



## Strategic Themes 2014: The Next Level of Transparency

Joe Galvin

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### Strategic Decision

As technology advances and customer management strategies mature, the next level of data transparency will provide sales leaders with unprecedented insight to complement their judgment when making decisions. Getting to this next level of transparency will require the coordinated efforts of sales operations, training and enablement teams supported by the next generation of sales technology

#### Strategic Issue:

How will the next level of data transparency influence strategic decisions?

*Strategic Issue: A complex question that requires research, data, perspective, knowledge and context to answer*

### Decision Making

Choosing “heads or tails” is pretty straightforward. There’s always a 50/50 chance of being right no matter which side is chosen. However, even though we know every flip is an independent event, we can’t help but let our judgment be swayed by data. When we see heads come up three times in a row, it’s tough not to choose tails. Strategic decision making for sales leaders is not so random. There are countless variables, perspectives and agendas that need to be considered. With better data providing deeper insights into the performance and productivity of the sales organization, we can improve our odds of success beyond 50/50.

### The Next Level of Transparency

There is no status quo in sales, only constant evolution. The vortex and speed of change facing the sales leader forces them to rely on experience and judgment when data is not available, or worse, not trusted. The next level of transparency will provide the sales leader with data-driven facts to complement their judgment.

As technology advances and sales teams mature, sales leaders gain access to opportunity and sales funnel data that

accurately captures opportunity conversion and velocity rates in addition to revenue. Furthermore, as salespeople leverage knowledge systems to access the content and resources they need to prepare and execute their customer interactions, new behavioral data can be gathered. Combining extracted behavioral data with trustworthy sales cycle data allows the organization to connect sales behavior and messages to customer outcomes.



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Getting to the next level of transparency and the powerful insights it provides will require the deliberate and consistent execution of customer management strategies in order to ensure funnel integrity. It will also require the coordinated efforts of sales operations, training and enablement teams supported by the next generation of technology.

## Sales Operations: Customer Management

Sales performance management is the priority for sales operations focusing on the reporting, predicting and influencing of sales behavior. While performance data comes from finance, opportunity data is subjectively entered by the salesperson. In contrast to the high level of accuracy of financial data, opportunity data is more difficult to control. In the absence of clear definitions, common terminology and consistent execution of customer management processes, opportunity data is highly subjective and questionable and undermines funnel confidence.

To reach the next level of transparency sales operations must assume responsibility for defining and promoting the consistent usage of customer management strategies. When salespeople and field sales managers consistently assess and evaluate each opportunity against established customer management strategies, the resulting opportunity data is both current and trustworthy. In addition, sales operations must align with marketing on lead generation and management. With sales operations leading the way, subjective beliefs about sales cycle length or opportunity conversion rates are replaced with facts.

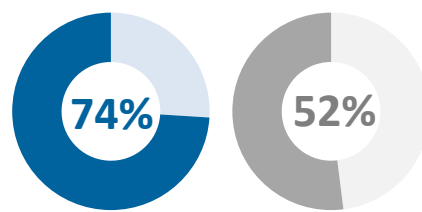
### Sales Operations Strategic Issues

- How are customer management processes maintained and promoted?
- What percentage of the sales funnel does marketing fill?
- How much do you spend per salesperson on sales technology?
- How will confidence in opportunity data influence strategic decisions?

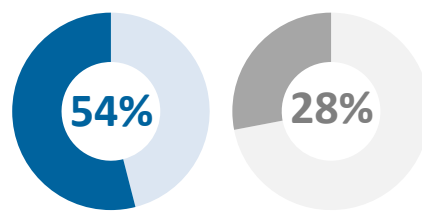
## Strategic Data

- World-Class Sales Organizations
- All Respondents

*Forecast Accuracy: 74 percent of World-Class Sales Organizations are on track to make plan and maintain forecast accuracy of 80 percent or better as compared to 52 percent of all respondents.*



*Funnel Confidence: 54 percent of World-Class Sales Organizations are on track to make plan and maintain funnel confidence of 70 percent or better as compared to 28 percent of all respondents.*



Improving opportunity data is the first hurdle to overcome in the quest for the next level of transparency. World-Class Sales Organizations are separated from all others by their high level of funnel confidence and ability to leverage behavioral data to connect activities and messages with customer outcomes.

SOURCE: 2013 Miller Heiman Sales Performance and Productivity



## Sales Training: Frontline Sales Managers

Sales training organizations have long focused on the traditional elements of product, process, skills and new hire training with little attention paid to the frontline sales manager (FSM). Yet, the FSM is the single most influential person in the salesperson's world. They turn to their direct manager for advice, strategy and perspective on how to advance and close opportunities. They also review their forecast, funnel and progress towards quota with their manager. The FSM is in the single, best position to be the catalyst for influencing or transforming sales behaviors.

Funnel confidence, like forecast accuracy, is a direct result of how FSMs and salespeople interpret and apply customer management strategies and concepts to individual customer buying dynamics. If the FSM misunderstands, is out of alignment or chooses to pursue their own processes, funnel integrity is impossible. To reach World-Class levels of

transparency and performance, FSM development must become a priority with emphasis on customer management strategy expertise as this is the most effective way to ensure trustworthy opportunity data. Combining this expertise with business management competencies positions the FSM to ensure timely and accurate opportunity data from which the next level of transparency will emerge.

### Sales Training Strategic Issues

- *How do frontline sales managers teach, coach and enforce customer management strategies?*
- *How is the sales process trained, reinforced and automated?*
- *How do organizations prioritize investments in their training budget to improve productivity?*
- *How will confidence in opportunity data provide new insights into sales productivity?*

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## Sales Enablement: Knowledge Exchange

Sales Enablement has grown in strategic importance as buyers and salespeople alike suffer from information overload. Salespeople not only have to understand and be able to describe and differentiate the unique capabilities of their products and services, they must be able to apply those capabilities in the context of the customer's challenges and objectives. Evolving from the sales information portal, the knowledge exchange platform allows the salesperson to access the information, intelligence, subject matter experts and specialists within their organization to find the answers their customer needs to advance through each phase of their unique buying process.

Behavioral data is a new form of data, identifying the content salespeople use and the messages they deliver. It harnesses real-time intelligence gained from every interaction, both internal and with customers, to create an entirely new form

of communications data. Elevating collaboration from "water cooler" conversations, personal knowledge networks and email chains to a structured, social environment allows the capture and analysis of the knowledge exchanged. Connecting the activities, messages and behaviors of salespeople with the outcomes of customer interactions (courtesy of now trustworthy opportunity data) produces an entirely new perspective on sales productivity and the behaviors that promote it.

Unlike sales force automation (SFA), where the salesperson has to enter data, behavioral data is extracted from the knowledge exchange platform by monitoring and cataloging what the salesperson does. Analysis of this behavioral data creates a entirely new level of transparency by replacing the "experiential" data gathered from a couple days in the field and a few sales calls that sales leaders have always relied on.





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### Sales Enablement Strategic Issues

- How does the salesperson access and exchange knowledge?
- How does social collaboration change the knowledge management platform?

•How are your messages connected to your customer management strategy?

•How does behavioral data contribute new insights into sales productivity?

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## Sales Technology: Social Platform

Sales technology simultaneously represents the greatest potential and drag on sales productivity. SFA systems provided the first radical advances in transparency as sales reporting transitioned from paper forms to spreadsheets and then to database-driven systems like Siebel and Salesforce.com. These systems automated reporting and provided unprecedented visibility into accounts, contacts, opportunities and the sales funnel, exposing sales activity like never before. Predictably, the response from the salesperson was to avoid or at least minimize their usage of the system, limiting their exposure and rendering the opportunity data meaningless. Sales management often didn't enforce system usage as increased transparency also exposed their lack of business management to the CEO/CFO. Today, SFA adoption is the single greatest barrier to the next level of transparency. However, it's not usually the fault of the technology. Often, lack of SFA adoption stems from poor adherence to or a complete absence of the customer management strategies the system emulates. When salespeople and sales management fully adopt your customer management strategies, sales technologies like CRM will become a boon to sales instead of a hindrance.

While sales has been slow to embrace technology, technology has not waited for sales. Rapid advancements in communications, functionality, point applications and

mobility give the "multi-device sales representative" the ability to access information, data and intelligence wherever and whenever they require it. The advent of social technologies has added a new form of communication and avenue for interaction with customers. Perhaps more powerfully, social platforms allow salespeople to connect and engage with peers, managers and the internal knowledge resources they need to advance opportunities. Building the social collaboration platform as "the" location where the salesperson connects, consumes and collaborates will be the priority for sales technologists.

Capturing and cataloging the activities the salesperson does, the messages they deliver and the issues they exchange opinions on creates a new level of visibility into sales behaviors. When opportunity behavior data is connected to highly confident opportunity data from SFA, the next level of transparency is revealed.

### Sales Technology Strategic Issues

- What is your sales force automation adoption strategy?
- How does social technology change communications and information access?
- How will you connect and support the multi-device sales representative?
- How does predictive data influence strategic decisions?

*About the Miller Heiman Research Institute: MHRI 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 our extensive research into the best practices, strategies and decision frameworks of World-Class Sales Organizations, we help our clients apply these insights to their organization through published research, keynotes and presentations as well as analyst inquiry. Contact our Director of Member Experience or call 775-284-9035.*