



RESEARCH INSTITUTE

# THE PURSUIT OF WORLD-CLASS PERFORMANCE

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2014 MHI GLOBAL SALES BEST PRACTICES STUDY

EXECUTIVE SUMMARY

## THE PURSUIT OF PERFORMANCE: BEHAVIORS THAT DRIVE WORLD-CLASS SALES PERFORMANCE

**Like any sport, sales has clear winners and losers.** Every sales professional, team and organization plays a different sport defined by the products, solutions and capabilities they sell, the markets and geographies into which they sell and the buying influences with which they connect. The game takes on different forms and is played in a variety of ways, but it always comes back to winning. Winning the account, winning the opportunity and winning the rewards.

**Like any sport, sales has rules.** Cost of sales and headcount are the rules the sales leader must play by. For the sales professional, the compensation plan defines how to win. Sales has a playing field, be that a market, geography, territory or account list. And in sales, as in all competitive sports, score is kept. Every sales role carries a quota and produces revenue. It's called performance. Performance measures winning.

**Like any sport, sales has opponents.** Competitive salespeople and sales organizations are working just as hard, are just as focused and are just as motivated to win the opportunity, account and market share. Sales is the only function in the enterprise where there is an external force actively, aggressively and relentlessly trying to prevent you from winning. In sales, you compete as an individual, you compete as a team and you compete as an organization. Performance is directly related to your ability to compete, at every level.

**Like any sport, sales requires strategy.** You can't simply show up, give a canned pitch and expect to win. You need a game plan: a customer-management strategy supported by a business-management strategy. Customer-management strategies define how you connect and engage with customers and prospects. Large sales organizations will deploy multiple customer-management strategies to engage each of their customer segments. Business-management strategies measure, manage and drive sales performance.

World-Class Sales Organizations and high-performance sales professionals are consumed with the relentless pursuit of performance. Like world-class athletes, they compete and collaborate every day, defining themselves by their performance. They monitor the critical customer metrics that drive World-Class Sales Performance such as qualified leads, new-account acquisition and average account billing. They analyze such business data as year-over-year customer growth, quota achievement and forecast accuracy. Our research shows that World-Class Sales Organizations have outperformed all others by an average of 20 percent against these key metrics over the last four years. Achieving and sustaining World-Class Sales Performance throughout the sales organization demands a culture of performance.

Now in its 11th year, the *MHI Global Sales Best Practices Study* captures and measures the behaviors, attributes and performance of World-Class Sales Organizations, providing the foundation for benchmarking organizations against World-Class Sales Organizations and other data segments including industries, geographies and sales roles.

In 2013, our research identified three attributes of World-Class Sales Organizations, each corresponding to a cultural component that drives the behaviors and attitudes of the organization. Customer Core defines how the organization will connect and engage with customers. Collaborative Culture dictates how the people in the organization will work together with customers and each other. Calibrated for Success clarifies what the World-Class Sales Organization measures, recognizes and rewards. These attributes are the cornerstones of a sales performance culture.

Building on the organizational attributes defined in the 2013 study, the analysis of the 2014 responses and data identifies three categories of sales behaviors that define World-Class Sales Performance. Connecting those behaviors with the attributes of World-Class Sales Organizations creates the framework for a performance-oriented sales culture. A culture that knows how it wants to connect and engage with their multiple markets, accounts and buying influences. A culture that knows how it wants to work together and a culture that knows what to measure, recognize and reward. This becomes the framework for a sales performance culture.



## WORLD-CLASS BEHAVIOR: PROVIDE A PERSPECTIVE

World-class performance in any sport is the result of knowing and executing a winning strategy. All the natural abilities, hours of practice and heroic effort are wasted if the athlete does not follow, or worse yet, does not know the plan for winning. A comparable opponent executing a winning strategy will outperform a team that lacks a cohesive game plan, every time.

World-Class Sales Performance is the result of a winning strategy for connecting, engaging and interacting with the market, prospects and customers. Sales professionals differentiate themselves and become a key resource to customers by providing valued business perspectives, specific to the customer and their strategic issues. Poorly trained or inexperienced salespeople lead with a product pitch, extolling the features, benefits and advantages of their product or capabilities. Others will upgrade the pitch, delivering a presentation that speaks to general market trends, personas and business issues. World-Class Sales Performers take it to the next level by providing perspective.

Every customer operates in a different environment, with a different set of internal variables that describes and defines them. Before sales professionals can provide perspective, they must learn as much about the customer's context as possible. That sets the foundation for understanding and connecting to the customer's concept or vision of what they want to fix, avoid or accomplish. Presentations, usually created by someone in marketing, attempt to connect to the customer by describing how solution capabilities have solved problems or delivered results for similar customers. World-Class Sales Performance is achieved when sales professionals adapt these resources to provide a value-rich perspective to this customer's business issues in the context of their environment.

Providing perspective is based on the situational context of the account and an understanding of each Buying Influence's individual concept of how to reach the business objective. While context is common to the organization, concepts have to be unlocked in conversations. When connected to the often cross-functional decision team, connecting to individual concepts enables the sales professional to win the business by providing a perspective aligned to the specific customer's needs and desired results and tailored to their personal wins.

Providing perspective demands that sales professionals combine their professional sales competencies, business acumen and experience with their knowledge about each customer. Experienced sales professionals have been through many similar customer situations and have developed an understanding of what it takes to achieve customer goals and ambitions. They maintain an in-depth knowledge of how their capabilities deliver customer success and how success manifests itself for different customers. They do not waste their natural abilities, hours of practice and heroic effort by not following or, worse yet, not knowing the strategies that win.

**Cultural Question: How do you connect and engage with your customers and prospects?**

**Reference Point:** We clearly understand our customer's issues before we propose a solution:

### 2014 FINDINGS

93%

WORLD-CLASS SALES PERFORMERS



48%

ALL RESPONDENTS

### 4-YEAR AVERAGES

92%

WORLD-CLASS SALES PERFORMERS



45%

ALL RESPONDENTS

## WORLD-CLASS BEHAVIOR: CONSCIOUS COLLABORATION

Even the most individual of sports requires collaboration and teamwork to achieve world-class results. Coaches, practice partners and trainers all work closely together, combining their expertise to improve the performance of the athlete. Although championship teams consist of individual athletes, they are often defined by their “chemistry” and teamwork. Teams win championships because of how well they work together, synchronizing their individual strengths into a cohesive unit.

Conscious collaboration within sales requires more than a teamwork poster on the wall and salespeople, managers and subject matter experts all playing nice together. The purpose of conscious collaboration has to be defined. Sales teams don't collaborate for the sake of getting along; they collaborate so they can achieve better results in a shorter amount of time. Collaboration requires a framework that codifies winning customer-management strategies. By defining this framework, the extended sales team is able to focus on the customer instead of constantly needing to adapt to random, judgment-based tactics driven by individual sales professionals.

Conscious collaboration begins with the customer. World-Class Sales Performance is the result of working closely with customers, understanding their context and concept to craft a solution. Effective customer-management strategies are designed to promote collaboration with the customer, not product pitches. The salesperson or team that works most closely with customers to adapt the solution to the customer's context and concept often wins the deal. Longer-term, future opportunities and mutually beneficial customer relationships demand continued collaboration.

World-Class Sales Organizations differentiate themselves from their competitors by their ability to quickly deploy resources to customers and opportunities. These sales teams use a common framework, language and terminology when they discuss how to connect to the customer and their issues. They analyze the customer's specific context and challenges beforehand, they leverage common messaging and value statements that align solution capabilities to the customer's desired outcomes and concepts, and they rely on a shared knowledge base to bring insight to the customer's needs. The perspective they add with their collective knowledge far exceeds the individual perspective contributed by even the most experienced sales professional.

Conscious collaboration at the organizational level is evolving beyond the internal, personal knowledge networks every salesperson uses to access information, intelligence and resources. As social technologies become more pervasive, the social sales community will emerge, providing the organization with a collaboration platform for the exchange of relevant content, insights and best practices. Sales force automation (SFA) systems provide a place where the sales professional can share account data and opportunity status. Integrating customer-management strategies and knowledge-management capabilities with SFA to create a collaborative platform is where the real journey toward conscious collaboration begins.

### Cultural Question: How do you work together?

**Reference Point:** Our organization collaborates across departments to pursue large deals:

#### 2014 FINDINGS

94%

WORLD-CLASS SALES PERFORMERS



43%

ALL RESPONDENTS

#### 4-YEAR AVERAGES

93%

WORLD-CLASS SALES PERFORMERS



46%

ALL RESPONDENTS

## WORLD-CLASS BEHAVIOR: PERFORMANCE ACCOUNTABILITY

Performance is the metric that separates world class from all others. World-class athletes know precisely what it takes to achieve and sustain world-class performance. Championship teams know they can't just show up and expect to win. Every day, they practice the fundamentals and skills of their sport. They tirelessly monitor their performance metrics and prepare winning game strategies. World-class athletes hold themselves to a higher level of accountability, professionalism and performance than everyone else. World-Class Sales Performers do the same.

World-Class Sales Performers hold themselves accountable at every level. They strive to be masters of their customer-management strategies. They are fluent in their products and capabilities and the value messages that define them. They work closely with peers, managers and support resources, collaborating in pursuit of shared goals. But above all, they hold themselves accountable for their performance, and they accept no excuses.

World-Class Sales Performers are first and foremost accountable to their customer. They know that sustained World-Class Sales Performance requires more than closing deals. They follow through with their customer, applying the lessons and experiences they have learned from other successful engagements. They understand that their future success is predicated on ensuring their customer's success.

World-Class Sales Performers also hold themselves accountable to the standards and expectations set by their frontline sales manager (FSM). They recognize that the FSM relies on timely and accurate business updates to manage the business. They deliver on forecast commitments and maintain current and accurate funnel data. They are prepared for business reviews. They pride themselves on being a professional salesperson, and they demand continuous coaching from their FSM to leverage their full potential.

In turn, FSMs must be accountable for the performance of their team and their contribution to the sales organization. By insisting on the regular and natural use of the customer-management strategies, FSMs become the filter that ensures forecast accuracy and funnel confidence. If FSMs avoid accountability for numbers, activity or performance, that attitude will permeate their teams.

Ultimately, it is the sales leader who must hold his or her team accountable for results because the sales leader is accountable to the CEO. Accountability is a critical element in a sales-performance culture. There is a difference between accountability and performance. Performance is the result. Accountability, from the sales professional to the sales leader, ensures that the discipline, activity and focus are all in place to be world class.

### Cultural Question: What do you measure, recognize and reward?

**Reference Point:** Our sales performance metrics are aligned with our business objectives:

#### 2014 FINDINGS

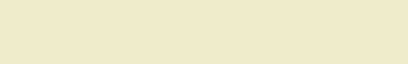
93%

WORLD-CLASS SALES PERFORMERS



48%

ALL RESPONDENTS



#### 4-YEAR AVERAGES

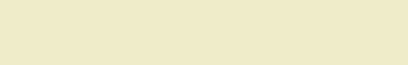
92%

WORLD-CLASS SALES PERFORMERS



43%

ALL RESPONDENTS





## DEFINING WORLD-CLASS SALES PERFORMANCE:

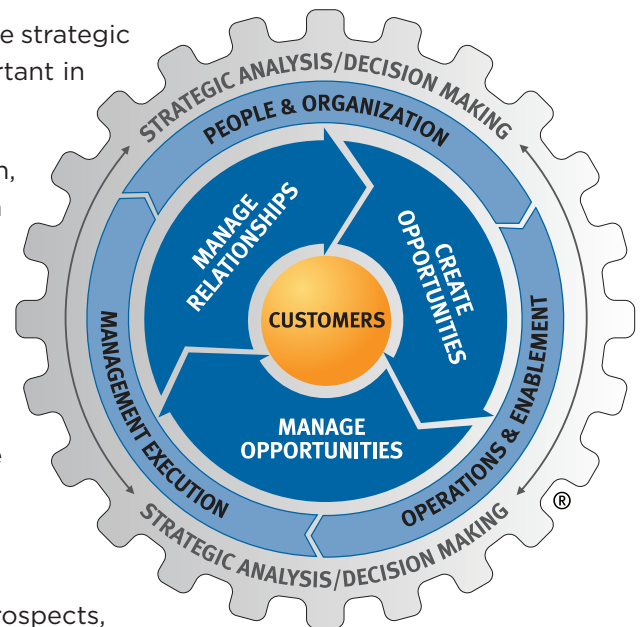
World-Class Sales Performers represent a segment of sales professionals that consistently leverages a specific collection of behaviors that result in improved sales performance. The population of World-Class is an exclusive segment of our annual research that provides an aspirational benchmark for other organizations that are working toward achieving high-performance results. Not only are these World-Class Sales Performers consistently engaging in these high-impact activities, they also see results through better performance in the key metrics traditionally measured by sales organizations. World-Class Sales Performers outperformed All Respondents by more than 22 percent in key metrics, the most significant of which are listed below:






- ✓ **Number of Qualified Opportunities**
- ✓ **YOY Existing Customer Growth**
- ✓ **New Account Acquisition**
- ✓ **Quota Achievement**
- ✓ **Average Account Billing**
- ✓ **Forecast Accuracy**

Each year, the *MHI Global Sales Best Practices Study* investigates the strategic issues that World-Class Sales Organizations report are most important in differentiating themselves and producing superior results.

A strategic issue is a complex question that requires research, data, perspective and knowledge for the sales leadership of an organization to be able to answer within the context of their organization.

The study begins with a set of questions derived from the best practices we observe in the organizations we work with as well as through our analysis of emerging trends in global business-to-business (B2B) sales. The study is organized and analyzed by the following elements of the Sales System:



-  **Create Opportunities:** Targeting and gaining access to prospects, scoping their needs and qualifying opportunities
-  **Manage Opportunities:** Allocating resources to qualified opportunities and managing the sales process through closing
-  **Manage Relationships:** Protecting and growing strategic accounts
-  **People and Organization:** Organizing, staffing, developing and managing a high-performance sales force
-  **Operations and Enablement:** Providing infrastructure and programs to increase sales productivity and drive sales force transformation
-  **Management Execution:** Aligning the organization and driving the behaviors essential for success

The following pages look at behaviors organized by these elements of the Sales System.



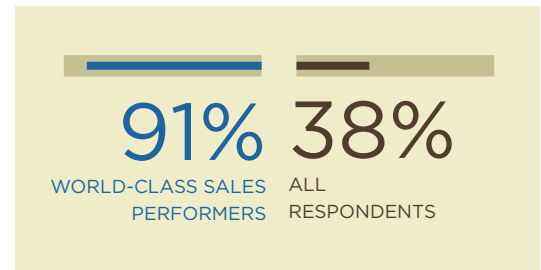
## CREATE OPPORTUNITIES

Regardless of their role, all sales professionals are tasked with creating their own opportunities. On average, sales professionals typically get 15 to 30 percent of their leads from marketing; the rest they must generate for themselves. The majority of attention is paid to new account acquisition, but for sales professionals with existing clients, creating new opportunities requires a different strategy and messaging. Cross-selling existing capabilities into a new division, or to a different customer business unit, combines attributes of new-account prospecting with various nuances of account management. Introducing new capabilities or products into current clients or upselling larger, more comprehensive solutions requires distinct skills, tactics and strategies. Account-based marketing—developing account-specific marketing strategies for existing accounts—presents yet another marketing competency for sales professionals to master.

### Top Initiatives for Increasing the Number of Qualified Opportunities

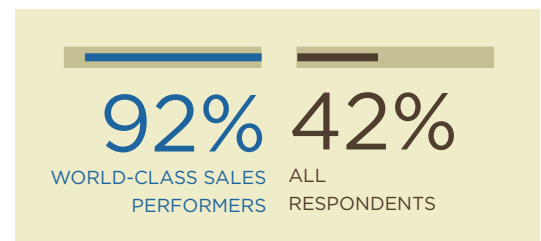
*“Sales and Marketing are aligned in what our customers want and need.”*

The lines between sales and marketing become less clear every day. The messages marketing broadcasts into the market through branding, website content and marketing campaigns must be coordinated with the messages the sales professional shares when connecting and engaging with clients and prospects on a one-to-one basis. When sales and marketing are aligned, field-level feedback flows into and through product development and messaging.



*“We have a formalized value proposition that is very compelling to our prospects.”*

Increasing the number of qualified opportunities is achieved through a variety of prospecting tactics including cold calling, reference selling, email campaigns and now, social selling. Regardless of which sales role is applying them, prospecting strategies and tactics require a value message that appeals to the context of the targeted Buying Influence. Value statements, which connect industry, role and business challenges or opportunities, set the context for customer engagement.



**Strategic Issue:** How will social technologies change opportunity creation?

**Strategic Focus:** Social Selling

Social selling, the use of social-media technologies to connect and engage with prospects, is another skill set sales professionals must master. It begins with maintaining a professional social presence on LinkedIn by creating a profile that presents the right image and sharing value-added content with the community. In its more advanced application, social selling provides another way to identify and create opportunities. Sourcing new prospects, seeking



out information about them and making contact in a social environment often requires the sales team to develop new social selling skills. For example, once a prospect is identified, setting triggers to alert the sales professional to activity or interest provides a new source of prospect intelligence and an opportunity to connect and engage. Like cold calling, email campaigns or traditional means of opportunity creation, the goal of social selling is to advance from a one-to-many broadcast campaign and message to a one-to-one human interaction.

The use of social media to share meaningful, relevant content with the Buying Influences within existing accounts creates another sales and marketing intersection. Account-based marketing strategies must include a social component to develop, nurture and promote the key messages, value statements and customer validation messages. Content curation becomes yet another required skill. Account-based sales professionals will need to learn how to navigate the connections they maintain within their accounts to uncover how those connections might provide access to new Buying Influences. ■



## MANAGE OPPORTUNITIES

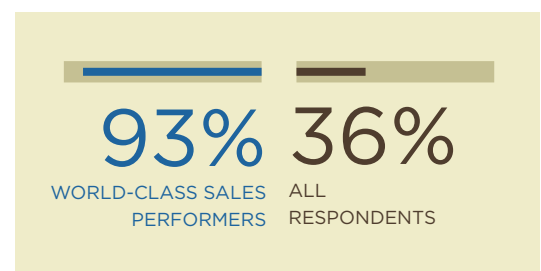
While much has changed about the way customers and prospects acquire information, the strategies, tactics and activities of opportunity management have not. Customers and prospects can review all of your marketing content before they engage with a sales professional. They can read all the product sheets, white papers and customer case studies. They can view on-demand webinars whenever they want. This increased access replaces the sales professional's role in providing general information.

What hasn't changed is the need for sales professionals to translate these capabilities into the context of their customer. Every customer makes decisions differently and for different reasons. The activities, comparisons and decision points are common from buyer to buyer, but each buyer works in a different environment and has a unique concept of the business value and benefits they expect to receive from any product or capability. This demands a sales professional who is fluent in the proven strategies for opportunity management.

### Top Initiatives for New Account Acquisition

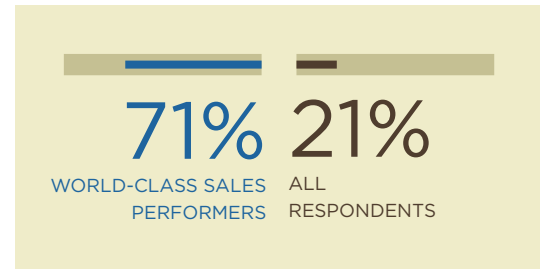
*"Our organization is highly effective in allocating the right resources to pursue large deals."*

Recognition of what constitutes a large or complex deal and how to prioritize scarce resources requires a shared understanding of the customer context, desired outcomes and where they are in their decision dynamic. The sales professional, manager and other resources must review and assess each opportunity through the common lens of the organization's customer-management strategies. In the absence of the natural and regular use of these strategies, it's the squeaky wheel that gets the resources, not the opportunity where they can have the greatest impact.



*“When we give price concessions, we always get comparable value in return.”*

There is a radical difference between granting price concessions and discounting. Discounting is a tactic of last resort for the pitch-first salesperson who delivers a message provided to them but fails to understand the customer’s context and perception of value. World-Class Sales Performance is the result of connecting the value of your capabilities to the customer’s concept of value. A component of that is the expression of value in terms of money.



**Strategic Issue:** How will the sales professional achieve a knowledge advantage?

**Strategic Focus:** Achieving a Knowledge Advantage

Prospects, clients and competitors all have easy access to the same pool of publicly available content. Everything marketing posts about your capabilities, business value and client success can be found on your website. There is also a wide assortment of independent blogger, journalist and analyst content on the issues, trends and provider options available on the Web. The challenge for the customer is to distill all of this information, separating what is meaningful and relevant to them from what is random noise. Some customers will do exhaustive research. Others may take a more ad hoc approach, with different Buying Influences performing different levels of research. Either way, the sales professional must assume the customer has reviewed all of your public content as well as your competitor’s.

In the competitive landscape of sales, the sales professional must develop a knowledge advantage to be perceived as the key resource by the Buying Influences. Buying teams engage in decisions once every two to four years for most product cycles. Sales professionals, on the other hand, spend their working lives in the market. They receive advanced training on topics ranging from vertical insights and business acumen up to advanced sessions on how to map capabilities to the customer context and concepts. In addition, sales enablement provides them with a world of information, intelligence and knowledge resources. A competitive knowledge advantage is achieved when the sales professional builds on the base information available to the public by applying his or her experiences with other buyers who have solved similar problems. By connecting the value others have received to the current customer’s context and concept, the sales professional adds perspective and value not only to the buying process, but to the entire customer journey. ■



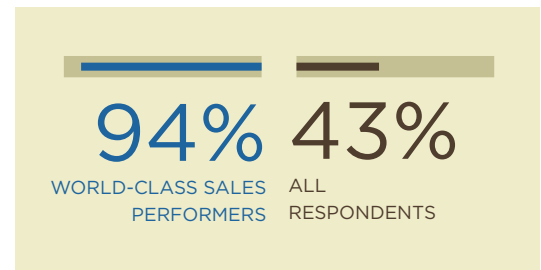
## MANAGE RELATIONSHIPS

Existing customers represent a major contribution to revenue in most sales organizations. Sales professionals recognize the importance of developing and maintaining these relationships as the foundation for growth. While the focus is initially on the opportunity and what it takes to close it, they know that the hard work begins once the deal is done. Customers make decisions based on anticipated benefits. Ensuring that the promised value is delivered and that the customer can accomplish the desired outcome is a prerequisite to winning additional business. Any attempts to cross- or upsell into the account will only be successful if the implementation of existing products and capabilities fulfills the customer’s concept of success.

## Top Initiatives for Increasing Average Account Billing

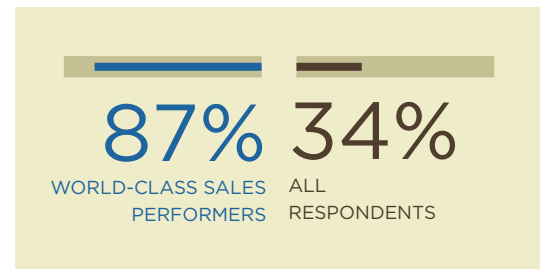
*“Our organization regularly collaborates across departments to manage strategic accounts.”*

Managing and growing large and strategic accounts is a team effort, involving the collaboration and participation of multiple resources beyond sales. Synchronizing customer management requires that the extended account team shares a common view of the account, contacts and customer strategies in play. When the framework, structure and terminology are consistent, the various resources can quickly move from account to account, focusing on the individual customer instead of deciphering each individual sales strategy or message.



*“We jointly set long-term objectives with our strategic accounts.”*

Developing and maintaining long-term, mutually beneficial relationships with customers requires that sales professionals be perceived as more than just a sales rep. They must become a key resource for the customer by understanding their goals, priorities and strategic vision. With a clear understanding of the customer’s long-term objectives and strategic initiatives, sales professionals are better able to provide perspective on how products and capabilities align to the customer’s vision and can help them reach their goals and desired results or outcomes.



**Strategic Issue:** How will sales professionals manage and enhance their customer relationships?

**Strategic Focus:** Managing the Customer Community

Relationships matter in sales. Customer accounts are made up of various Buying Influences that change over time as individuals change roles. Maintaining awareness of changes to the Buying Influences and how they are interrelated requires constant monitoring. A newly promoted Buying Influence may not have the same concepts, perspectives and loyalties as the previous influence. To be successful, the sales professional must proactively connect to new Buying Influences, explore their concepts of success and share important perspectives and information to develop and maintain their awareness and foster positive perceptions. Of course, sales professionals must also make sure that the implemented products and delivered services produce the desired results.

When done manually, nurturing a large and diverse customer community can be time consuming and a distraction from other revenue-generating opportunities. It requires sales professionals to leverage sales technology to connect their portfolio of Buying Influences into a customer community. Sales force automation simplifies contact management and allows for the creation of power maps, group email lists and campaigns. In addition to curating publicly available content, sophisticated marketing organizations develop content expressly for the sales professional to share via these channels. Along with regular personal interactions, sales professionals must master the functional capabilities of sales technologies to influence the influencers. ■



## PEOPLE AND ORGANIZATION

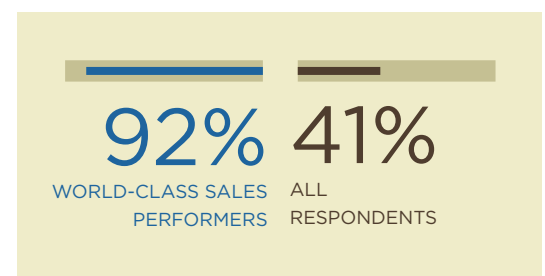
Even in the most transactional selling environment, no sales professional functions alone. In large and strategic accounts, these professionals are supported by the organization that surrounds them and must be team players to succeed. Their teammates and peers face similar challenges in common customer interactions. The frontline sales manager (FSM) is the connective tissue that allows these professionals to share and learn from each other. While each sales professional is working on his or her individual accounts and being rewarded for individual achievement, the FSM is measured based on collective results.

In addition to the FSM's frontline responsibilities, sales operations and sales enablement provide the next level of organizational support. By establishing an underlying technology platform to provide enablement services designed to improve the performance and productivity of the sales professional, these functions drive productivity and transformation toward a consciously collaborative, 21<sup>st</sup>-century sales force. The prioritization and organization of these resources require a careful balance between cost and impact.

### Top Initiatives for Increasing Year-Over-Year Customer Growth

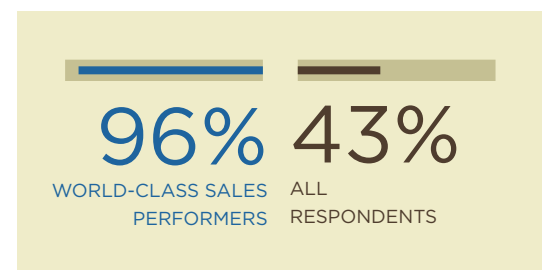
*"We know why our top performers are successful."*

World-Class Sales Performance is judged by the numbers, but numbers rarely tell the entire story. Metrics cannot be managed; they can only be measured. There is no single defining quality or attribute of the top performer. Rather, it is a combination of process, skill and knowledge, supported and powered by experience, that leads to success. Understanding why top performers consistently overachieve requires analysis of the behaviors they exhibit and the activities, strategies and tactics they leverage every day. Only this level of insight can distinguish good performance from world class.



*"Our management team is highly effective in helping our sales team advance opportunities."*

Sales management can be viewed as an asset or a liability by the sales professional. Sales professionals quickly separate those managers who are able to help them win business through effective and regular coaching from those simply seeking data to satisfy requests from higher-level management. To be seen as an asset, sales managers must be masters of the customer-management strategies. They must also be knowledgeable about the market, job roles and business issues that customers face and be fluent in mapping product and service capabilities to customer concepts. Before the FSM can be an effective business manager and coach, he or she must be respected and valued as a sales professional who reflects world-class sales behaviors.



## Strategic Issue: How will sales organizations connect to their customers?

### Strategic Focus: Managing Multiple Go-To-Customer Models

How to connect with customers is one of the most important decisions a sales leader makes. Rarely does a single model work across the organization. Strategic customers require an approach that is different from that of large or midsized accounts. Penetrating small and midsized business markets is often much more transactional than developing cross-sell opportunities in established customer accounts. Exhaustive customer/market segmentation exercises help to distinguish customers and markets from each other. The type of relationship formed and the level of connectedness sought are functions of deciding what the organization can afford and then choosing the best possible approach for connection and engagement.

The balancing of resources to market opportunity has to take into account the customer-management strategy that best serves each market segment and customer. In the transactional world, sales professionals can't afford exhaustive account plans as they support a large number of customers and must be constantly prospecting, selling and closing opportunities. Conversely, in the world of strategic accounts, the sales professional must spend more time in planning and preparation for each account and interaction. Account management here is a strategic effort to create new business. Sales organizations must develop and maintain multiple go-to-customer models to balance the needs of customers with the availability of sales resources. ■



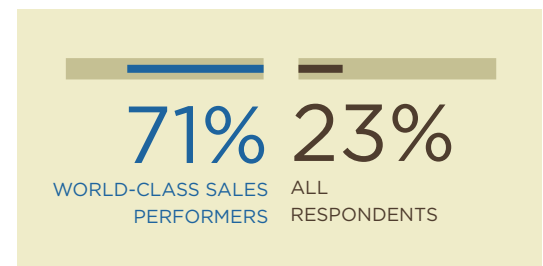
## OPERATIONS AND ENABLEMENT

The mission of sales operations and enablement is to improve the performance and productivity of the sales organization. Investments in these functions can be leveraged across the entire sales organization. Repeatable, sustainable organizational performance is achieved through the creation and advancement of a sales framework that combines and integrates the expertise of these functions and powers them with sales technologies. This infrastructure is the salesperson's lifeline to critical customer data, product/solution information tailored to typical customer challenges, specialist resources and the specific knowledge he or she needs to succeed. It is also the central nervous system of the organization, aggregating forecasts and funnels, populating dashboards and reports, and providing a platform for collaboration.

### Top Initiatives for Increasing Quota Achievement

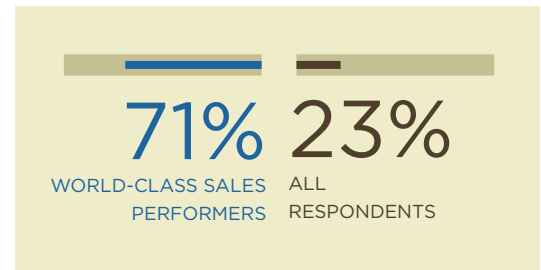
*"Our sales compensation policies are aligned with our business objectives."*

The link between business objectives and income opportunity is a cornerstone of sales performance. The opportunity for accelerated compensation that comes with overachievement drives World-Class Sales Performers. Take variable compensation out of sales, and you'll lose top performers.



*“Our sales team consistently relies on our knowledge management system as the single source for collateral and information.”*

In a world of information abundance and overload, sales professionals cannot afford to search multiple portals: one for customer information; another for product, solution and value messages; and still another for the right knowledge source. In the absence of a world-class knowledge management and enablement system, sales professionals are forced to spend valuable time recreating content when they should be focused on customizing the content to their customer’s context.



**Strategic Issue:** How can understanding the customer context enable the salesperson to provide perspective?

**Strategic Focus:** Enabling Customer Context

In complex sales, knowing and understanding the customer’s context are essential for a successful sales conversation. Context is the surrounding information that helps define the customer’s environment and current situation. Every customer is different, and while there are commonalities, the sales professional must be able to identify that which is unique. The customer’s context at the organizational level sets the foundation for individual concepts of what they are trying to fix, avoid or accomplish. The uniqueness of each customer’s context requires the sales professional to adapt the content, collateral and messages provided by sales enablement to the customer’s context and concepts. This allows sales professionals to create value for customers by providing perspective.

Sales enablement can provide much of the background information on the customer’s context by basing it on profiles of customers who have achieved success through your products. The vertical markets and types of customers who have chosen your products and capabilities define market context. Customer job roles and functions can also be contextualized based on the usual Buying Influences involved in the decision dynamic. There are also typical business problems and issues that your products and capabilities address that can be mapped to roles and functions. The creation of content and collateral along those lines minimizes the amount of customization required by the salesperson while providing sufficient flexibility to adapt to each individual customer. ■



## MANAGEMENT EXECUTION

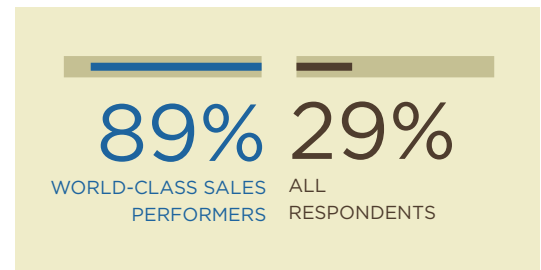
The frontline sales manager has long been recognized as having one of the toughest, yet most critical, roles in B2B sales. These sales managers are caught between the political rock of management and the hard place of field sales. They are on the “front line,” where salespeople and customers meet and where the major work of the sales organization is done. Effective frontline sales management is key to many crucial functions: sales performance, strategy execution, employee development and retention, customer satisfaction, loyalty and revenue growth. The FSM is the last stop for communicating strategy and enabling employees to succeed. Frontline sales managers’ strategic position makes them the main driver of business results.



## Top Initiatives for Improving Forecast Accuracy

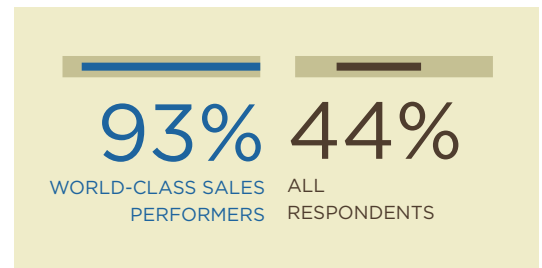
*“We leverage the best practices of our top performers to improve everybody else.”*

Learning from individual experience is the slow road to high performance. However, before an organization can leverage the experience of top performers across the organization, it must know why its top performers are successful. Capturing and sharing best practices happens naturally at the team level, where sales professionals freely exchange intelligence, insights and tactics that work among themselves. Organizational sales performance accelerates when the learning is captured and shared with the entire sales community.



*“Our sales managers are always held accountable for ensuring the accuracy of our sales forecast.”*

Forecast accuracy is the responsibility of FSMs. They work daily with sales professionals, teaching, coaching and guiding them on accounts and opportunities. As such, they are uniquely positioned to translate the individual sales professional’s interpretation of an opportunity into reality by measuring it against the principals of the customer-management strategies and the customer’s context. Adjustments made to the forecast after it leaves the hands of the FSM are based on judgment and political positioning, which distort the forecast away from the reality of the sales funnel. In World-Class Sales Organizations, the FSM is the role most accountable for developing and delivering accurate sales forecasts.



**Strategic Issue:** How does forecast accuracy and funnel confidence improve performance?

**Strategic Focus:** Forecast Accuracy and Funnel Confidence

Forecast accuracy and funnel confidence are more than numerical predictions of sales performance. While critical to the management of the business, they also represent the sales organization’s ability to execute proficiently and precisely. Our research demonstrates that those organizations with higher levels of forecast accuracy and funnel confidence are also more likely to achieve their quota. Forecast accuracy represents the short-term view of where customers are in their buying process and how your customer-management strategies are being leveraged in the field. Critical for short-term tactical planning, forecast accuracy also demonstrates the command frontline sales managers have of the business and their ability to influence their team’s behaviors.

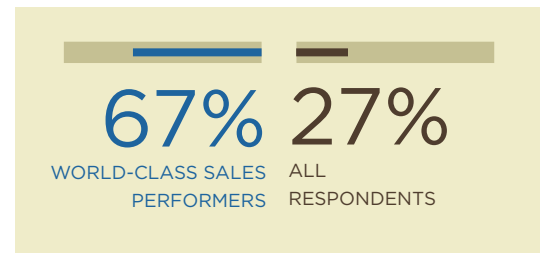
Funnel confidence takes on an even more important role as it looks beyond the forecast horizon to view the entire opportunity life cycle. A high degree of confidence in funnel data allows sales professionals to prioritize their time between creating new opportunities and executing on the qualified opportunities in play. It also allows FSMs to prioritize their attention on each sales professional’s business and the broader support needs of their team. For sales leadership, funnel confidence takes the guesswork out of strategic decision-making, but more importantly, it provides transparency to the dynamics of winning and losing. Opportunity conversion rates and velocity by sales phase create a multidimensional view of the funnel with visibility into the bottlenecks and phases where opportunities fall out. This provides the basis for deciding which investments in training, enablement and infrastructure will have the greatest impact on sales performance and productivity. ■

## A NOTE ON SALES TECHNOLOGY

The impact of technology on B2B sales is increasing at a rapid pace. Whether it's hardware, software or communications, technology change is relentless. What was once a competitive advantage for a sales organization is now a requirement. Even so, many sales organizations struggle to take advantage of the technology they have in place today. Cost is often a major factor, not only in terms of what it takes to support current technologies, but also when budgeting for the additional investments the next wave of technology will require. Those sales organizations that view technology as a strategic imperative and invest accordingly will be best positioned to exploit the next new capability.

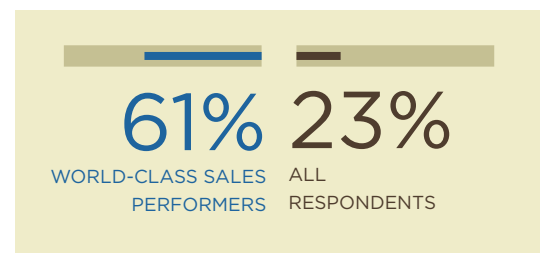
*“Our sales management team is highly confident in the data available from our CRM system.”*

Forecast accuracy and funnel confidence are not problems created by technology. Rather, technology exposes the inconsistent and flawed logic salespeople use when they make independent opportunity assessments and judgments. Customer relationship management (CRM) systems accurately provide structured access to account and customer information, but the data is only as good as the sales team's regular and natural use of your customer-management strategies.



*“Our CRM system is highly effective in enabling our organization to collaborate across departments.”*

Collaboration occurs naturally when teammates work face to face. In today's fragmented, mobile working environment, a technology platform is required to achieve this same level of interaction. The first step is to replicate and integrate your customer-management strategies into your sales force automation (SFA) system, allowing account/opportunity team members to view critical customer and opportunity data in the context of your framework.



**Strategic Issue:** How will sales organizations capitalize on the rapid advances in sales technologies?

**Strategic Focus:** Capitalizing on Sales Technology

Developing a comprehensive sales-technology strategy is the only way to capitalize on technology. SFA has proven to be costly to deploy and maintain, but also costly to the salesperson in terms of lost productivity when the application is poorly implemented. Adoption issues must be resolved at the customer-management-strategy level to improve forecast accuracy and funnel confidence. Providing the multi-device salesperson with a knowledge-management/collaboration platform transforms how information and knowledge are exchanged within the sales community. The “big data” analysis of sales activities, interactions and outcomes will lead to the next level of transparency and precision for sales.

Predicting sales performance is a challenge for all sales organizations. SFA systems quickly add the numbers, but unless there is a regular and natural adoption of the customer-management strategies by the sales force, the data will always be suspect. However, once outcome data can be trusted, connecting the opportunity outcomes tracked in SFA with the behaviors, activities and messages aggregated from the knowledge-management/collaboration platform creates the next level of transparency for the sales organization.

Connecting outcomes with activities is where big data meets sales. When we combine and connect all of the activities, interactions, resources, searches and messages extracted from the collaboration platform with the customer- management model and milestones, it provides visibility into the relationship between behaviors and outcomes. Using data extracted from these familiar systems via auto analytics, sales professionals will be able to quickly identify what works and what connects with customers. New insights on sales activity, buyer dynamics and other aspects of selling will replace those that previously relied on subjective judgment. This new data will also allow for better prioritization of sales-enablement resource investments, which are finely tuned to the ever-changing needs of the digital sales force. ■

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## ABOUT THE 2014 MHI GLOBAL SALES BEST PRACTICES STUDY

The *2014 MHI Global Sales Best Practices Study* (conducted as the Miller Heiman Sales Best Practices Study) engaged respondents ranging from account managers to high-level executives from around the world with the objective of analyzing the behaviors of complex, B2B sales organizations to determine the activities that have the greatest significance for achieving World-Class Sales Performance. This is the eleventh continuous year of this study, which is conducted annually to provide sales leaders with insights into the selling and sales-management activities that are producing the greatest results in the current B2B sales landscape. The survey for the 2014 data was conducted in the fall of 2013.

## RESEARCH METHOD

The survey was designed as exploratory research to collect primary data using a structured design. Formal statistical procedures were employed to analyze the data. Such procedures included exploratory factor analysis, reliability analysis, regression analysis and frequency analysis.

## SURVEY INSTRUMENT

After the broad issues and metrics were reviewed and discussed with key respondents, the instrument was subjected to a pretest. The final instrument contained six sales-activity sections and a customer-environment section with a total of 68 close-ended questions based upon a seven-point Likert scale for responses of Strongly Disagree, Disagree, Somewhat Disagree, Neutral, Somewhat Agree, Agree, and Strongly Agree. Thirteen metric questions and nine demographic questions were included in this study.

## TIME FRAME

Data was gathered from September 3, 2013, to December 4, 2013.

## CONTRIBUTORS:

Insights and data: Joe Galvin, Tamara Schenk, Jennifer Vodehnal, Anne Petrik, Melissa Paulik, Paul Maxwell, Howard Olsen, Vanessa Lindeberg. Graphic design: Milan Sperka

## POPULATION

Responses were solicited globally from sales professionals. The results include a mix of clients and nonclients with 31 percent of the participants being clients of MHI Global (28 percent Miller Heiman, 1.5 percent Achieve Global, 1.5 percent Huthwaite).

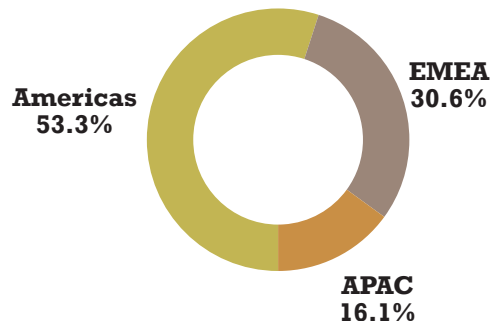
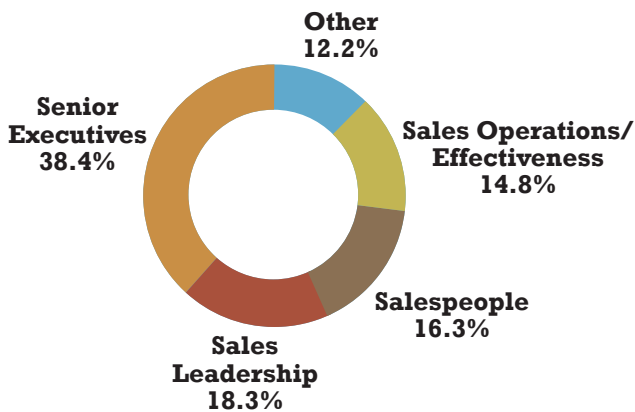
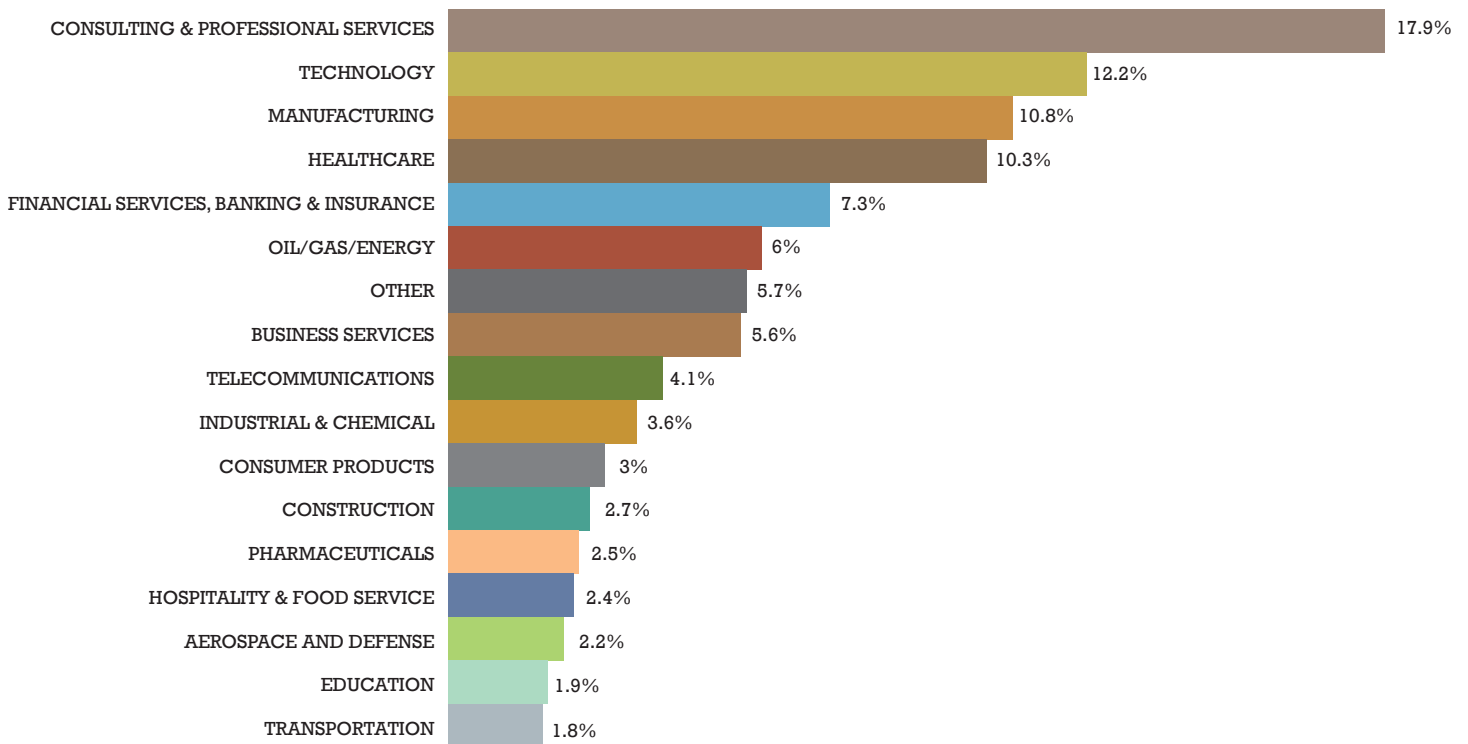
We actively pursued a cross-section of participants, industries and geographic regions for the study drawn from a variety of databases owned by Miller Heiman and partner organizations.

### All Sales Organizations

- 1,155 respondents
- Complex sales only
- B2B selling environment

### World-Class Sales Performance

- 8.5 percent of All Respondents met the criteria for World-Class Sales Performance
- Complex sales only
- B2B selling environment



## ABOUT THE MHI RESEARCH INSTITUTE:

The MHI Research Institute is a research organization dedicated to improving the performance and productivity of complex B2B sales organizations. We help members develop and hone sales strategies by providing thought-leading research, critical analysis, benchmarking against World-Class Sales Organizations and customized insight into their strategic issues through our Advisory Services. Through extensive research into the best practices, strategies and decision frameworks of World-Class Sales Performance, we help our clients apply these insights to their organization through published research, keynotes and presentations as well as through our Advisory Services.

## WORLD-CLASS SALES PERFORMANCE STUDIES

As part of our mission to provide sales leaders with strategic analysis and decision-making support, the MHI Research Institute leverages the questions and data set of the *MHI Global Sales Best Practices Study* to conduct studies for our client organizations. The analysis we share highlights gaps and alignments to World-Class Sales Performance and is leveraged by sales and organizational leadership to refine strategies to improve the performance and productivity of their sales team.

## ABOUT MHI GLOBAL

MHI Global is a leading worldwide company devoted to improving sales performance and customer management excellence. Our unrivaled capabilities and solutions come from the combined expertise and experience of powerhouse brands that make up MHI Global – Miller Heiman, AchieveGlobal, Huthwaite, Channel Enablers and Impact Learning Systems. Together these companies have taken an uncompromising stance that the best approach to every client engagement is one that is collaborative and is driven by each client's specific needs and challenges.



Supported by the real-world experience of passionate sales practitioners, MHI Global brings in best-in-class expertise and practical experience to all aspects of the selling and customer management process. We work with organizations across all verticals, wherever they are in the world, to build and sustain customer-focused, high-performance organizations that can drive profitable, predictable top-line growth.

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