SMOOTH SELLING FOREVER

Charting Your Company's Course for
Predictable and Sustainable Sales Growth

CRAIG LOWDER

INDIE BOOKS
INTERNATIONAL

CONTENTS

Section I

Pick a Problem:
Wasted Opportunities or
Stalled Growth?

"It is not the ship so much as the skillful sailing that assures the prosperous voyage."

— George William Curtis, American author and civil service reformer, 1824-1892

Typically a company's sales challenges can be reduced to one of two problems. The first is the ineffective handling of prospective deals resulting in squandered sales opportunities. The second challenge is a scarcity of qualified prospective deals that results in a disappointing lack of anticipated growth.

CHAPTER ONE

The Call to Have Predictable and Sustainable Sales Growth

Ed McConaghay, the CEO of Telident, had a problem they did not prepare him for at West Point or the Harvard Business School. He knew about battle plans and business plans, but what he really needed was a strategic sales plan.

Before being acquired by Teltronics Inc. in May of 2000, Telident, Inc. was a privately held company engaged in the design, manufacture, and marketing of proprietary hardware and software systems, which provide the exact location of a 911 telephone call to the emergency dispatcher at the public safety answering point who receives the call.

When I joined the organization as the vice president of sales, the cost of sales was out of control. The first challenge was the company only had a small sales team with limited band-

width responsible for generating their own leads. The second challenge was once a lead was generated, the sales reps were flying all over the country to sell a product that took a minimum of three face-to-face sales calls to close. The third challenge was a low lead-to-sale conversion rate, due to the fact the company was not leveraging its technology channel partners to open doors and assist with the sale.

It did not take a West Point graduate to determine this was no way to win the war. A different approach was in order.

A smooth selling approach was needed and fast. The strategic sales plan we put in place emphasized selling through channel partners rather than trying to sell directly to the clients of these channel partners. Our solution was to make our 911 product an add-on module that the channel partners could sell when they sold an on-premise telephone system/PBX.

The sales team was comprised of good people, but the wrong kind of people. Since we did not have the right people to support the sales strategy, we hired people who did. The sales team was made up of hunters, but what we needed was farmers. Hunters are good at selling direct, but

are not good at working with channel partners. The hunters' egos and need to control the sale get in the way.

Next we put a sales process, activity- and results-based performance metrics, and a sales training program in place. The theme was to create a culture of sales enablement.

In the first year, we added four strategic channel relationships that generated $1.8 million in new revenue, total sales increased by 78 percent, and productivity per sales rep increased by 65 percent.

Top Twelve Reasons Why Sales are not Growing as Expected

The challenges at Telident were not unusual. Over the past three decades I have studied dozens and dozens of small to mid-size companies where the selling was not smooth. Patterns began to emerge as to why sales were not growing as expected.

Based on my research, the following list of reasons is provided in reverse rank order, from number twelve to number one.

12. **No annual performance reviews.**
    An annual performance review forces a man-

ager to sit down and evaluate performance. This is the time to set goals for the following year. Then progress should be tracked and discussed minimally on a quarterly basis if not monthly. This also lays the foundation for performance improvement and, if necessary, termination.

11. **Over reliance on sales team to generate leads.**
Having sales reps fend for themselves when it comes to finding leads is an ineffective approach. While sales reps should always be on the lookout for good prospects, there should be an automated, digital lead-generation and lead-nurturing program in place to feed them qualified leads.

10. **Limited, ineffective sales skills training; sales mentoring is non-existent.**
A sales leader should travel with each sales rep regularly–at least monthly–to determine their competency. With that, knowledge and skills training can be customized to fit each rep's needs. The best training involves ongoing coaching and mentoring in addition to formal training sessions. Role-playing is an

excellent way to test a sales rep's ability to apply what he or she has been taught. Practice improves performance.

9. **Compensation plan doesn't incent desired behavior.**
   What gets rewarded gets done. The comp plan should provide the right activity- and results-based incentives. An effective comp plan is a win-win for the sales rep and the company. Another question to consider: will it help attract the right salespeople?

8. **No customer relationship management (CRM) system.**
   A first step is to determine the proper application of CRM for the team. CRM is not one size fits all, and should be customized to match the company's sales processes, sales support structure, and sales reporting requirements. This is the single repository for all sales activity and results reporting. The proper implementation of a CRM system enables multiple departments to see the status of sales activities and deal progression.

7. **Sales message doesn't differentiate from the competition.**

The company's sales message must distinguish the company from the competition by communicating unique value. To accomplish this, the message must be: (1) important to the prospect, (2) unique to your company, and (3) easy to defend against competitive attack. There are three messaging musts: it must be *simple*, it must be presented from the *customer's point-of-view*, and it must be *memorable*.

6. **Sales team is not staffed properly.**

The sales team must be led by a sales manager who is focused on building highly effective sales reps versus securing individual sales to achieve significant and sustainable results. There needs to be a proper structure to maximize sales, such as outside versus inside reps, reps that are hunters versus reps that are farmers, and direct sales versus indirect sales channel support reps.

5. **No short-term and/or long-term sales pipeline and forecasting tool.**

A sales pipeline and forecasting tool provides a bottom-up view for use by the company to forecast future sales, align costs with expected revenues, and accurately predict cash flow. Monitoring the sales pipeline is one of the most important duties of a sales manager.

4. **No weekly scheduled sales meetings for the group and one-to-one.**
   These meetings should be a learning experience designed to share success stories, what's working and what's not working, as well as to identify and resolve issues that are getting in the way of making sales. These meetings are the foundation of effective coaching and mentoring. Each member of the sales team should know what is expected of them each week. The sales leader should make sure everyone comes prepared to report on their expected deliverables.

3. **Sales metrics are not clearly defined.**
   Attention must be paid to how a company is keeping score of sales *activities* and *results*. This is how a company sets the proper performance levels it desires and provides a common scorekeeping system for what is

defined as good and bad. Furthermore, this is how to determine future success before it is too late.

2. **No defined sales processes.**
Each step of a company's sales processes must be clearly stated and documented. This creates a common language and understanding of sales success. It is vitally important to define checkpoints for each step in the sales process.

1. **No detailed sales plan that is understood by the entire sales team.**
The number one reason holding companies back from smooth selling is the lack of a sales plan understood by all. Remember this business adage? "The probability of hitting your goal is much greater if you have one." A business must know where it wants to go and when and how it wants to get there. A written plan must be created that includes three critical elements: (1) sales strategy, (2) sales support/enablement systems, and (3) sales organization structure and people (all of which will be discussed later in this book in chapters four, five, and six). The plan must

include clear deadlines and accountability for executing each and every plan component. This must be clearly stated in writing. No fuzzy thinking allowed.

Smooth Selling from the Beginning

Most of the stories in this book are wasted opportunity or stalled growth stories. But this also works from the get-go. When a company is in startup mode, then there is the opportunity to start smooth selling from the beginning. That was the case in 2002 for Gary Schafer, a serial entrepreneur with an MBA from Northwestern and a pedigree from McKinsey Consulting. In 2002 he co-founded and became the CEO of SIVOX Technologies, a Chicago area developer of simulation-based eLearning software solutions targeting Fortune 500 companies with inbound and outbound customer call centers.

When there is no market, a company needs to create one. SIVOX provided software and support services designed to help companies better recruit and train their call-center agents. The company's system, used in about eighty call centers nationwide, enabled call-center agents to

practice their call-handling skills through inter-active simulations.

As the vice president of sales and market-ing, I participated in the launch of this new com-pany. We designed and branded the product as a prepackaged software solution. With the strategy in place, the next task was to hire and train a sales force that could fill the pipeline.

The results were sales of $1.9 million with two Fortune 100 companies (MCI and Sprint) and a $20 million-plus sales pipeline within nine months of launch. We also won the Chicago Soft-ware Association's 2003 Early Stage Investment Conference Business Plan Award.

Smooth Selling Ahead

What is smooth selling? Think of the successful America's Cup yachting teams as the metaphor.

The America's Cup is the oldest internation-al sporting trophy, an ornate sterling-silver pitch-er awarded to the winner of the America's Cup match races. The trophy was originally awarded in 1851 for a race around the Isle of Wight in England, which was won by the schooner Amer-ica. The trophy was renamed the America's Cup

after the yacht and was donated to the New York Yacht Club with terms that made it available for perpetual international competition.

The history and prestige associated with the America's Cup attracts the world's top yacht designers, sailors, and crews. In addition, the race could not happen without the involvement of wealthy sponsors and partners. It is a test not only of sailing skill and boat design, but also of fund-raising and management skills.

What it takes to win the America's Cup yacht race can readily be likened to winning in sales.

Assess. The first step is to assess. In sailing you have to assess if you have the right technology and people. Yacht design and finding the right sailors is a constantly evolving science. In business you have to assess the four critical areas of sales operations: strategy, methodology, performance metrics, and people.

Design. In yachting next comes boat and sail design. That might mean a twelve-meter yacht, a ninety-foot multihull yacht, or a wing-sail catamaran. In business the second step is to design the right sales plan: sales strategy, sales enablement/support systems, and people. Different challenges call for different sales approaches. For instance, do you need a sales team of hunters or farmers or both?

Deploy. A third step is to deploy. The America's Cup sailors are some of the best trained athletes in the world. Before the sailing races begin there has been rigorous training and preparation. In business the third step is to deploy the sales team and support systems. They need to know what the strategy is and what is expected of them to win.

Execute. Finally comes the execution. Yacht races are not won on paper, they are won in the

water. While technology and strategy are important, the yacht captain must get the most from the crew in order to win. To succeed in business, the execution of the sales plan must be properly managed. The goal is to ensure the sales plan is executed as effectively as possible and that the sales team adopts the necessary sales processes and reporting systems. Like in sailing, this calls for leadership.

When it all comes together, that is smooth selling. I know because I have seen it happen time and time again. While the America's Cup metaphor helps explain the concept, rest assured this is not an all theory and no real-world application book. A pragmatic look at smooth selling is the focus of the next chapter.