

# Don't Leave Revenue to Chance: Evolving Three Sales Management Disciplines Driving Sustained Performance—Part 1



*Leadership Development by Design*

*Point of View*

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Sales leaders are faced with a continued challenge to achieve aggressive growth targets while being overwhelmed by competing priorities and being reliant on underperforming sales teams, whose productivity and individual quota achievement is decreasing. Add to that a data-driven buyer who has changing expectations for the insight and value they desire, along with a growing number of new competitors, and the result is clear: business-to-business sales has never been more challenging.

What top-performing sales leaders understand is multi-tasking, working longer hours, relying on experience and intuition to make decisions, and demanding higher levels of performance from their top performers are no longer not enough to achieve the sustained performance and growth organisations demand.

*Those that use Big Data and analytics effectively show productivity rates and profitability that are 5-6 percent higher than those of their peers. The companies that succeed aren't the ones who have the most data, but the ones who use it best.<sup>1</sup>*

Faced with this reality, top-performing sales leaders have uncovered the power in data analytics to inform their decisions, coaching conversations, pipeline review discussions and tactical day-to-day recommendations through the identification of trends, patterns and insights.

Unfortunately, many sales leaders have not prepared themselves or their sales organisation to maximise the use of available data from the various sources within their organisation, forcing them to continue to rely on experience and intuition to make decisions on where to focus and what tactics to change or execute.

To gain the necessary insights, top-performing sales leaders are using analytical tools that incorporate new

and existing internal and external data sources. They are tapping sources of information, such as past purchasing information, service/complaint information, financial insights, CRM sales process stage information, win/loss debriefs, customer interactions on the web, as well as rich stores of historical data, to better understand customers and prospects. The resulting 360-degree view, teamed with predictive analytics, is changing how top-performing sales leaders formulate and execute key sales management disciplines—moving from a single source of data or personal gut instinct/experience to more agile and data-rich manner of addressing these three evolving sales management disciplines:

1. Sales operating rhythm
2. Sales coaching
3. Pipeline management



This paper explores the first of these disciplines, the evolving sales operating rhythm, and its impact on sustained sales performance.

## Sales Management Discipline #1: Sales Operating Rhythm—Consistent, Planful, Agile and Informed by Data Insights

High-performing sales leaders know their sales organisation thrives when all the components of sales management follow agreed standards, processes and set schedules; that is, the operating rhythm of the sales organisation. A sales operating rhythm (SOR) is a predictable, repeatable and consistent cadence that guides the execution process of the sales strategy and plans. It provides the predictable and structured interactions necessary to maintain focus and accountability, and to manage resources to drive the highest level of performance. The sales operating rhythm spans from the top ranks of the sales organisation to the salespeople.

### Is your sales operating rhythm ineffective?

Ask yourself:

1. At the end of a quarter, did the key accounts or plans for key prospects not get completed or advanced at the level anticipated?
2. Are pipeline calls made “every so often,” and tend to be infrequent, unplanned and lack preparation? Are they held more to confirm when the deals will close, and is the focus on updates regarding the status of each deal versus deliberate analysis and reflection on early opportunities, trends/insights to improve rep performance?
3. Are the promises made by salespeople and leaders lacking in mutual accountability and follow through?
4. Do salespeople state “revenue” as their only priority, as they can’t share key levers or priorities for the month or quarter to help support their revenue efforts?
5. Is increasing the capability of the sales organisation left to training only?
6. Is your forecast pipeline accuracy not improving?
7. Do you have the balance between new accounts and the quarterly account penetration you planned?

The sales operating rhythm is the set pattern of daily, weekly, monthly, and quarterly meetings, working sessions and communications to manage the sales organisation. These meetings and communications occur at individual, team and regional levels, and respect the precious time available to the sales organisation and management. They are deliberate, planful, documented and purpose-driven engagements that provide instant and valuable insights, relevant data, coaching, sharing of best practices, a formal method to capture commitments to drive accountability and the platform to inform next steps.

While the concept of operating rhythms is not new, the majority of sales leaders today are unable to formulate and execute them with any level of consistency and structure, plus they are often void of the necessary data, analytics and insights to improve the decisions, coaching, actions and prioritisation that should occur during the various discussions and interactions.



### Why Does an Effective Sales Operating Rhythm Matter?

Nothing is more important to salespeople than to know what is expected of them, plus when and how they are doing. Such clarity is proven to give them greater ownership of their actions and performance, boost their confidence, engagement and productivity. A clear sales operating rhythm:

- Has been proven to contribute to higher levels of salespeople achieving quota<sup>2</sup>
- Stimulates higher levels of engagement plus higher organisational and client commitment<sup>3</sup>
- Increases knowledge and insights improving ability to provide customers/prospects insight
- Drives focus on how to spend time (right sales situations, right pursuits, right customers, right issues or behaviours)



- Increases performance management feedback and coaching, driving capability development and a high-performing sales culture
- Creates a culture of accountability and consistency at all levels
- Improves funnel/pipeline accuracy
- Provides the predictability, insights and focus proven to drive sustained performance over time across selling organisations

The cadence in a sales operating rhythm is dependent on the business operating rhythm, data flow, buying cycle of customers and disciplines of the sales organisation. However, a sales operating rhythm is not just about the cadence. It is the conversation and interaction between the sales professional and management—informed by current experience, insights from data and analytics, enabling an open dialog to share insights and best practices, preparing management to ask the provocative questions of the sales rep so they can think more strategically and be customer focused while creating actionable next steps—which drives focus, accountability and ownership. For each interaction, there is a clear purpose for the specific meeting/communication, and it is structured with standing agendas and accountabilities.

### Typical Components of a Best-in-Class Sales Operating Rhythm

Sales Management
<ul style="list-style-type: none"> <li>• Sales Management Meetings</li> <li>• Sales Forecast Meetings</li> <li>• Sales Management Annual and Quarterly Plan/Business Reviews</li> <li>• Performance Reviews Annual and Quarterly</li> <li>• Annual Sales Planning</li> </ul>
Sales Organisation
<ul style="list-style-type: none"> <li>• Annual Sales Kickoff</li> <li>• One-on-One Meetings</li> <li>• Weekly Team Huddle/Meeting</li> <li>• Pipeline Reviews</li> <li>• Pipeline Health Assessment</li> <li>• Account Plan Reviews</li> <li>• Quarterly Team or Regional Meetings</li> <li>• Performance Discussions (Progress Towards KPIs)</li> <li>• Performance Reviews</li> <li>• Momentum Communication</li> <li>• In-Field Coaching</li> </ul>

Your sales operating rhythm is formulated by the following sales management inputs:

- Sales strategies, which inform your sales plan(s)
- Sales priorities by quarter and annually, quarterly and monthly KPIs
- Sales process for pipeline and forecasting, lead generation and qualification process, account management approach/standards
- Behavioural selling expectations: What does great selling look like in your organisation?
- Access and available data to analyse and gain insights

*Does building an SOR just result in more meetings? No—it should result in more effective and planful meetings driving greater accountability.*

### How to Create Your Sales Operating Rhythm:

- ✓ Establish the communication and meeting cadence you require based on the inputs from above, as well as from your top-rank leaders and sales teams—involving them will help establish their buy-in.
- ✓ Document for each meeting and communication the role of the sales professional(s) versus management, the purpose, agenda, the outcomes and method to capture actions.
- ✓ Define the data/analytics you require to inform your or your sales organisation’s preparation for the meetings and ensure reports or data is provided or available to support pre-planning for the meeting.
- ✓ Launch the sales operating rhythm with the sales organisation and ensure they understand what pre-meeting preparation is required of them, the purpose for each, agenda, etc. for each aspect of the SOR.
- ✓ Execute the operating rhythm at all levels and be agile to adjust when business requirements indicate it is necessary.
- ✓ Agree to treat important meetings, like account reviews, pipeline meetings, quarterly business reviews, with the same importance as customer meetings, and don’t change or cancel them.

### A Sales Operating Rhythm in Action

*A global manufacturing company had tried to execute major changes in its sales organisation for 5 years, such as adoption of a new CRM system, having a new approach to planning/managing country, regional and global accounts, and embedding new pursuit strategies that target industry with a product platform focus. From top-level leaders to sales directors, managers and sales reps, the company did what most organisations do when driving change: created a business case; defined why and when the change needs to happen and what is expected at the various levels; and informed, communicated, educated and trained all levels*



of the sales organisation in the change, including shifts in expectations by role.

In each situation they expected a change where they focused time and resources—how they got work done, what skills and behaviours they deployed to execute the work. However, the reality was quite different.

Their success rate in achieving adoption and global execution of these new approaches—including new skills, tools and behaviours—was miserable. They did have pockets of brilliance, where adoption of the change plan was more fully embraced, but why the overall failure? After some detailed evaluation, it was clear they did not have a consistent, predictable operating rhythm and sales management system that included consistent coaching, core meetings and regular discussions that could be leveraged to drive the execution of the new plans and changes. But in those pockets of brilliance, where they had higher levels of change/adoption, they uncovered the sales leader had a more structured, defined and predictable operating rhythm that provided them a platform to drive the execution process to drive the change. They had regular interactions with their teams and sales leaders, meetings, coaching opportunities, discussions that enabled them to create focus, accountability and ongoing reinforcement of the new tools, approach and behaviours. The sales operating rhythm was key to success.

In collaboration, Forum and the company established a global sales and management operating rhythm framework for all levels of sales leaders and reps. The standard purpose and agenda was documented, data and reports required to drive the various framework components were evaluated, and accountability of who would produce and provide the reports to sales leaders/managers was established. It was identified what data sales reps needed for their roles, and then regional sales team meetings were hosted to discuss the framework purpose and value to them, new expectations, preparation requirements and the shifts anticipated in:

- Preparation using data
- Discussions informed not only by experience but by data and trend/patterns
- Coaching
- Mutual accountability—how the system will hold them and their leader accountable

The framework was not comprehensive; rather, six key elements were prioritised: pipeline reviews monthly, pipeline healthy assessments quarterly, coaching in-field, sales huddles/team meetings, monthly business reviews and sales manager/director quarterly business review.

To date, the changes have driven:

- Improved predictability in pipeline and forecast accuracy
- Increased efficiency with reduction in the need to produce separate reports and to reply via e-mail for updates

- Improved retention of new sales reps in first 18 months
- Improved quota achievement in two regions out of four
- Improved mutual accountability to drive key account plans and get into defined prospect accounts
- Adjustments to plans and the ability to make short-term changes seems easier

All of this was accomplished through training for sales leaders/managers on how to effectively manage a sales force, plus training on how to effectively coach, as it was clear that how they coached, gave feedback and executed the meetings also needed to be improved to maximise the sales management system.

Organisations today have a long list of techniques they apply to enhance sales and performance: from launching new products and services, introducing new channels and partnerships, to investing in tools such as CRM. But in the end, productivity and growth comes down to empowering sales leaders with the *right data and disciplines*. Mastering and embedding the first of the three sales management disciplines we've highlighted, a sales operating rhythm, will create a culture of responsibility and growth, ensure clear expectations, build sales leader and team skills and foster stronger pipelines, so you can stop hoping for luck to improve performance and hit your targets next quarter, next year and beyond!

#### Endnotes:

1. Excerpt from *Big Data, Analytics, and the Future of Marketing & Sales*, McKinsey & Company, June 2013.

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