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White Paper – Optimising your sales process can double your sales

Sales organisations can benefit immensely from creating and using well defined sales processes that closely mirror the way their clients want to buy from them.

*This is one of a series of papers on the techniques needed to build high-achieving sales teams. For more information on the topic, or to enquire about the workshop **Optimising the Sales Team**, (which reviews sales process optimisation as one of the six core topics covered) go to www.directional.biz or call Directional on 02 9983 0712.*

Research conducted by CSO Insights Inc with 1,300 companies indicates that those sales organisations with well-defined and used sales processes achieve on average 17% better performance than those without.

Here are the three main reasons for this.

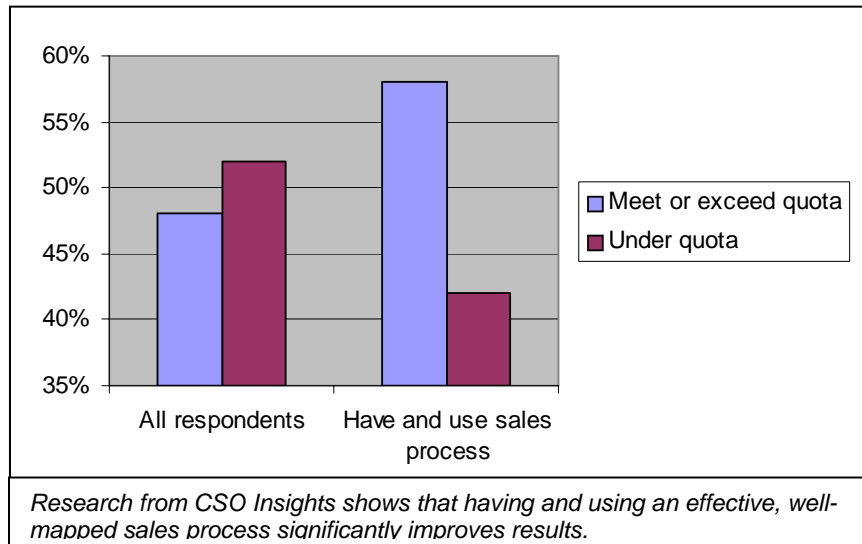
1. Improved performance of your average sales reps.

Pretty much every sales team has a few great performers. (Our sincere sympathies go to those of you that haven't!) These people have the skills, experience, tenacity and street-smarts to perform well without much direction. Perhaps 10% of your team fall into this category. 60% of sales people typically sit in the middle of the rankings. Some of these will hit target some of the time.

Coaching on sales skills and account / deal strategy can significantly improve performance, but it's a time consuming commitment. The bottom 30% of the team typically require the most sales support and time for the revenue they pull in.

It's these bottom two groups that can really benefit from sales process. Equally, it's these same people where a little good direction and structure can often yield a 30-50% lift in their performance in a relatively short period of time. If you're achieving that lift in results with 90% of your team, your results are going to significantly improve.

A good sales process is like a roadmap. It provides a consistent, repeatable model for achieving sales. It guides the salesperson through those steps that need to happen to maximise the chances of success. It's like having a sales coach working with every salesperson, on every deal, confirming key steps like qualification, needs clarification, decision-maker contact etc..



2. Shorten induction time

Recruiting new people into your sales team can be very time-consuming. Sales organisations typically have a ramp up period of 3-9 months before a new salesperson is fully productive. Transactional sales environments might be shorter, but a highly consultative sales environment, such as high-tech or professional services, could be far longer. Whatever your ramp-up time, having a well defined sales process will shorten this by walking your new hires through each step in the sale. You won't eliminate the need for product/service training, along with all the other components of induction, but you'll make it much more efficient if the fundamentals are built into your sales process. And if, as a result, you can trim a month or more off that ramp-up time, you're again lifting sales results by 10% plus for each new hire in their first year.

If you're suffering some turnover in your sales team, or you're looking to expand your team significantly, effectively defining your sales process is a must.

3. Improve sales forecast accuracy

Sales forecasts are suspect in many businesses. The optimistic salespeople over-rate win probability, while the pessimists might leave some opportunities off their forecasts altogether, perhaps because 'I didn't want to raise my sales manager's expectations.' Clearly, such forecasts are next to useless. For organisations that must manage inventory, demand or capacity issues based around these forecasts, such an approach can have significant financial implications.

A well defined sales process will have numerous unambiguous milestones that are not subject to whim when it comes to assessing win probability. And by revisiting these milestones on opportunities after they've been won or lost, the probability associated with each milestone will progressively become more accurate. Over time, sales forecasts will increase in accuracy, which results in a win-win-win for the salesperson, the sales manager and the business.

Start improving sales productivity today – optimise your sales process

The starting point for optimising sales process comes with a three step methodology review.

- A. How are you doing things now?
- B. How successful is this methodology / where are the weaknesses?
- C. How do we modify and implement an updated sales process?

Many organisations are not approaching this issue for the first time. They are often re-evaluating because a previous methodology has not been effectively taken on board by sales teams, or has become outdated and uncompetitive. Others are generating disappointing results from CRM roll-outs whose sales process capability falls short of what they thought they'd bought. With a few notable exceptions, most CRM systems manage sales process to a cursory level, if at all.

These results clearly don't mean the goal of optimising sales process is not worth pursuing. But they do mean it's worth undertaking professionally.

About the author.

Paul Howdle, Managing Consultant, Directional

Directional (www.directional.biz) is a sales performance and sales training consultancy based on Sydney, Australia founded and led by Paul Howdle. Improving sales process is a core focus of the consultancy, regardless of whether the client already has a CRM system or otherwise.

Paul is a business and management consultant with a broad skills-base gained from over 18 years in sales, consulting and executive management roles. He has worked with organisations varying in size from start-up to multi-national. He has so far trained over 1,000 people in areas such as business management and planning, finance, leadership, project management and sales. He also has significant experience in initiating and developing creative strategic partnerships and alliances with organisations ranging in size from small companies to multi-nationals such as IBM, Westpac and Optus.

Paul's straightforward approach to business has helped many companies grow and prosper. Highlights for him include being one of a three-man team that built a new business from scratch to contracting over \$76m in its third year. At the other extreme, Paul has assisted another return to profitability.

He has worked with many organisations both large and small around Australia and SE Asia, including IBM, Fuji Xerox, Telstra, Fujitsu, QBE, Allianz, Axa, BP, Caltex, Optus, Commonwealth Bank, Westpac, Deutsche Bank, Deloitte Touche Tohmatsu, Department of Defence, CSIRO and Pacific Power.

For two years, he was a guest lecturer at Australia's top business school, the Australian Graduate School of Management (AGSM), leading 2-day sessions on topics such as Strategic Management, Marketing, Financial Analysis and Leadership as part of their Executive Development Programmes.