Planning Progressive Enterprise Sales Enablement

FOR VP'S OF SALES & OTHER SENIOR LEVEL EXECS WHO NEED TO RAMP UP
NEW SALES PEOPLE OR IMPROVE THE PRODUCTIVITY OF AN EXISTING TEAM

THE **TRUE SALES RESULTS SALES ENABLEMENT PLANNING FRAMEWORK™**

BY STEVE CREPEAU (CEO and Founder of True Sales Results)

Planning Progressive Sales Enablement

Even world-class sales and marketing organizations struggle continuously with field execution and sales productivity. One reason is the confusion between 'field readiness' and 'Sales Enablement.' Both are essential. They are not the same.

Field readiness is a set of 'ready to sell' action items which must be completed before the engineering and product team is allowed to walk away. Such as a clear transfer of information and solid offer-based go-to-market plan for the product.

This is very different from Sales Enablement which is about sales honestly assessing the strengths and weaknesses of its own organization over time, addressing productivity gaps and spreading best practices in order to make the plan. This is what this eBook is about.

Business to business selling is harder than ever. To a large extent, the customer controls how and when they engage with sales.

You can no longer expect to dictate your sales process to the customer, rather you need to map and align your selling and marketing efforts to their "Buyers Journey". Successful sales teams understand this dramatic shift in the selling/buying process and are constantly endeavoring to hone their art to become more effective.

Top performing companies always share great strategy coupled with strong execution. Sales Enablement is the linchpin between brilliant strategy and executional excellence.

Don't accept the status quo, rather challenge yourselves to optimize your selling effectiveness through best in class Sales Enablement. I hope this eBook serves as a catalyst and inspiration for your journey.

Steve Crepeau

Planning Progressive Enterprise Sales Enablement

For VP's of Sales other Senior Level Execs who need to ramp up new sales people and improve the productivity of an existing sales team.

The True Sales Results Framework for Sales Enablement™

Why Sales Enablement?

- **Enterprise selling has become harder and harder as buyers become more sophisticated and more stakeholders are involved in every decision.**

- **Even for the most functional sales team, on-boarding new sales reps can take 12 months to become fully productive.**

- **Normal attrition rates means a 15%-25%+ of your sales organization can leave every year.**

Sales Enablement is not about providing a blizzard of product training slides, a new document portal, messaging or a proprietary sales training. It is being honest about what's broken in the buying and selling process and making the people who sell, and the people around them, more productive quickly and waste less of limited resources at their disposal. Field sales managers must be ready to challenge their teams to think differently about this.

Some things will always remain the same in enterprise sales. Top of this list is hiring the right sales people, having the right comp plan and maintaining a 'vigorous', forecasting process. As one VP of Sales said: *"We hire the best and owe them a cell phone, a comp plan, a territory and a few sales tools."*

This attitude is still not atypical today, and some companies still have a policy of hiring only top sales reps who come with a proven track record, then managing the numbers, and trusting that they will work the rest out themselves. But fewer and fewer sales VPs are successful with this approach as fewer companies can offer the

earning potential for top flight sales reps that it requires.

Also, buyers are more sophisticated than ever. The Internet is their tool of choice to avoid sales people.   The need to understand an ideal sales process has shifted towards the need to teach how to discern when buyers are ready to buy and how to engage them at that point for maximum effect.

We see Sales Enablement as a strategic business tool. The link between your strategy and successful execution.

Somewhere between pistol whipping the sales team and spoon feeding them is a plan to help low performers behave more like higher performers, the team to act as a more effective unit and for newbies to get clear signals of where to focus their time to be more productive.

That seems obvious, yet:
- Why do so many companies have new product information masquerading as Sales Enablement?
- Why do they overstuff their internal portals with hundreds of presentation files with no rationale?
- Why do they use their sales kickoff as an exercise in speed reading?

Here are just three of the many best practices for Sales Enablement that this guide proposes.

- Center your Sales Enablement around an analysis of your company's customers buying journey and selling process.

- Content, tools, training and 'buy-in' of the program must pivot around field sales leaders and their best practices.

- Great Sales Enablement starts with a commitment from field sales managers to identify and coach their team on the missing skills that most impact revenue.

- Why do they send in paint-by-numbers sales trainers on some old rehashed methodology that's barely relevant in today's world?

It's a matter of attitude. Analysts show that leading sales organizations stand out from laggards in their use of best practices. They seek to understand the nature of how complex enterprise selling has changed and are adapting the way that they engage and sell. They turn to their experienced field sales leaders to capture those best practices and to leverage valuable field knowledge.

Conversely, lagging sales organizations are stubbornly insisting on trying to sell the same way; trying to force their sales processes on to their customers. Which leaves them scratching their heads and befuddled by lukewarm results. Accepting the status quo these days is the shortest route to mediocrity, or failure.

If you are a senior executive looking to ramp up your sales team and improve it's selling effectiveness, none of this should be a surprise. Rather it's your daily reality.   The only real question is - how do you deal with it?

Misconceptions

- **The business case behind Sales Enablement isn't difficult to build.**

- **Every week you can shave off a new sales person's ramp up time adds up to many more dollars in revenue.**

- **Every time you maximize a deal size or reduce the sales cycle or waste less pre-sales resources resulting in no-decisions through smarter decisions, then you will most likely add revenue with less waste.**

- **The biggest issue is not agreement on the problem, but rather agreement on the plan how to fix it.**

Analysts and companies we work with agree on the top sales issues year after year: conversion ratios are falling, less sales reps are making quota, sales rep attrition rates are rising, it's taking longer to effectively ramp up new sales team members and there is continuing misalignment between sales and marketing. There are more stakeholders involved in every decision. People we meet are often scratching their heads when it comes to how to fix this. Here are the top five that misconceptions.

Let's just do some more content.

At the most basic level, Sales Enablement requires two key things: the right content in digestible formats complemented by carefully designed experiential training to get it into the brains of action oriented people.   This is why we believe content for Sales Enablement should be produced in as wide a range of formats as possible, ranging from the traditional guides to best practices video vignettes and customer case stories.

Most people who make this statement however really mean 'cram more slides into a portal.' Rather than better organization they tend to add more download links and more levels to dig into to have to find something.

Lets face it, most sales people have spent most of their careers learning while talking and do not have a high attention span for searching for the right content on a densely packed website.

Just give them the value prop.

We've never met a sales person who has been unappreciative of a well written value proposition or elevator pitch in plain English. We've met many who complain about bad value props. We prefer [this HBR definition](#) of a good value prop in business markets.

The line of thinking often goes: *"let's not insult them by telling them how to sell, lets just give them the slides and the value prop!"*

Sure, maybe the top 20% of the sales team can simply take your messaging and just sell. But in today's highly complex world of selling when it's the whole team that needs to interact and be more productive, rarely does one person carry the sale alone. A good Sales Enablement program strives to make 'the many' as good as the best practices of 'the few' based on tribal field sales knowledge and best practices from the field where real lessons are being learned every day.

Enablement is done by Marketing or Ops.

There is no doubt that both sales ops and marketing make an invaluable contribution to Sales Enablement.

We believe however that the person with the quota should own the show so that the program is aimed towards the simple goals of bringing in more revenue with less waste.

Strategy without good execution is pointless, and tactics without a strategy are simply *'the noise before defeat' (Sun Tzu, The Art of War).* Too often both strategy and ownership of Sales Enablement has been delegated by sales and the program has lost its way.

Sales leadership needs to identify the gap between company strategy and field sales execution, set a training strategy and define outcomes aligned with both the *Buyer's Journey* and a well orchestrated sales and marketing process that can improve your teams ability to sell more effectively.

Lets get a new portal.

Technology is an enabling agent, not a panacea.

Sales people don't learn by downloading, they learn best by doing and practicing against real world scenarios and by being competitive with each other. This is why 'gamification" can work so well. This is not what the sales portal sales guy would have you believe.

On the other hand, some of the most innovative Sales Enablement programs we've seen use wikis, blogs, YouTube videos and podcasts that allow the corporation and the field to share top down and bottoms up content. So, go ahead, make that portal. But please, don't blow all your budget.

Don't bug me.

This can be common with some VPs of Sales who view enablement as just another fad sales methodology or generic sales skills training that they did themselves. In our view, they aren't paying attention to how the world has changed.

We have never come across anyone who has been able to staff their team with a full complement of highly performing automatons who didn't need to improve.

Nowadays, the reality is that your team is constantly in flux. Sales reps are not making quota, customers are harder to engage, and even normal attrition means you may be losing a good chunk of your people annually.

Enablement is simply one of the must-have business tools in your arsenal, alongside a good recruitment process, goaling and compensation plan and a solid way to fill your pipeline.

Challenge your team

- **If you run sales, challenge your team to think differently about Sales Enablement with these five questions.**

Is the plan simple and aligned?

Ask your team to show you the plans and expected outcome for new sales on-boarding, product training, product launches, field readiness, and sales training or enablement.

We'll predict that what comes back will be largely out of alignment, product oriented and most likely more about your company than field productivity. Almost certainly, you will be shown you lots of 'deliverables' versus the simple goal of improving sales productivity or compressing on-boarding new team members that provides a clear return on investment in increased revenue.

The bottom line: if you don't have a single sales-led definition and ROI on the outcome of your Sales Enablement, challenge your team to go and get one.

Whose journey are we on?

Progressive companies don't just think about sales process, rather they start by thinking about their 'Buyer's Journey.' At a minimum, it's a fantastic engagement model. Properly adapted, it's a sales culture change that matches today's reality and means better selling results, less waste, and a far better way to to organize your training and content.

The bottom line: if you don't have a well defined Buyer's Journey mapped to your sales process, then get your top field sales practitioners in the room and develop one.

What did you learn?

Do a deep-dive win/loss analysis with your sales people.
- Do your **average** sales reps understand the critical buyer information that they missed in their lost sales?
- Do they know how this relates to the key 'go or no go' decisions they need to make next time at each stage in the sales process?

Compare this to the best sales people on your team and what they can reverse engineer from their wins and losses. The gap between the two will probably shock you. The best performing reps intuitively get this idea and mediocre ones struggle, believing everything is worth winning. Sometimes the best decision is to disengage and nurture for the future. You **can** dramatically improve effectiveness at this. Does your current training teach them this?

The bottom line: get your best into a room and ask high performers to map their 'go/no go' decisions against a Buyer's Journey. Then bake this into your training and sales process and ask your sales managers to instill this in their forecasting.

Tell me the gaps and gains in <u>sales</u> productivity?

Where are the gaps in our ability to sell? Ask your headquarter managers what key sales capabilities the team is missing today.

What many will tell you will be probably be organizational readiness or product knowledge and will not link to the three to four key things that sales people can do to improve their deal sizes or optimize their territories.

Bottom line: identify top half a dozen sales capabilities that are the common denominators within your best performers.

Ask your coaches - how do you coach?

You probably have multiple levels of sales management. Ask yourself what impact they have on individual selling effectiveness? Where are your coaches?

Hard experience as coaches has taught us that any program where we can't find committed internal manager-coaches can be flawed. People who want to take the enablement programs and tools we use and apply it to their everyday job because they see the benefit for their team, and on their own ability to meet their goals.

The bottom line: get your top coaches in to a room and ask them what are the keys to improving performance and how they are helping. Also ask them how <u>they</u> coach. Practice.

Definitions

- **We've been asked whether enterprise Sales Enablement is a function, a set of tools, a program, or a combination of all of those things.**

- **We believe that it best characterized as an ongoing business process, mapped to the buying and selling process.**

- **Sales Enablement strategy needs to be owned by the function that that benefits from it most - sales.**

Our Definition

- Enterprise Sales Enablement cements the join between business strategy & execution. It is in itself a best practice characteristic of leading selling organizations.

- Sales Enablement optimizes revenue performance at the individual rep, territory or regional level through content and training.

- The best Sales Enablement consists of multiple types of easily accessed learning content (aural, written, visual) based on "discovery" from field best-practices combined with a progressive experiential team training workshop techniques.

- Sales Enablement is an ongoing process that helps lower performers to improve and reduces the ramp up time for new hires.

- Over time, Sales Enablement improves decision making and productivity across the team and helps them to use your scarce resources better, reduce sales cycles, increase deal sizes & improve sales win rates.

The implications of this definition is that, if your organization is seeing Sales Enablement as a set of tools, websites, collaterals, internal comms, job functions or random sales trainings we would contend that you are missing the overall reason for doing it.

We're **not saying** that preparing the field to understand a product launch or new organizational change is not important. In fact, the best Sales Enablement consists of a combined schedule of activities designed to prepare the field.

We **are saying** that the focus for Sales Enablement should be on improving your sales effectiveness by providing the context for the sales team to make smart decisions as they try to engage, qualify, discover, propose and close deals. In other words, goes beyond knowing the product to knowing the customer and how they buy, and how you can most effectively sell to them.

It follows from this that the best Sales Enablement teaches the skill of recognition of sales opportunity in terms of signals from customers and prospects, alongside decision making, discernment and sequencing of what best to do with that information.

Sales Enablement meshes your corporate strategy with field-tested best practices from your top 'sellers' to add to the sales capabilities of the rest of your team. From the opposite view, it identifies and negates the common challenges that the sales team faces every day.

Who owns the enablement function?

Sales Enablement is a process that requires multiple organizations to work together toward a common goal against a single strategy. This is something that, in our experience, is difficult for many highly territorial sales and marketing organizations to do. Quite often, the focus is not set on sales goals simply because of who historically 'owns' the headcount.

Focusing it on sales objectives is the most effective way of asking yourself when evaluating current efforts. Three questions to ask yourself of any 'field readiness' initiative in your company:

- *Will this help my team to sell more, more quickly, or to optimize their territory or deals?*
- *What do my sales team really need out of this?*
- *Is this benefiting my reps, or some hidden goals of organization providing it?*

More than a functional responsibility, we see Sales Enablement as a company level process across the sales, marketing, pre-sales and customer service teams, driven by a painfully obvious imperative: *maximizing revenue while minimizing the cost of sale*.

What analysts say about enablement

According to Forrester, on average companies are spending around 19% of their SG&A costs in sales support-related activities. According to IDC, these expenditures are

inefficient, with B2B buyers complaining that only 29% of sales reps are well prepared to engage with them. There are many many definitions, but here are how two firms define it:

- *"Sales Enablement is a strategic, ongoing process that equips all client-facing employees with the ability to consistently and systematically have a valuable conversation with the right set of customer stakeholders at each stage of the customer's problem-solving life cycle to optimize the return on investment of the selling system." (Forrester - see ref 1.)*

- *"Today it is a front-and-center function that plays a critical role in readying sales to succeed in an ever changing and increasingly challenging marketplace .. the goal of the Sales Enablement function is simple – to ensure that every seller has the required knowledge, skills, processes and behaviors to optimize every interaction with buyers." (Sirius Decisions - see ref 2)*

Defined by best practice 'discovery'

There is no doubt nowadays that buyers are now firmly in control of their own evaluation and buying process and organizations that ignore this do so at their own peril.

In this context, the heart of great selling today is a transparent process of sales discovery with customers to derive a solution that solves the buyers business problems and maximizes 'our' revenue at the same time. This goes well beyond 'qualifying' but is rather a series of meetings or calls that identify, align,

and even challenge key stakeholders in order to quantify, assess and ready a business case for an investment.

We believe that discovery also defines great Sales Enablement too; an honest attempt to identify the best practices of the top sales peoples. Unfortunately, many companies confuse activities that benefit their internal organization with that of the individual sales person and have the attitude that all field communication is good, which puts the onus on sales people to sort through it all themselves.

We see Sales Enablement not endorsed by the field as millions of wasted dollars over time and a process that will inevitably collapse in upon itself as it gets rejected by the sales team.

Sources:
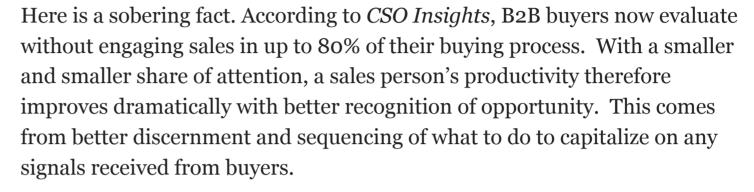http://blogs.forrester.com/scott_santucci/10-08-14-what_%E2%80%9Csales_enablement%E2%80%9D_and_how_did_forrester_go_about_defining_it
http://www.siriusdecisions.com/live/home/Browse.php?CC=RecentSES&dA=AllSalesEnablementStrategies&FID=marketing

A Framework
For Planning

- **A Sales Enablement Framework will keep your cross organizational efforts on track.**

Here is a sobering fact. According to *CSO Insights*, B2B buyers now evaluate without engaging sales in up to 80% of their buying process. With a smaller and smaller share of attention, a sales person's productivity therefore improves dramatically with better recognition of opportunity. This comes from better discernment and sequencing of what to do to capitalize on any signals received from buyers.

At it's best, Sales Enablement offers learning possibilities for all your team to coach each other and be coached on discernment and sequencing of decisions at whatever level of experience. It can also offer a focal point for both sales and marketing alignment by focusing on the top successful sales 'plays' which are simply a series of pre-determined best-possible decisions in common situations.

In order to ensure success across all your organization's efforts, we propose a framework in this section. This framework allows you to analyze your skills gaps and enablement needs against the buying and sales cycle and to build a curriculum and quarterly schedule of activity and certification on a solid base.

The full framework is on the last page of this section, with a short step by step overview on the next page.

1. Start on the top row from left to right by identify the buying and selling cycle stages that are unique to your company. We often base this on the 'Buyers Journey' which is a concept pioneered by Hugh McFarlane, author of the Leaky Funnel.

For the purposes of this document we have simplified the model but, taken fully and seriously, this ensures that you constantly ground your selling process against customer understanding.

Walk through each stage and consider sales issues and buyers concerns together. A big hint: this probably can't done well without talking to front line sales people and probably to customers as well.

2. Based on this, identify the important information and critical decisions that your sales team need to make at each stage to help customers move from one stage to the next. Ask yourself at each stage: 'what do they have to do to help buyers move from one stage to the next?

McFarlane's Buyers Journey:
- The Buyers Journey recognizes and maps the journey of business buyers for any company as they move through the process of identifying, deciding upon and purchasing a product to address their needs.
- The buyer moves from being 'untroubled & unaware to general market evaluation' to an 'inflection point, then becomes clear about needs and options, before deciding on a solution that solves their pain and starts negotiating to buy.
- The marketing and selling process maps to this but follows its own parallel path with some of its own related steps.

3. Out of this, map the missing skills of your customer facing selling organizations, working with your local sales managers and by looking at your real conversion ratios in the sales process. *Could inside sales improve at engaging? Are we making poor decisions about whether to commit resources to a proof of concept to early in the cycle?*

4. At this point, the enablement content and training tools and tactics needed to address those gaps start to emerge.

5. Next, look at your infrastructure. Can it deliver top down and peer to peer content and training - simply and easily?

6. Use this then to reverse engineer a discovery process and identify field subject matter experts required to capture field best practices in order to develop content and training.

7. Define a curriculum that contains ways of measuring phased levels of understanding.

8. Break the curriculum into quarterly bite-sized phases, aligned with product and other training.

THE TRUE SALES RESULTS SALES ENABLEMENT PLANNING FRAMEWORK™

#	Category	C1	C2	C3	C4	C5	C6	C7	C8
1	**STAGE IN BUYER'S JOURNEY**	Pre sales cycle stages: unconcerned, categorizing		Inflection point creates desire for engagement with sales	Sales cycle execution stages, from identifying needs to resolving concerns and negotiating.				Renewal
	THE BUYERS GOAL AT EACH STAGE	Not yet willing to engage; kicking the tires		Willing to engage to address pain	Buyers needs mapped to sales process.				Willing to re-engage
2	**THE SELLERS GOALS & KEY DECISIONS AT EACH STAGE**	Outbound and inbound sales decisions		How to engage	Information and go/no go decisions in sales process mapped to buyers needs.				How to re-engage
3	**SKILLS GAPS ACROSS THE SELLING CYCLE BY ORGANIZATION**	Inbound mktg Inside sales	Inbound & outbound mktg Sales Dev't Inside sales	Inside sales	Inside sales Outside sales	Outside sales Pre-sales	Outside sales Pre-sales	Nurture mktg Outside sales Prof. Services Support	Nurture mktg Inside sales Outside sales Pre-sales
4	**REQUIRED SALES ENABLEMENT CONTENT**	Engagement		Engagement Sales cycle	Sales cycle Sales plays	Sales cycle Sales plays Competitive	Sales cycle Sales plays	Customer success	Sales cycle
	PROPOSED TRAINING TOOLS AND TACTICS	Virtual and face to face team meetings, Checklists		Virtual, Sales Kickoff, Face to Face, Boot Camps, SKOs, Checklists, Sales Certification Program				Customer success metrics	ROI tools, Checklists
5	**INFRASTRUCTURE READINESS**	How infrastructure supports top down and peer to peer sharing of best practices. A single accessible trusted source for documents, multimedia, informal/technical interaction, product collateral, training/ enablement organized by sales cycle.							
6	**DISCOVERY PROCESS**	The discovery process and SMEs required to capture best practices and build or support validity of content.							
7	**CURRICULUM**	Instructional strategies and required reading and learning outcomes by experience level with required methods of certification.							
8	**SCHEDULE**	The course laid out with skills learned by month, quarter and financial year and aligned with other related field training needs.							

Business Case

- **Sales Enablement is a strategic investment with tactics around training and content.**

- **The business case is around the time to full sales productivity for new reps and overall effectiveness of the entire sales team.**

The return on investment of enablement is clearest for teams with growth or turnover problems in the team itself or in management, when the company is entering new markets for the first time or when sales become stagnant.

How do you build a successful business case to make a strategic investment in Sales Enablement?   The stakes can be high. Depending on the size of your sales organization, a comprehensive Sales Enablement program investment can range up to millions of dollars. Given the costs it is imperative to build a compelling business case that justifies the investment.

There are several key business drivers behind why you should invest, and sound math behind each one of these that impact your top and bottom line revenues.   There are the five core business case elements:

1. Compressing a lengthy new sales rep ramp up cycle.
2. Improving sales win rates.
3. Reducing sales rep attrition.
4. Growing average deal size.
5. Compressing lengthy sales cycles.

Compressing new sales rep ramp up cycles

Most complex technical products have ramp up cycles of up to a year for new sales reps, and most companies tend to underestimate how long it really takes.

In fact, *CSO Insights Sales Performance Optimization* report shows that new sales rep ramp-up is taking longer, with nearly 40% of 2,500+ companies saying that it takes 10 months or more to fully ramp up their new sales reps.

When ramp up doesn't happen quickly, some blame the average sales rep, or try to compensate by overpaying for highly experienced new sales reps with the expectation that they will ramp up faster.

Given the annual sales quota that a fully productive enterprise sales rep is responsible for producing, anything that reduces this timescale can be seen as a clear and quantifiable return to an effective Sales Enablement program. This is amplified by the volume of new sales reps that need to ramp up to full productivity on an annual basis.

The variables that factor into the business case for reducing ramp up are:
1. The quota of your sales reps.
2. Realistic / historic ramp up to full productivity for a rep.
3. Reduction of ramp up timescale to full productivity through enablement.

Example - Compressing Ramp-up Cycles

Say your reps have an annual quota of $2.4M or $50K per week in revenue production fully ramped. Additionally, your historical ramp to full productivity is six months. Data shows that after enablement there is typically a 10-20%+ reduction of ramp up time. Thus, a very typical conservative business case calculation might be:
1. $50K of full ramp revenue per week per rep.
2. 24 weeks to full ramp up without enablement.
3. 2.4 weeks saved at 10% compression due to enablement. Reduction of ramp up by 2.4 weeks at $50K or $120K added top line revenue per net new sales rep.
4. Following this simple logic, just ten new sales reps ramped adds $1.2M in new top line revenue due to enablement.

Improving sales win rates

Most companies tend to provide pieces of enablement, such as basic product training, and then expect their new sales reps to start selling in the field. Others may have new sales reps shadow their experienced ones. Others might have a training and certification process focused around learning the elevator pitch, value prop and some basic competitive positioning.

Your biggest productivity killer is that new sales reps simply have a less effective sales process and make poorer decisions (for example, about when to walk away, or when to bring in the pre-sales team) and therefore have lower win rates.

On top of this, forecasted B2B win rates have been dropping precipitously over the past ten years due to a number of the factors we have talked about in this guide. In fact, down to

48% of forecasted B2B deals according to *CSO Insights,* with 24% also ending up as no decision.

Given this, improving your win rates by just small percentage points can result in millions of dollars in additional top line revenue across your team, depending on on your average deal size and historical win rates. Plus, reducing no-decisions by a few percent can also save you millions more in wasted sales resources effort on no-deals.

CSO Insights research also provide benchmark data which shows that companies with a best practice Sales Enablement program achieve higher win rates. In fact, in companies with best practices Sales Enablement versus lower performing groups:

- 68% vs. 55% of reps are achieving quota, a 23% higher rate.
- 54% vs. 43% of their B2B forecasted deals close, a 28% higher rate.
- 24% vs. 34% of B2B forecasted deals result in a loss, a 29% lower loss rate.
- 54% vs. 43% of their B2B forecasted deals close, a 28% higher win rate

Consider stratifying win rate data into new and experienced sales reps, top performing vs. other experienced sales reps vs. best in class to make this data even more actionable.

Reducing sales rep attrition

Sales rep attrition is a problem for all companies. The typical rate ranges from 20% to 30% or more annually. Which means you are rehiring your entire sales force every three to five years. This aspect of sales management reeks of inefficiency and can be positively impacted by an effective Sales Enablement program.

Over 70% of new employees decide whether to stay with the company or leave in the first six months, according to *Aberdeen Group*.   It is probably fair to say that percentage is even higher for new sales reps that earn commissions as a significant proportion of their income.

Following on from this, if they become frustrated at the lack of training or content to bring them up to speed, there is a solid chance they will quickly move to a competitor that does.

CSO Insights shows that companies with best practices enablement report an attrition rate closer to 20%, versus 31%

> **Example - Improving Win Rates**
> Lets apply this benchmark to an example business case using *CSO Insights* research:
>
> 1. Assume 10 reps with an annual quota of $2.4M.
> 2. Historically in your company 63% are making quota = $15,120,000 total annual revenues.
> 3. CSO Insights research shows that companies with effective Sales Enablement report 68% of their reps are making quota or above.
> 4. At this level your 10 reps could produce up to $16,320,000 in total annual revenues with the same headcount through best practices enablement.

for companies that have no formal program. That's a 35% difference in turnover simply because of training!

Our experience with companies dealing with attrition is that sales managers tend to start by looking at their interviewing and hiring process. *"Do we have the right sales rep hiring profile identified? Is our hiring process lacking? Do our hiring managers recognize talent? Is the reference checking working?"* Invariably, they quickly come to realize that it's not hiring but the lack of an on-boarding plan at issue, coupled with well communicated expectations and training.

It is common in exit interviews to hear leaving sales reps express their frustration in the lack of an training program as the primary cause behind their resignation.

Growing average deal size

There is ample evidence that your top performing enterprise sales reps develop, win and close the largest deals. It's therefore intuitive that the way you produce the most revenue is to close larger deals, if only because there is a practical limit to the number of deals your team can effectively manage at one time and over the course of the year.

> **Example - Reducing Attrition**
>
> A company with best practice Sales Enablement will probably rehire and train its sales team over five years. Laggards may need to rehire and train every three years….a huge competitive advantage for those top performing companies who reap the fruits of their labor
>
> **Example - Growing Deal Size**
>
> Benchmark your own sales organization and analyze the average deal sizes for three tiers of sales rep performance. The top 20% of your sales reps will likely produce 80% of your revenues.

Your company puts a tremendous investment in each deal; countless calls and meetings, demos and proof of concepts, much involving travel. Depending on the complexity, enterprise sales reps can typically only work three to five active deals at any given time.

Since there are only so many selling hours in the day, top performing reps instinctively know they have to maximize deal size in order to make and exceed their quotas. We typically see a third to a half larger average deal size between top performing and middle performers, and as much as two times between the top and the bottom.

Enablement will not miraculously transform all of your lower performing reps in to top ones, but sharing field best practices in the form of training will help them to engage and sell more effectively and the by-product of this process is that average deal size will grow as they learn as they learn from your top performers.

Compressing lengthy sales cycles

Much like growing your average deal size, an effective Sales Enablement program can have a dramatic effect on reducing your sales cycles. Depending on the cost and complexity of

your solution, nowadays it's not uncommon to experience cycles lasting up to year.

Top performing sales reps work more efficiently and are able to close deals in less time. Here are the main factors allowing them to do this:

1. Going beyond basic qualification into an effective and repeatable sales discovery process that takes their comprehension of what is really happening to a much deeper level. They understand where the customer is in their buying process and who the key stakeholders are that they need to engage with and earn support from.
2. Better discernment of what to do with their discovery findings. In other words, better go or no-go decisions and better targeting of the resources at their disposal.

In short, the top performing sales reps work smarter, not harder, don't waste their time and generally don't get surprised often. They pride themselves on knowing well in advance how everything will be evaluated, decided upon and everyone that needs to be involved. They qualify out more quickly and will have a much lower percentage of their deals end up in the no decision.

Opposite of this, lower performing sales reps all too often tend to use basic qualification information (e.g. budget, authority or business need) and engage without additional discovery and mutual commitments from the customer.

Example - Compressing Sales Cycle

An effective Sales Enablement program captures top performer best practices and helps the rest of the sales team understand them and how to apply them in their own world.

Top performing sales reps manage and close their sales cycles in 10 to 30% less time than their counterparts. It's an easy exercise to benchmark the average sales cycle (paying close attention to the frequency of "no decisions" for the three tiers of your sales reps too) to see the difference in the length of the average sales cycles.

There are certain aspects of a sales cycle that you can't control or compress. But given the typical length of an enterprise sales cycle, shaving just a few weeks or even a month off of your average sales cycle due to smarter selling can have a significant impact on your top line revenues.

Measurement

There are two best ways that you should measure the effectiveness of your Sales Enablement program.

1. **Quantify using the business case elements in the prior section.**

2. **Anecdotally through captured proof points during roll out.**

Don't ignore one for the sake of the other.

Quantifying your Sales Enablement starts by level setting your sales organization metrics prior to implementing your program.

First, break down and analyze the performance of your sales team into thirds; the top performing tier, the middle tier performing tier and the bottom performing tier.

Then gather the data for each of the performance tiers related to the business case elements that we provided: compressing lengthy new sales rep ramp up cycles, improving sales win rates, reducing attrition, growing average deal size and compressing lengthy sales cycles.

This analysis will provide you with the "before" benchmark for your Sales Enablement investment measurement and ROI analysis.

Recognize that Sales Enablement is an ongoing investment and process. It is not a discrete point-in-time investment that will yield results in one month. Rather you should expect to more gradually see positive results and improvement in the business case and your sales overall.

Obviously, your results and improvement will also vary based on your starting point and sales leadership's commitment to the ongoing Sales Enablement process.

Sales Enablement programs also need to be iterative as your market changes, new competitors arrive, you try to enter new segments or introduce new products. You'll need to decide in advance how often you need to assess updates to your data based on the your particular dynamics. A good starting point is twice in the first year and then on a quarterly basis.

Using the business case metrics we describe at these kinds of intervals will provide insight as to areas that you need to improve and reinforce to get an even better return on your investment over time.

You will need to monitor market changes that will prompt changes and updates to your content and training to focus on new capabilities.

Of course, you can measure all you like but Sales Enablement ultimately remains a strategic investment based on the commitment

of the executives of the company. It's no surprise that programs which do not have this basic gut-level high level commitment quickly founder.

Get proof points of success

A second effective way to measure the success of your Sales Enablement program is anecdotally. Ask these types of questions.

- *What are you observing in the way your sales calls are going?*
- *What are you hearing from your sales team members and sales managers?*
- *What are your new customers sharing with you in their perception of how you engaged and worked with them during their buyer's journey?*
- *What are competitors saying about your sales team and their effectiveness?*
- *How are analysts or market pundits talking about how working with you is easier than competitors?"*

The best question here ultimately is: *which source does your executive team trust as proof of success or failure?* Go get your anecdotes there. We also find that organizations that tend to look for evidence of success and repeat it versus failure build better programs.

> **Example - Anecdotal Proof Point**
>
> On the way to a sales kickoff, after a year of continuous enablement training, a newer sales rep said that she constantly used our materials and training to prepare herself prior to calls on key selling points and her pitch.
>
> She went on to say that, in 15 years of sales experience, it helped her ramp up faster than any prior sales position and she felt like she was engaging and selling more effectively than at any other point in her career after only 10 months.
>
> That night, she was given the award for the top performing sales rep in the company for the fiscal year.

Acknowledgements

We've had the good fortune to collaborate with some incredibly bright and talented sales and marketing leaders in developing and implementing world class Sales Enablement programs.

What's unique about these folks is that they are running incredibly successful businesses by any reasonable measure and yet they have the foresight to look ahead 12 to 18 months and recognize that there is trouble on the horizon if they don't invest in and build a solid Sales Enablement infrastructure to support their rapid sales growth. That is incredibly rare for most sales leaders who can't look out beyond the next fiscal quarter or two and tend to get blind-sided when their sales growth stalls.

Two visionaries that we'd like to acknowledge and personally thank for their passion and progressive ideas around Sales Enablement are Jim Yares and Jon Gettinger. We've collaborated closely with them and learned tremendously throughout the process. It's an honor and pleasure to work with such strategic sales and marketing thinkers.

About the author

Steve Crepeau has over twenty five years experience leading top performing software and technology based sales teams. His sales teams have closed thousands of highly complex sales deals with large global enterprise customerlarge s to drive revenue for the company. He has led numerous sales teams, ranging from pure start-ups through to a successful IPO, to the VP of Sales for large publicly traded software companies. He brings world class sales expertise to True Sales Results clients who need to execute complex B2B solution selling to the enterprise and need sales strategy, or to ramp productivity of an existing team or on board new sales team members based on progressive best practices.

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