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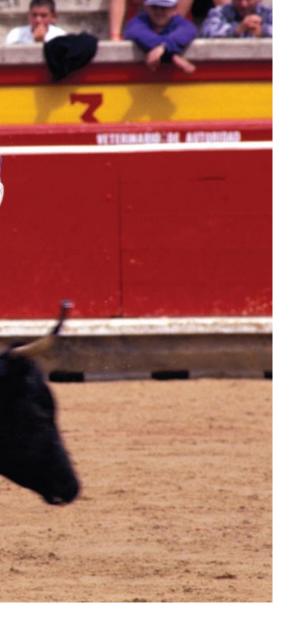
Turning your sales team into winners





TAKE THE CHALLENGE

In today's tough climate, many businesses think cutting costs is the only way to drive profits. But top line growth is still possible.





Clients who work with OC&C to transform the performance of their sales teams see considerable benefits including:

- As much as 10 per cent more face to face selling time
- Improvements to baseline sales team revenues of between 5 and 10 per cent
- Greater agility in pursuing new sales opportunities
- Improved staff retention and motivation
- Greater customer satisfaction leading to more repeat business.

A structured process to improve sales team productivity and deliver more sales is critical. There are four main components. You need to:

1. Segment and understand customers and prospects

The starting point for transforming any sales team is an enhanced understanding of the needs and value of prospects and customers. The approach that has delivered value time and again is an understanding of the Total Available Market (TAM), Sales Addressable Market (SAM), and Share of Market (SOM).

2. Give the sales team the chance to sell

By re-engineering the sales business process, you can maximise the amount of time that the sales team has in front of customers and prospects, in order to identify and capture opportunities for growth.

3. Get the sales team in shape

You need to re-organise and re-structure the sales team to reflect better the needs of customers and prospects, whilst playing to the strengths of the individuals in the sales team.

4. Give the team the tools and training

Make sure you equip the sales team with the right skills, tools and training to grasp more customer opportunities.

Many organisations try to re-structure their sales force without assembling the right fact base and without the necessary experience and expertise. This often leads to the creation of perverse incentives, de-motivated staff and worse performance.

SORT STOUT

1.

SEGMENTING AND UNDERSTANDING CUSTOMERS AND PROSPECTS

Companies need to profile their customers to ensure that they are focusing on the 'right' ones—the ones who offer sustainable profitability—now and for the future. In OC&C's experience, companies need to profile their existing and potential customer base at least every two to three years. Best practice account profiling uses the 'TAM, SAM, SOM' technique which is especially valuable in identifying sales opportunities.

Total available market (TAM)

Served available market (SAM)

Share of market (SOM)

It's possible to refine this account profiling approach with a needs-based segmentation to identify sales strategies for specific current and future customers.

Profiling customers in this way enables the sales teams to direct the right level of effort at each customer segment. There are those accounts which need to be either acquired or developed (probably more suitable to the 'hunters' of the sales team) and those that need to be retained or where you need to manage the cost to serve (probably more suited to the 'farmers').

Retain large customers that have relatively low growth – maintain focus but accept that whilst these customers are important to your existing business sales, growth is unlikely to come from this segment.

Drive those large existing accounts where there are significant growth opportunities — probably the most important group in the short term. Get the right sales people into these accounts as a matter of priority, find out why you don't have a greater share of their purchases (is it product coverage, incorrect sales relationships, price etc?) and fix it.

Develop those small prospective accounts that have a high growth potential – this is the group that is likely to produce the most important accounts for the future, so start to build those relationships now.

Manage the cost to serve for the small accounts with limited growth opportunities — probably the lowest priority group in terms of sales revenue, but we often find that they take a disproportionate amount of time and effort to serve. Investigate ways to encourage self service and if you have to dedicate sales resource to this group manage its time and cost carefully.

Focus the sales team on the high yield — most profitable — and high growth potential accounts, and maintain cost-effective servicing of lower value customers.

Account potential	High	Prospective accounts with high potential growth in untapped spend	Large accounts with significant growth opportunities
		DEVELOP	DRIVE
	Low	Small accounts with limited opportunity	Large existing slow growth accounts
		MANAGE	RETAIN
		Small	Large

Current size of account

WHEN DID YOU LAST RESEARCH YOUR CURRENT AND FUTURE MARKET SHARE? YOUR CUSTOMER NEEDS? HOW WELL YOUR PRODUCTS MATCH THOSE NEEDS? WHY ARE YOUR COMPETITORS SUCCEEDING?

IT'S EASY TO UNDERESTIMATE THE IMPORTANCE OF THE SALES BACK OFFICE

GIVING THE SALES TEAM THE CHANCE TO SELL

Crucial to increasing sales in almost any business is finding effective strategies to give the sales team more time in front of the customer. Back office management is the key. Best practice sales support, which can increase selling time in front of the customer by up to 10 per cent, provides three essential functions:

- Lead generation and qualification put simply, the better leads are qualified, the more likely the sales team is to close the sale
- Administration, backup and management the more effective this is, the more time the sales team has in front of the customer. It's not just about pre-sales support: it's crucial to have truly effective order management and post-sales support to ensure low order cancellation rates and maximise repeat ordering possibilities
- Setting the right incentive structure and compensation package sales staff can be highly motivated if the right incentives are in place.



It's easy to underestimate the importance of the sales back office. Remember that if the work (such as qualifying leads) is not being done in the back office, then either it's not being done at all, or it's being done by the sales team.

Frequently, if the back office processes are poor, sales people end up chasing non-payment of invoices, resolving account enquiries, generating and qualifying leads. The more that the sales team have to cover the lack of back office processes, the harder it is to hold them accountable for sales targets. There's always a ready-made excuse.



GETTING THE SALES TEAM IN SHAPE

Typically, members of the sales team are assigned to accounts on the basis of geography, account size or industry vertical. These factors have little to do with the demands of customers and are unhelpful when sales managers try to make decisions about the allocation of resources.

Frequently, it is not even clear how the sales team is arrayed against accounts and revenues: who owns which accounts, what the appropriate sales targets are and how account needs are expected to change over time. As a result, many organisations struggle to deploy their sales team to protect their most profitable accounts or to target their highest growth opportunities.

If there's an inappropriate allocation of accounts to sales people, there's a high probability that the incentive structure will also be out of kilter. Sales people will realise that bonuses are principally the result of

the allocation of accounts, not great sales performance. They will either spend their time de-motivated or angling to get the accounts reallocated.

Our approach is to structure the sales team around the customer profiling and segmentation outlined above and create a transparent system of clear accountability and incentives that will drive sales. Sales people are allocated in proportion to the value of accounts, ensuring low yield accounts are no longer over-serviced. This provides the opportunity to introduce meaningful incentives to reward good performance.

Most sales organisations promote their most successful sales people to management roles. It is often a mistake. The best sales people do not necessarily make the best managers. It's important to ensure that the re-structuring of the sales organisation takes place alongside the development of new skill sets in sales management.



GIVING THE TEAM THE TOOLS AND TRAINING

Beyond a quick induction, few companies offer the right support, tools and training to equip their sales staff. Too often, training is done on the job, which merely perpetuates bad habits that already pervade the sales culture.

Training should support the new organisation structures and must be geared up to deliver new sales targets. Alongside other transformational changes, businesses must revitalise training and develop sales guidelines and decision-making tools to get the most out of their sales team.

Many of these are basic: an appropriate level of industry knowledge, sales techniques (especially closing techniques), sales pipeline and reporting tools.

Others are company specific: product knowledge, ordering tools for placing and tracking orders, and understanding the strengths and weaknesses of the company's product portfolio.

TOO OFTEN, TRAINING IS DONE ON THE JOB, WHICH MERELY PERPETUATES BAD HABITS

TO SUM UP

In order to get the most out of your sales team you should:

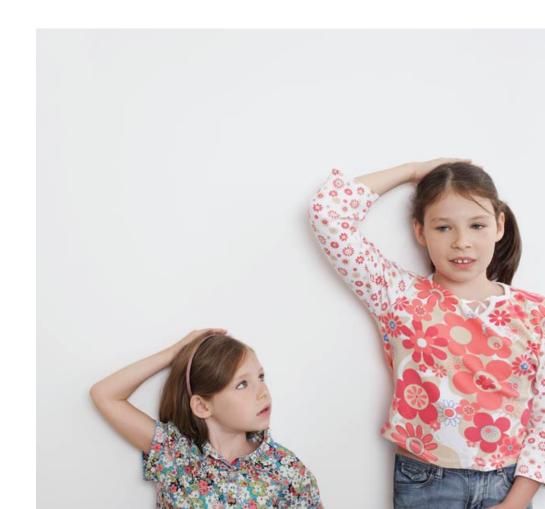
Target sales efforts at the right customers using a sophisticated segmentation approach.

Re-organise and re-purpose the back office functions to maximise selling time in front of the customers.

Set sales team structures and incentives in line with customer needs.

Equip your sales people with the right skills and tools to deliver results.

EVEN IN TOUGH TIMES, TOP LINE GROWTH IS STILL ACHIEVABLE



THE PROOF OF THE PUDDING

OC&C has worked on sales force effectiveness projects for a large number of clients across our international network. Selected projects include:

Regional media organisation

A regional newspaper group asked us to help revitalise traditional advertising sales and find new multimedia sales. There was considerable frustration within the sales and management team over the leads prospecting process. It was time consuming and contributed few additional sales. As a result, the sales team was under performing and losing motivation. The business was at risk because of an increasing reliance on relatively few customers.

OC&C helped turn things around by using a number of the tools outlined above, including a careful, fact-based diagnosis of the issues through a structured interview programme. We also identified key industry segments where penetration was poor. Important outputs of the project included a pricing and sales tool for new multimedia sales, a new leads prospecting tool and a better equipped, trained and motivated sales team.

To quote a member of the sales team: "I have a much more in-depth understanding of my region and have won some new accounts as a result."

International television advertising sales team

We worked with a television company to re-organise and re-focus its sales team to improve both online and offline advertising sales. It was crucial to identify those geographies where online sales were subscale. In these geographies the most effective sales strategy was to partner with an external agency, whereas in the other regions it was more profitable to build an internal online sales force. OC&C helped plan the transition from an outsourced model to an in-house one as volumes grew.

OC&C also helped re-structure the online and offline sales teams in each of the geographies to ensure the sales teams were as cost effective as possible.

International telecoms business

A major international telecoms operator retained us to re-organise and re-structure its sales team, with particular attention to complex international and cross divisional sales efforts. This sales team re-organisation included an international team of more than 100 people selling B2B products and services. The programme transformation encompassed customer segmentation, incentives and remuneration, as well as equipping the sales team with tools to increase their effectiveness. The result was more effective customer service, increased sales and a better motivated, less costly sales team.

Leading budget hotel chain

The original sales strategy had been to drive enquiries to the local hotel to leverage both the local knowledge as well as the downtime of receptionists in the hotels. This proved to be a false economy — it was a low cost physical reservation channel but suffered from lost enquiries when the local hotels were busy and from poor conversion if the hotel did not have availability.

The review assessed the efficiency and effectiveness of all sales channels and ultimately the design of the centralised sales model. The impact was significant, delivering £2.3-4.5m to the bottom line, in an environment where the chain was already significantly capacity constrained. Investment in the website and central contact centre was doubled and accelerated. A successful pilot for 20% of sites confirmed the value of the initiative.

Facilities management provider

The end-to-end review of the sales bid engine process for a leading UK FM services provider focused on initial marketing through to tender identification and short-listing, effective bidding and on-going account penetration. The goal was to move to a more focused and productive use of the sales resource appropriately scaled, informed and organised.

Recommendations included an improved process to identify, select and prioritise bids, the construction of new pricing rules as well as an organisation redesign of sales participants and their activities. The in-depth review delivered a threefold increase in sales performance.

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