



White Paper

Sustaining Sales Performance

Winter 2010

Marty Murrillo, M. Ed
Learning and Development

Introduction

Moving into a new decade, companies can no longer depend on the “sales superstar” to deliver the big deal or close the critical sale. The ability to generate more revenue with a smaller, smarter sales force is an undeniable competitive advantage, regardless of industry segment, target consumer base, or product focus. As the science of sales force productivity becomes more advanced (particularly with Sales 2.0 technologies), sales executives increasingly find themselves facing new learning and productivity challenges:

- The increasing pace of new product launches means that sales readiness has become a continuous process of learning and transformation, rather than a training event. Coping with the rapidly changing sales learning curve means an increasingly steep climb for every member of the sales team, regardless of market knowledge or years of experience.
- Competitors are adopting a more “scientific” approach to sales that applies coherent systems to the art of selling and provides analytics, processes, and tools to enhance their ability to compete.
- Clients and prospects are becoming more savvy, and it is becoming increasingly difficult to manage client and buyer expectations.

The “do or die” reality of today’s business environment emphasizes the critical need for a more productive and agile sales force, as well as the challenges faced in achieving that goal. It is no exaggeration to say that the success and survival of today’s organizations rests largely on the shoulders of the sales team; “here today, gone tomorrow” has been replaced by “here today, gone this afternoon.” In today’s cut-throat, fast-changing marketplace, everyone on the sales team must quickly and effectively acquire the knowledge and skills necessary to perform at the highest levels of proficiency. The sales professional’s learning process has become one of continuous learning rather than preparation for individual product launches or a series of sales events.

How can today’s organizations meet the continuous challenge of sales productivity and achieve success in turning ordinary sales personnel into extraordinary performers – more quickly and less expensively than ever before? This whitepaper describes the continuous challenge of achieving and sustaining sales force productivity. In the next sections, you’ll discover:

- What obstacles sales executives encounter as they search for sales productivity solutions in today’s marketplace.
- Several best-in-class attributes of sales productivity solutions, including the ability to provide continuous learning opportunities and measurable results to deal with the whole picture of sales performance.
- An overview of a sales performance framework that can help meet the continuous challenge of sales productivity.
- The impact of Sales 2.0 technologies on sales productivity.

As a Chief Learning Officer or Sales Executive, you already know the value of focused sales training and support. But in today's rapidly changing environment, how do you leverage continuous sales learning opportunities to position your sales force for optimal success?

Today's Sales Performance Market

Industry research indicates that an investment in sales performance is a top learning and development priority for all companies. Annual State of the Industry surveys conducted by the American Society for Training and Development (ASTD) routinely identify sales as the most strategically linked training function in all types of organizations. Sales training and enablement remains the top-budget priority for many organizations with a large percentage of enterprise-wide learning and development budgets dedicated to product knowledge or general sales and channel training.

Another sales training study from Brandon Hall concluded that delivering effective web-based e-Learning to the sales force is one of the best ways for an enterprise to build measurable business impact and increase productivity.

A recent Chief Sales Officer Insight survey of sales performance optimization practices reported a series of new tracking metrics that reflect the current environment on sales work practices:

- 68.2% of surveyed sales organizations make substantial use of the Internet for account research.
- An increasing number of sales organizations are finding value in leveraging the Internet for direct sales, competitive analysis, and marketing campaigns.
- "Information is power" is a critical axiom that emphasizes the increasing importance of rapid and easy access to all types of sales knowledge. Survey data indicate a direct correlation between the ability to access needed sales information and quota attainment.

The Search for Optimal Productivity

Many high-growth organizations struggle in their search for sales solutions comprehensive enough to prepare and support their sales forces for success in the marketplace. Confronting this search for performance solutions, sales executives face a number of challenges in maintaining and enhancing the productivity of their sales teams:

- Consistently achieving aggressive revenue and margin targets.
- Increasing number and size of deals, product/service mix, and margins.
- Increasing number and frequency of new product and service offerings while shortening the overall sales cycle.

- Environmental changes, including economic environmental challenges, globalization, competition, commoditization, technology, and demographics.
- Changes in buyer behavior.
- Improving the sales force's competency through effective training and performance reinforcement.
- Improving the overall operational efficiency of the sales organization.

Adayana helps clients meet these challenges by establishing a framework of core processes that deliver a continuous, comprehensive training and performance solution that identifies, develops, and measures the application of critical skills and knowledge required for sales productivity and success. But before we look briefly at this productivity framework, let's first explore several of the most important best practices that a continuous learning sales performance solution must provide to meet today's continuous challenge of sales force productivity.

Five Best Practices

Continuous Learning

First and foremost, there must be a clear recognition that the sales readiness process we have used for the past 20 years must change. A recent report by The Gartner Group points out that sales organizations need to ground themselves in a new perspective that views sales readiness as a process of continuous learning. This approach is built on the concept that the best way to improve the efficiency and effectiveness of sales and channel partners is to combine effective formal training with collaborative information sharing and opportunities for continuous learning.

Recognizing that sales productivity is a continuous process is a fundamental change in perspective that enhances the ability of the sales training function to support the performance of individual sales professionals. Additionally, this creates agile sales organizations better able to respond to the continuous challenges of new and complex product information, a rapidly changing competitive marketplace, and high rates of employee turnover. Continuous learning focuses on reducing time-to-proficiency and training costs for new products and services by providing on-demand learning that is always available. Continuous learning environments and sales knowledge repositories also enhance competitive advantage by helping develop a highly professional, responsive sales team that answers customers' questions quickly, accurately, and comprehensively.

Design for Results

This key best practice involves shifting a design from the typical feature/function/benefit approach to one contextualized for the learner. Specifically for sales, mapping product training to the sales cycle adds relevance and makes the content more compelling. Below is a design comparison.

Design Comparison Guide – Product Training

Typical Product Training	Proposed Product Training
I. Marketplace Overview	I. Targeting Prospects
II. Product Overview	II. Developing Relationships
III. Product Features	III. Presenting Solutions
IV. Product Benefits	IV. Closing Sale
V. Competition	V. Executing Service Delivery

The proposed design shift provides context often missing from traditional product training. It helps the sales professional by:

- Mapping information to an already understood and accepted structure
- Answering the question “What’s in it for me?”
- Providing “line of sight” relevance for the sales professional
- Forcing messages to be short and concise
- Illustrating how to retire quota and attain revenue
- Reducing training time

Reinforcement

Continuous reinforcement of previously learned content fosters sustainability of new behaviors and successes. This is the most frequently overlooked practice in sales training organizations. Studies conducted by the Huthwaite Group (authors of SPIN Selling) concluded that 87% of skills are lost within four weeks of sales training if no reinforcement is conducted.

Thus, enforcing the learning that takes place in the classroom, either through formal reinforcement sessions or on-the-job coaching, increases sales readiness.

Measurable Results

Successful sales performance is anchored in the collection and analysis of measurable results and provides effective management and reporting capabilities. This means solutions must provide meaningful metrics tied to the business of sales, allowing sales management to quickly assess the proficiency of individuals, regions, or teams and take rapid, targeted, and effective remedial actions. Fast, accurate sales analytics and measurable results enable a sales force to understand achievement metrics and better align continuous training and collaborative learning resources to desired outcomes. For a sales organization,

measurable results should clearly describe sales results and enable rapid analysis of program ROI. These sales measures can be categorized into three areas: Financial, Participant, and Operational.

Area	Description	Example
Financial Metrics	<ul style="list-style-type: none"> • Focuses on key business objective(s) identified during Inquiry and Analysis • Includes lagging indicator – final success measures • Leading indicators – predictors of success 	<ul style="list-style-type: none"> • Revenue growth • Return on sales investment • Market share • Deal size • Gross margins • Sales cycle time • Sales rep job satisfaction • Close rates • Cost of sales
Participant Metrics	<ul style="list-style-type: none"> • Describes typical learning measurement • Participant reaction (Kirkpatrick I) • Knowledge transfer (Kirkpatrick II & III) 	<ul style="list-style-type: none"> • Linkage between learning and measured performance • Learner satisfaction for individual sales representatives • Product knowledge across many sales and product release cycles • Knowledge transfer between sales SMEs, recognized high-performers, and individual sales team members • Application of skills and knowledge to day-to-day sales transactions and pursuit of target opportunities • Access to new employee, ongoing, and “refresher” product training • Access to sales knowledge objects and training as performance support
Operational Metrics	<ul style="list-style-type: none"> • Time • Quality • Cost 	<ul style="list-style-type: none"> • Variable and fixed training costs • Cost of training (headcount and program) • Development costs • Training travel costs • Number of courses developed and made available for continuous learning

Overall Sales Productivity Picture

A best practice approach to sales productivity through continuous learning should emphasize the importance of the *overall* sales productivity picture and the interdependence of individual performance components. The lack of an overarching learning strategy, coupled with little or no reinforcement, causes a “one-off” mentality that yields minimal traction. This not only leads to disjointed activities that waste corporate and sales resources but, more importantly, directs resources to low-value efforts. A well-thought-out and communicated learning strategy encourages alignment and protects against these one-off activities.

It is important to recognize that sales training and continuous learning alone do not produce world-class sales productivity. Other foundational elements are equally critical to producing an environment in which maximum sales performance and productivity can be created and sustained over multiple product launches and continuous sales cycles. Thomas Gilbert, in his book, *Human Competence*, emphasized a holistic approach including Information, Instruments, and Motivation. Gilbert’s work identifies the percentage of solution impact when addressing the total performance problem. For example, while only 10-12% of the performance problem can be attributed to a skill / knowledge deficit, if you also review and improve other areas (incentives, tools, and feedback), then the result will be remarkably higher performance.

The learning consultants at Adayana apply diagnostic tools and prescriptions to holistically approach the continuous learning and performance challenge in search of this higher yield.

Team Performance Model

Information	Instruments	Motivation
Data Information Expectations Guidance Feedback 30 – 35%	Tools Plans Processes Procedures 30 – 35 %	Incentives Rewards and Pay Acknowledgement Recognition Advancement 10 – 12%
Knowledge Skill Development Training Education 10 – 12%	Capacity Capable people Well planned work schedules 8 – 10%	Motives Meaningful jobs Working conditions Sincere motivation 2 – 8%

Adapted from T.F. Gilbert 1976

The Adayana approach includes:

- Defining foundational sales processes and not just surface sales behaviors.
- Taking visible actions to value accomplishments and milestones achieved by the sales team and individual team members.
- Linking solutions to customer needs, not just product features and benefits.

- Developing competitive analysis and sales strategy based on in-depth information about customer needs, not just on product feature comparisons.
- Continuously building and sharing sales knowledge to support sales performance.
- Integrating product / selling knowledge within the context of sales operations.

The diagram below illustrates these basic concepts.



A continuous learning approach to sales productivity assures thorough product understanding; solution-selling skills; business and financial acumen; industry expertise; competitive knowledge, and understanding of customer business needs and goals. Such continuous education incorporates both comprehensive and customized components.

Sales Performance Framework

Adayana has developed a productivity framework to meet today’s ongoing challenge for sales force productivity. The matrix below outlines this framework which provides a foundation for developing or retooling a sales curriculum.

	Level I: Readiness	Level II: Effectiveness	Level III: Mastery
Goal	Reduce time to competency for new sales representatives.	Increase performance results for mid-level performers and those with moderate experience.	Enable exemplar performers to achieve transformative sales performance.
Description	Introductory level for new sales personnel and existing sales personnel with the lowest performance results.	Middle level designed to enable sales personnel with mid-range performance results and experience to increase account penetration with an emphasis on consultative, solution selling techniques. Introduced to basic financial acumen concepts.	Advanced level designed to help top performers achieve even higher excellence through a deep understanding of account management best practices, sales methodologies, and consultative techniques coupled with financial acumen to help achieve account success. Provides strategies to better analyze the customer’s business in order to win the business.
Design	Intervention consists of online sales assessments, sales toolkit, and modular courseware with built-in tests. Design considerations include providing an experiential learning environment that enables learning through role playing, games, competition, and acquisition of new skills that are practiced through reinforcement.	Intervention consists of online sales assessments, sales toolkit, and modular courseware with built-in tests, and both synchronous and asynchronous Mentor program aligned with field sustainability practices. Design considerations provide an experiential learning environment that enables learning through simulation (online and real world).	Intervention consists of online sales assessments, sales toolkit, and modular courseware with built-in tests, and synchronous Mentor program aligned with field sustainability practices. Design considerations provide an experiential learning environment that enables learning through simulation (online and real world).
Content Areas	Provides a high-level overview of sales methodology, product information, and industry context.	Covers integration of sales methodologies and the business value proposition as it directly relates to the solution offering.	Covers advanced account management strategies as well as advanced sales methodologies.
Business Impact	Reduce time to competency.	Increase net sales across organization.	Increase net sales AND profit margin.

	Level I: Readiness	Level II: Effectiveness	Level III: Mastery
Metrics	# of deals per rep per quarter % change pre- to post-test # of sales reps trained Apply training in sales environment	# of deals per rep per quarter % change pre- to post-test Average deal size, volume % deals with service/solution Apply training in sales environment	# of deals per rep per quarter % change pre- to post-test Average deal size, volume Pipeline size and velocity Average deal margin Account penetration/expansion Apply training in sales environment

Impact of Sales 2.0 on Sales Productivity

There is much discussion about the Sales 2.0 movement, thus the name itself has acquired many definitions. Adayana's definition: *Sales 2.0 is the effective convergence of people, process and technology.* Regardless of the variations in verbiage, what remains consistent is the impact technology has on the buying and selling process. Sales 2.0 allows you to leverage technology to move the qualifying process further up into the sales funnel. These technologies optimize the sales cycle and make efficient use of channels. The judicious and consistent application of Sales 2.0 technologies coupled with learning and development solutions is a powerful combination to enhance sales performance.

The following matrix illustrates some of these Sales 2.0 tools aligned within the sales process.

	Tool	Description	Used for...	Website
Attract	 Jigsaw	Provides an online business directory of company information and more than 9 million business contacts	Information exchange	www.jigsaw.com
	 SALES SPIDER	Expands personal networks, host and view live webinars and videos and free access to sales leads	Information gathering	www.salespider.com
	 LinkedIn	Social networking community which provide more transparency and up to date information	Contact exchange	www.linkedin.com
Interact	 genius.com	Tracks how prospects respond to email, which parts of the company website visited, and for how long.	Information gathering	www.genius.com
	 Cisco webex	Web collaboration application	Communication	www.webex.com
	 brainshark	Extends 24x7 reach to prospects by delivering sales, marketing, and sales training activities	Communication	www.brainshark.com
	 InsideView <i>The Sales 2.0 Leader</i>	Aggregates customer information and uses analytics to categorize relevant customer data.	Targeted customer interaction	www.insideview.com
	 Landslide SALES PRODUCTION SYSTEM	Processed based set of tools to help sales convert leads into opportunities with alert-based updates.	Lead conversion	www.landslide.com
Track	 ORACLE	Industry focused CRM solutions	Tracking prospects	www.oracle.com
	 salesforce	Track and manage customer interactions	Tracking prospects	www.salesforce.com
	 SUGARCRM THE CLOUD IS OPEN	Open source to enable integration with a wide range of existing business processes.	Tracking prospects	www.sugarcrm.com
Close	 SAP BusinessObjects	SAP (Formerly nSite) Tracks individual activities from moment of customer commitment to final approval	Document management	www.nsite.com
	 EchoSign	Manages documents and contracts by capturing signatures and manages sending/receiving signed and unsigned documents	Signature management	www.echosign.com
Loyalty	 lithium	Creates support communities enabling front-line interaction with customer	Post sales support	www.lithium.com

Moving Forward

To compete effectively in today's continuously changing and highly competitive business environment, sales executives and sales teams need to challenge old habits. Basic product and technology knowledge required to up-sell and cross-sell integrated solutions is the minimal requirement for maintaining market share. Sales teams need a comprehensive sales performance solution that provides an environment for continuous learning and responds rapidly and effectively to market competition and an increasingly sophisticated, Internet-driven customer community.

Adayana's innovative sales performance framework enhances an organization's ability to achieve strategic learning and performance objectives within today's fast-moving work environment. We believe effective sales training must enable each and every person to close deals and generate revenue in today's fierce and fast-moving marketplace, Building optimal individual productivity and sustaining team accomplishment are a continuous learning and performance challenge that must be met.

About the Author

Marty Murrillo leads the Learning and Development practice for the Industry group at Adayana. Murrillo is a widely recognized training and thought leader in the Learning field, specifically sales readiness and client engagement. Prior to Adayana, Murrillo worked for Intrepid Learning Solutions and served as the Client Manager for The Boeing Company, accountable for daily interactions with the client as well as the overall management of Intrepid resources.

Murrillo has also served as the Director of Sales Training for Sun Microsystems. His International Sales Training programs and initiatives were designed to improve performance of 8,000 reps. He managed critical liaisons with multiple Product Divisions. He has developed new product, technical, and continuing training for Partner and Field Sales organizations. Murrillo provided consultative and architectural advice to senior management. Murrillo sits on the advisory board for Western Governors University (Leadership Development) as well as SDSU Ed Tech Program. Murrillo has over 20 years of Training experience and success with such companies as 3Com Corp, Nortel Networks, Novell, and Sharp HealthCare in San Diego. He holds a Masters degree in Education from San Diego State University and Bachelors in Health Services Administration from Northern Arizona University.

About Adayana

Adayana (www.adayana.com) is a global human capital development and organizational performance improvement provider who serves clients in the federal government, automotive, agribusiness, healthcare and food and beverage vertical markets. Through its vertical market approach, Adayana provides industry expertise and solutions in Learning Solutions & Delivery, Managed Learning Services, Strategy & Management Consulting, Branding & Strategic Communications, and Performance Technologies.