

Can You Really Measure How Capable Your Sales Team is?



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Sales is the lifeblood of most companies, but how can you tell just how good your sales team is? The traditional approach is often to look at the sales figures and make a judgement call based on whether or not the targets were hit.

Or you carry out an intensive review of the sales pipeline and using various metrics, such as win rates and movement through the funnel, come up with a more considered view.

There are various methods, but in my experience, most tend to be flawed, as they don't look at all of the influencing factors, in order to produce a thorough and accurate assessment.

This white paper offers a new approach.....

Over the years, I have managed and worked with numerous sales teams, across a wide range of sectors, including FMCG, Marketing Services, Technology & Building Products. Some have performed incredibly well, other less so. My approach to assessing the performance of these teams has varied quite a bit over time. In the early years, the starting point was always “how have we done against budget?”, “who hit target and who didn’t?”. Then I would look at who adhered to the company standards. In other words, who followed the corporate sales process and who tended to be a bit more maverick? And who performed best (in my opinion) in front of customers?

This was even more of an issue if I had invested heavily in sales training. The usual method of assessing the return on the training investment is to see if sales had improved had some validity, but did it really tell the whole story?

As CRM became more advanced, sales capability became much more reliant on key performance indicators. Metrics like calls per day, number of demonstrations booked, number of proposals generated and of course, the all-important win rate and amount of pipeline cover.

Of course, gut feel has always been an important factor, but this, by its very nature, is highly subjective; it certainly plays a role, that’s for sure.

The one thing that always struck me as a Sales Leader, was that I could only assess/compare sales teams based on my previous experience. There was no way to benchmark my teams against an industry standard. It was also very difficult to objectively factor in influences outside of the sales team; I’m sure you know the scenario – sales being let down by Marketing or Customer Services or Manufacturing, that sort of thing. All that anyone was interested in was whether or not you hit the targets; the fact that you didn’t have the correct ammunition or internal support was largely irrelevant.

This really came home to me when delivering a consulting assignment for a global building materials business. I was brought in to run a Sales Excellence programme with a particular focus on the European sales team which was struggling to hit its numbers. My initial fact finding showed that there were two clear issues that needed to be addressed. Firstly, the sales organisation was quite some way from what I would deem as “best practice”. Secondly, they were being let down by other departments. So improving their sales performance wasn’t just about improving how the sales team operated, it was much wider than that.

As a result of this programme, I developed a very detailed Sales Capability Model. I saw sales as a series of processes across the whole organisation, so adopted the well proven principles of the Capability Maturity Model, pioneered by Carnegie Mellon University back in the 80’s. It rates the capability of an organisation to manage specific processes from 1-5, so that was the starting point for my Sales Capability Model:

Level 1 – Chaos. Processes undocumented, most activity ad hoc / reactive.

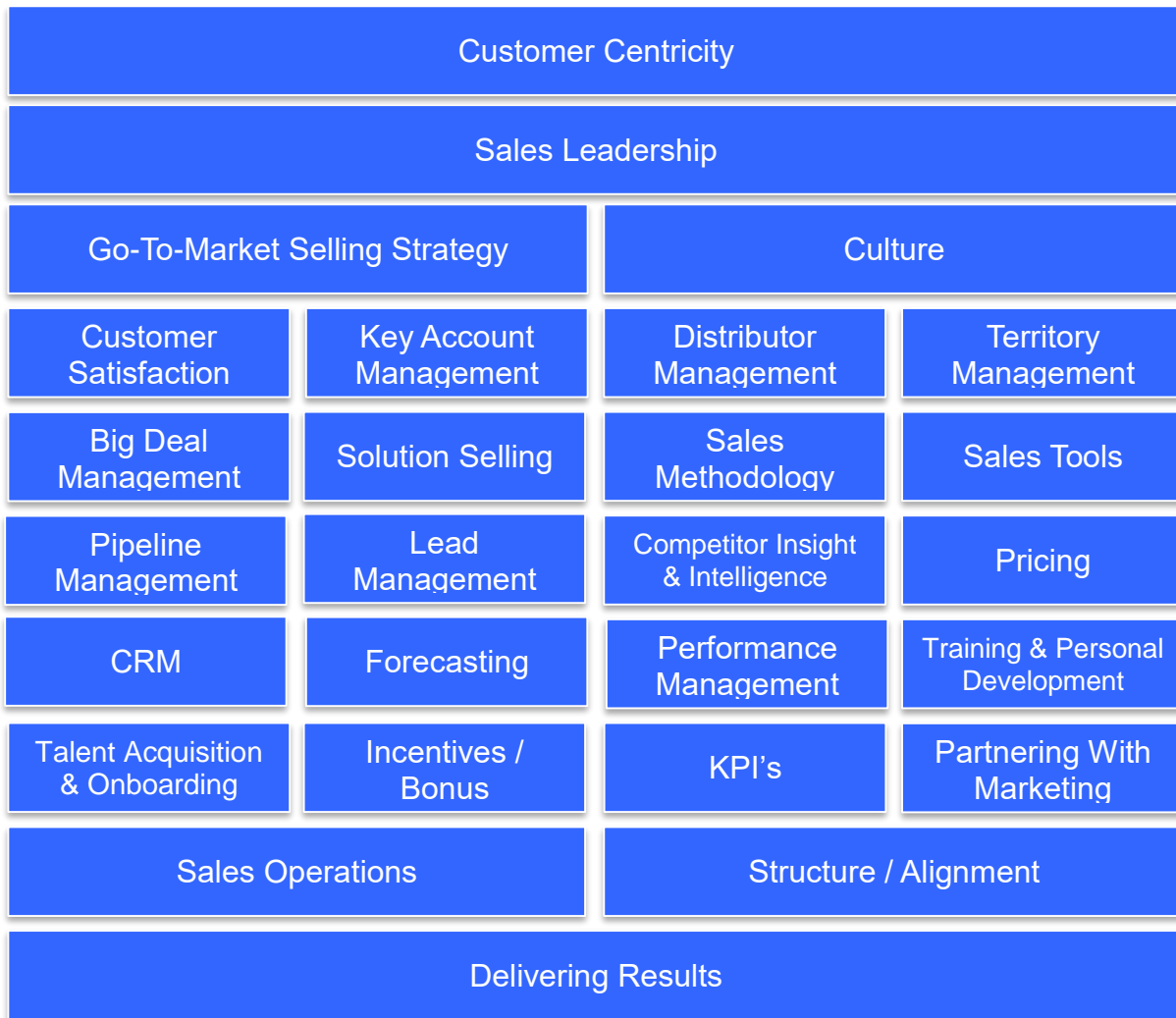
Level 2 – Repeatable. Some processes are repeatable, lack of rigour.

Level 3 – Defined. Set of defined and documented processes, some degree of improvement over time.

Level 4 – Managed. Processes are measured and well controlled.

Level 5 – Optimising. Focus is on continually improving performance through both incremental and innovative change.

I had already identified 27 key measures that represented the complete sales process across the whole organisation. Together they provided the true view of overall sales capability. These are shown on the next page:



Each of the 27 measures had its individual levels from 1 to 5 that the business can be scored against e.g. how good are we at providing suitable sales tools? Taken together, they provided an overall Sales Capability score for the sales organisation, based on the average score across all 27 measures.

An example output would look like this: overall score – level 3.

LEVEL 1 CHAOS	LEVEL 2 REPEATABLE		LEVEL 3 DEFINED	LEVEL 4 MANAGED	LEVEL 5 OPTIMISING
Sales Strategy 1	Customer Centricity 2	Sales Leadership 2	Customer Satisfaction 3	Distributor Management 3	Key Account Management 4
Pipeline Management 1	Culture 2	Sales Methodology 2	Big Deal Management 3	Solution Selling 3	
Incentives / Bonus 1	Territory Management 3	Competitor Knowledge 2	Sales Tools 3	Lead Management 3	
	CRM 2	Talent Acquisition & On-boarding 2	Pricing 3	Forecasting 3	
	Partnering with Marketing 2	Sales Operations 2	Performance Management 3	Training & Development 3	
			Delivering Results 3	KPI's 3	Structure 3

I devised descriptions for each of the 5 process stages, across all 27 key measures and built a questionnaire for the business to complete.

Of course, the real benefits of this approach weren't just about getting a score. It was a way to objectively assess sales capability compared to best practice and more importantly, identify areas for improvement.

The other benefit was that individual sales teams could be scored separately, providing a simple mechanic for benchmarking disparate sales teams, across different divisions or regions. And the model could be repeated every year; firstly, to track improvement, but also to determine on-going opportunities for improving sales capability.

This is the culmination of over 30 years in sales – I think it was worth the wait!

David

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