization, impacting areas as far-reaching as organizational structure, segmentation, territory planning or audit practices. As such, ALL executives have to commit to working together for these opportunities to bear fruit. On another level, the organization has to commit to 'sticking with' the new way of selling, in particular as old habits come creeping back in during complex or stressful transactions. It is common for sales teams to turn their back on new and untested processes when important clients come calling. They are quick to drop their new sales routines to meet the customer's demands, which are invariably defined by the company's old way of doing things (e.g., sales reps providing customer service). After all, customers are 'trained' in much the same way as employees and other critical stakeholders. If the transformation involves the delegation or centralization of certain functions, sales teams have to commit to the new structure even in the face of client demands.

As customers adapt and become more sophisticated in their demands and expectations, sales forces are compelled to keep up. However, management teams cannot rely solely on the sales team to determine how best to work with customers. Thus, the sales function has to be managed and optimized as aggressively as the organization's other most critical functions...after all, nothing will happen throughout the organization until something is sold.