



ExecBlueprints™

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Action Points

I. What Challenges Do Today's Sales Forces Face?

Customers in most industries are now demanding more information and services than ever before from their vendors. Thriving in such a sales environment requires not only in-depth knowledge of complex products/services, but the ability to show the customer how you create value for each dollar spent by solving problems and applying new ideas.

II. The Bottom Line

Salespeople are motivated by rewards; consequently, any efforts to increase sales productivity should include incentives that promise to boost their compensation. Such programs can even be multi-tiered, with components involving business objectives, individual sales performance, and overall sales department success.

III. Must-Have Strategies for Analyzing Sales Productivity

While companies in some industries will need to track their salespeople's phone calls, appointments, and presentations, others must necessarily focus on the overall quality of business relationships generated. The important thing, however, is to set objectives up front and create the appropriate tools for tracking progress toward their attainment.

IV. The Golden Rules for Effectively Managing Your Sales Force

Developing and maintaining a truly motivated, successful sales team can be tricky, as it necessarily involves striking a balance between offering the salesperson training, support, and feedback while also giving him or her ample time and opportunity to independently pursue leads and build relationships.

V. Essential Take-Aways

Increasing sales force productivity will require a multi-pronged strategy that involves not only motivating each salesperson and supporting them with effective tools, but taking a step back and asking, "What kind of customers do we need to attract?" "How can we best acquaint them with our product/service?" "How can we most effectively track progress?"

Sales and marketing leaders from Maritz, Interface Solutions, NIKSUN, and The Daily Journal on:

Four Ways to Increase Sales Force Productivity

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The buck may stop with the CEO, but it certainly starts with a company's sales team. While it's always been true that very few products and services sell themselves, in this global era of increased choices, customers have become more discriminating and demanding than ever. Consequently, today's salesperson must not only know the merchandise, he or she must also be able to create distinct value for the customer through solving problems and offering creative ideas. Given such a challenging sales environment, how can productivity be increased? This ExecBlueprint offers encouraging perspectives from four sales and marketing executives. First, define your "right customer" — and refrain from allocating resources elsewhere. Second, develop tools that accurately track your leads and your sales. Third, motivate your sales force through training, support, and appropriate incentives. And, lastly (but perhaps most importantly): get to know your customers by electronically tracking "touch points" and by actually making the physical journey to look them in the eye. ■

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About the Authors



Dennis L. Hummel
Chief Sales Officer, SVP, Maritz Inc.

Dennis Hummel brings 26 years of experience of leadership in the field of information technology to Maritz. Prior to joining Maritz in June 2001, he served as president, GE Capital, IT Product Solutions.

With a proven track record in sales growth, customer interaction and relationship management, market assessment, and brand recognition, Mr. Hummel has significant experience in

executing total business operations and driving unnecessary costs from the business equation. Beyond the most recent assignment, his executive experience includes: executive vice president, sales, U.S.; vice president and general manager, Midwest region; senior vice president, operations; and vice president, marketing.

Mr. Hummel has also attended the ELDS (Executive Leadership Development Series), GE Crotonville Training

Center; Top Gun Sales Training Course, The Future Now; and Columbia Management Symposium, Columbia School of Business.

[Read Dennis' insights on Page 3](#)



Louis J. D'Annibale
Executive Vice President, Sales and Marketing, Interface Solutions Inc.

Louis J. D'Annibale has served as executive vice president, sales and marketing, for Interface Solutions Inc. since 1999.

Beginning his career in 1981 at Armstrong Industry Products as a marketing representative, Mr. D'Annibale rapidly advanced to the position of

assistant to the marketing manager, fiber products. He moved to Detroit in 1986 to be assistant district manager and soon thereafter served as sales manager and sales and marketing manager for Gaskets.

In 1995, Mr. D'Annibale became manager, sales and distribution, for Worldwide Gasket and Specialty Paper

Operations. The following year he was named vice president, sales and distribution, for Armstrong Industrial Specialties Inc.

[Read Louis' insights on Page 6](#)



Til F. Dallavalle
Vice President of Marketing, NIKSUN, Inc.

Til Dallavalle came to NIKSUN after a 30-year career with industry leaders including Telcordia Technologies Inc. (formerly Bellcore), Flexi-Van Financial Services, Johnson and Johnson, and Electronic Data Systems (EDS). He reports directly to the CEO and manages NIKSUN's global marketing organization, which is responsible for branding, marketing communications, media and analyst relations, and alliance partner marketing.

During his career, Mr. Dallavalle developed several strategic marketing campaigns that expanded domestic markets, opened international markets, and dramatically increased year-over-year revenues. While at Telcordia, he held several positions including the director of services marketing, director of alliance partner marketing, and the director of global sales and marketing. In these roles, he managed marketing campaigns and business development projects for

business units within the corporation. In addition, he has had operational responsibility for business development, risk management, and quality assurance.

[Read Til's insights on Page 9](#)

Stephen Maitland-Lewis
Director of Marketing, The Daily Journal

Stephen Maitland-Lewis is a British attorney who has spent the majority of his career in marketing. He spent many years in international investment banking in London, the Middle East, and on Wall Street where he was with Lazard Freres and Salomon

Brothers, focusing primarily on the marketing of sophisticated financial instruments to multi-national banks and institutional investors.

Currently, Mr. Maitland-Lewis is marketing director of *The Daily Journal*, one of the U.S.'s oldest daily newspapers

catering to the West Coast legal community. He is also a published novelist.

[Read Stephen's insights on Page 11](#)

Dennis L. Hummel

Chief Sales Officer, SVP, Maritz Inc.

Increasing Productivity and Revenue

If your company is publicly traded, revenue is going to be a very significant factor in how the stock is treated by investors. But, for sales people, gross profit is an indicator of revenue. I tend to look at revenue and gross profit as one vehicle to tell me whether we are seeing better performance per salesperson year-to-year within a three- to five-year period. Then I try to determine what drove that increased performance.

Unless you are selling iPods, it's the job of the salesperson to create greater value in the eyes of the client, so that the client feels inclined to spend more of his or her dollars on your product.

Dennis L. Hummel
Chief Sales Officer, SVP
Maritz Inc.

Value Creation

Today, professional selling must focus on value creation. Unlike what may have been the case in the past, the account manager has to be capable of creating value as opposed to just communicating value. Because customers have so many alternatives at their disposal (due to the Internet), this is a very important differentiation. If a customer has a problem they cannot identify and isn't getting the right results, then the account manager has to be astute enough to come in, assess the situation, help the customer find the problem, and, if possible, offer a solution. That puts a lot of pressure on the account manager. In order to increase productivity, he or she can no longer try to make more calls in

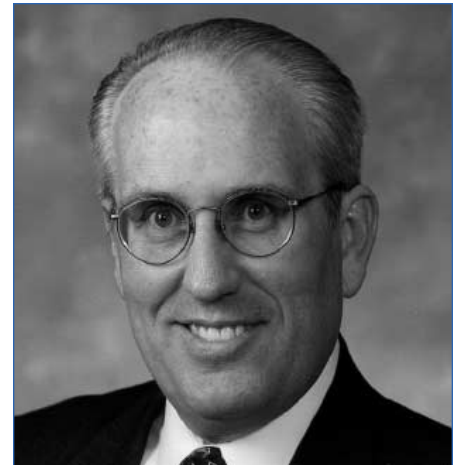
a day. Instead, he or she must find ways to create value for each client called.

Very rarely does a product emerge that people flock to buy. Unless you are selling iPods, it's the job of the salesperson to create greater value in the eyes of the client, so that the client feels inclined to spend more of his or her dollars on your product. Most of my clients don't have an inexhaustible bucket of money; consequently, we have to find ways to create greater value for each dollar a client will spend with us. That can only

happen if the salesperson aligns his or her skills with the client's interests or needs and finds a way to make the client's time more productive. The solution our salesperson brings, therefore, is greater in value than what someone else could bring.

Current Productivity

Quite frankly, we are in a situation where professional selling has just come out of what I refer to as a Van Wrinkle period. In the 1970s, sales focused on feature-function-benefit. Then we were somewhat asleep at the switch due to the excellent economic conditions of the late 1980s and 1990s. During that lucrative period of time, the art of selling focused more on building



Dennis L. Hummel
Chief Sales Officer, SVP
Maritz Inc.

"As an industry, we are learning that sales cannot boil down to one person selling one item to one client. Every person in the company must find new ways to satisfy client interests."

- With company since 2001
- 26 years' prior experience in IT
- Previously president, GE Capital, IT Product Solutions
- B.S., Education, Bowling Green State University

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relationships and getting a bucket under the spending faucet faster than the next guy. When the dot.com bubble burst and the economy went a bit south, the procurement departments became more astute and more controlling and therefore put a lot more pressure on the seller. At the same time, Six Sigma quality and productivity initiatives came of age.

Over the past five years, we have experienced a stair-step of improvement in productivity. However, there is always plenty of room for improvement. Like many, we are moving from being a more product- to a more solutions-focused

company. We have also moved from a geographic-oriented approach to an industry/segment approach and are now adding additional resources to the sales motion in the form of practices and point-of-view teams to help our sales force and augment the sales effort.

Targeting and Analyzing Productivity Levels

We sit down at the beginning of every year and go through a gained agreement process which looks at everything we know about our accounts as well as the white space (prospective accounts) that we may not have called on as of yet. This helps our business leaders/managers — along with the account managers and sales managers — define what we think is possible and find ways to grow the business.

In order to target the direct efforts of our sales force, we have a full pipeline system. The productivity of our sales force is analyzed through yield-per-annum as well as pipeline metrics that allow us to continually measure the amount of opportunity going into our pipeline. We have, for instance, a number of pipeline metrics (or conversion tables) that tell us how we are doing in terms of converting a stage zero entry into a stage five entry (sale).

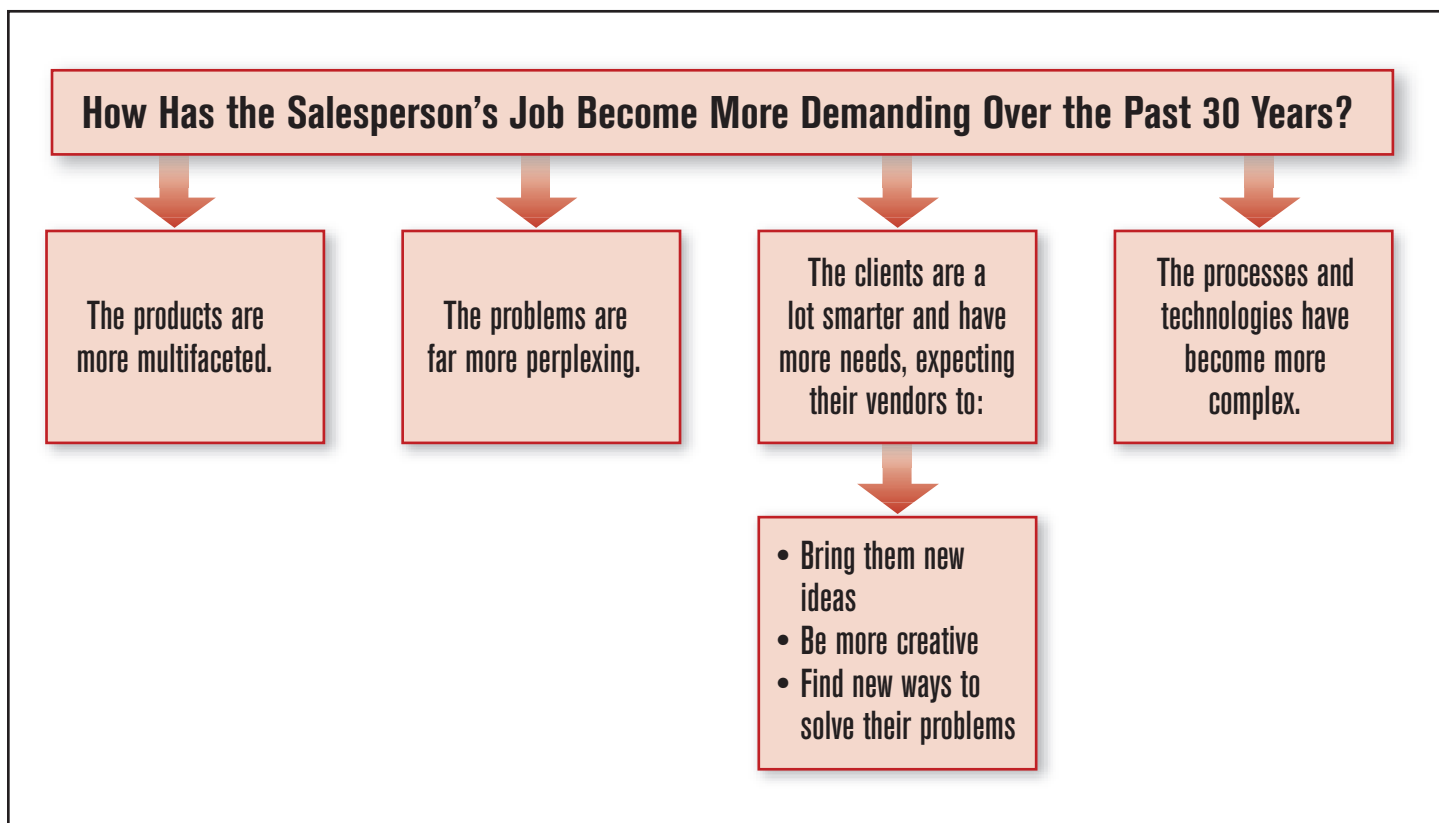
We also study the conversion percentage as it goes through the funnel. We look at the amount of travel and entertainment dollars that the salespeople spend relative to the yield that they generate. Particularly for some of our newer salespeople, we have in-process metrics that measure the number of calls they have made, the number of people reached, the number of

appointments made, and the number of presentations given. Because many of our newer sales don't have established pipelines yet, we measure how well they are able to generate leads.

On a separate track we also look at targets. We continually look at how many of our account managers are meeting targets. Last year, we were a little too aggressive in target setting, so we are trying to be a bit fairer about the process this year.

The Changing Face of Sales

I enjoy watching the maturation of professional selling. Over the past three decades, I have been fascinated to watch salespeople's responsibilities multiply. The products are getting more multifaceted, the problems they have to solve are far



more perplexing, the clients they are calling on are a lot smarter, and the processes themselves have become more complex. The technological advances that have occurred in the field of sales have been difficult for salespeople who are not necessarily process-orientated. They have been forced to learn how to navigate that firestorm and still sell something to somebody. At the same time, client needs have increased. They expect their vendors to do a better job, to bring them new ideas, be more creative, and find ways to solve their problems.

These changes have made the sales professional's job a lot more significant and important. They have also required salespeople to find ways to enhance their education. For example, I would not like to visit a doctor who has never received updated medical training

Expert Advice

Utilizing Automation While we don't have a formal SFA or CRM solution right now, we are on the cusp of looking at one. We have already decided on what we believe is going to be a good solution for us but we are still field-testing it in order to make sure it interfaces with all of the tools that we need. In the interim, we installed an Oracle-based enterprise pipeline, a forecasting tool. We have used this EPF for over two years, and it has helped us keep track of all of the opportunity sets that we have and all of the win/loss data.

We have also added a tool called Street Smarts, which allows us to transfer and store knowledge. The knowledge is accessible through keyword-phrase searches. Our salespeople can put a question into Street Smarts and it will route the question to the subject matter expert. It can also broadcast the question to a broader audience of people for a response.

once leaving med school. I now feel the same way about salespeople. I do not want a salesperson who has not found ways to learn new things about his or her clients, new problems, new issues, and new ways to solve those problems.

While sales as a profession continues to be challenging, I wouldn't

be anywhere else. It is this challenge that makes us rise to levels of performance we didn't think we could achieve. And that success is what really drives the person who carries the business card with the title, sales representative. We are changing the world one sale at a time!! ■

Louis J. D'Annibale

Executive Vice President, Sales and Marketing, Interface Solutions Inc.

Finding the Right Customer

The concept of who is the “right customer” is more than a sales question. Success is often defined by knowing what/who to say no to. With that in mind, the company’s key factors for success often define the profile of the right customer. The right customer can be defined as those customers that 1) use our current product portfolio, 2) actively seek out our input on business or technical questions, 3) show a willingness to be engaged in voice of customer (VOC) opportunities, and 4) are interested in providing “proof of concept” validation.

The world is full of customers that we would like to fit to this profile. However, the key is to know which ones do not, and, as a result, to not target them. Resource allocation is a critical management decision in all companies. Doing it correctly maximizes the opportunity for success in any given industry, just as doing it incorrectly can lead to missing legitimate opportunities and/or allocating resources to high-risk areas. It is often this lack of focus that allows companies to drift with no clear direction of how to maximize revenue growth opportunities.

Success is often defined by knowing what/who to say no to.

Louis J. D'Annibale
Executive Vice President, Sales and Marketing
Interface Solutions Inc.

Understanding the Customers

Once the profile for the right customers has been established, the goal of the sales organization is to identify who the right customers are within each given territory. Typically, this identification process involves a detailed understanding of the company’s profile. This comes from items as basic as their size, product offering, and industry served, to more comprehensive factors that include manufacturing strategy, globalization plans, supply-chain strategy, etc. In this area, market research can effectively identify the matching profiles that coincide with our definition of a “right” customer. It is then the responsibility of the sales organization to pursue these customers, knowing they are an effective match to our core competencies.



Louis J. D'Annibale
Executive Vice President, Sales and Marketing
Interface Solutions Inc.

“Our concern is about quantity versus quality. We don't want people making calls just for the sake of making calls.”

- With company since 1999
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Sales Performance and Target Incentives

To assure that the sales organization aggressively pursues the opportunities within their respective territories, compensation is linked to individual and group performance. A target incentive percentage linking compensation to performance is established for each individual in the sales organization. The payout of this target incentive is dependent on the completion of strategic objectives, individual sales, and the overall sales of the entire sales organization. The percentage of these factors can be adjusted to reflect the realities of any given business. For example, to make up the target incentive payout (whatever that percentage is), a portion can be

Expert Advice

Management Operating Systems Managing the overall sales process involves integrating the organizational pieces that impact the customer. To effectively integrate the various pieces, a management operating system (MOS) has been established to integrate and track the various “touch points” of customer interaction. MOS is a tool used to store and share various types of project information across departments or between companies. The advantage of this system is that users can access the system anywhere in the company, and no special programs or configurations are needed. The system can accommodate any business operations with enterprise class scalability, functionality, and reliability. The MOS system ensures that the activities devoted to the right customers are effectively tracked and monitored so as to maximize the effective completion of projects.

tied to individual objective completion (25 percent of the target), individual sales (40 percent of the target) and overall sales performance (35 percent of the target).

Currently, the sales organization's incentive targets are linked to the following factors: 1) successful completion of five strategic business objectives, 2) individual sales performance (as compared against budget and previous year), and 3) performance of the entire sales organization (as compared against budget and previous year).

Milestones

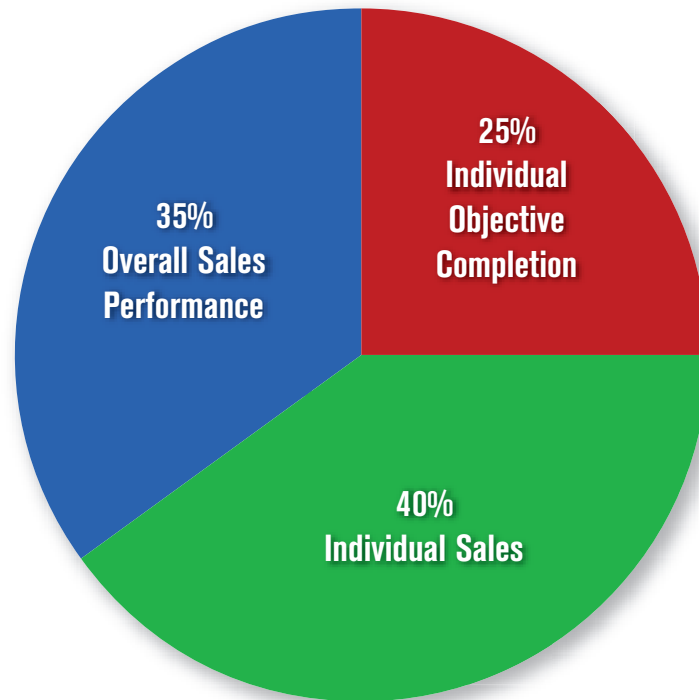
Individual and overall sales performance is reviewed on a monthly basis, and is compared against budget and previous year.

Each strategic objective is broken down into quarterly milestones. To monitor performance, quarterly reviews determine the progress of each milestone. A Milestone Execution Matrix is used to report this progress: An A+ indicates that we've completed all milestones ahead of schedule or over target. An A indicates that we've completed all milestones on schedule and on target. A B indicates that we've completed critical milestones, but secondary or supporting milestones have been missed. A C indicates we've missed milestones critical to achieving our objective.

Sales Force Productivity and Revenue

If we give our sales group the tools that enable them to either talk to potential end-users and/or give them the products that they are interested in, then that's all the productivity we're looking for. We

Example of a Salesperson's Target Incentive Payout



don't measure the number of sales calls because that is a simple measure and isn't indicative of sales success in our industry. Our sales cycle is very long, typically anywhere from 18 to 24 months from the time we start talking to someone until the time they might actually use the product we've offered them.

Our productivity measures are based on the number of projects that people are generating. The bottom line is how many projects they're able to bring to fruition. Moreover, it's not just the number of projects they bring in, but rather the quality of the projects that we count: do they fit our technology and give us a greater level of success?

At present, we would rank our sales force productivity at a six on a scale of one to 10. This lower rating is owing to the fact that we have some people who are new to the industry, and it takes a while to get people up to speed on understanding our technologies and products. There is typically about a three- to four-year timeframe in which the impact of the person can be properly measured. It takes about a year for people to understand exactly how our products fit and where they can find opportunities that are worthwhile for the company.

Communication

Our process for communicating to our sales force is to provide

feedback on how each individual can develop his or her specific objectives. They create milestones, which are the activities that are required to hit the objectives. We then conduct quarterly reviews to see how they are progressing against those milestones. Any “gap” in the milestones is identified and a recovery plan is put in place to help the salesperson get back on track. This is the way that we let our salespeople know whether they are on track and give them feedback if they’re not.

Sales Force Deployment

We deploy our sales force in two ways, by business segment and geographic locality. In our traditional North American market, we divide the territories by business segment. This allows us to focus resources on specific industries that have been identified as strategic. Outside the U.S., we take a geographical approach. For territories in Asia, South America, Europe, and the Middle East, we deploy more of a “generalist” sales force. In these regions, the sales effort is less industry-specific and more channel-dependent.

Training

At least 70 percent of the sales training is technology-based. Understanding the technology that is in the market today and the technology that the competitors use requires necessary training. Although our sales system drives people to be more accountable, we don’t have ongoing sales training programs per se.

In 2002 we developed a selling process that required our sales organization to learn new skills in how we approach our OEM

customers. This process identifies opportunities through info-mapping, identifies key influencers within each OEM, and creates an awareness of what the customers measure (and thus view as important), why it’s measured, who reviews the data, and the decisions that are made as a result. With this in-depth customer knowledge, our organization can construct a “lower total cost” offering that saves the customer money and positions us as a strategic partner to the targeted OEMs. ■

Milestone Execution Matrix

| | |
|-----------|---|
| A+ | All milestones completed ahead of schedule or over target. |
| A | All milestones completed on schedule and on target. |
| B | Critical milestones completed, secondary or supporting milestones missed. |
| C | Critical milestones missed. |

Til F. Dallavalle

Vice President of Marketing, NIKSUN, Inc.

Increasing Revenue and Market Share

For our company, increases in sales productivity have a direct relationship to increases in revenue. We build programs and work with other firms to identify and qualify prospects and arrange opportunities for face-to-face meetings, demonstrations, and quote requests.

The more revenue we generate, the more share of the market we will get. Our market is growing: there are players keeping pace with

We offer a complex solution and a certain amount of ramp-up time is necessary for our people to be effective at explaining the solution to qualified prospects.

the market, players with a defensive strategy, and players developing an exit strategy. With all of these factors influencing the same market, the amount of share that a company gets depends on forces that aren't directly related to its sales productivity.

Our Sales Force

Our sales force is challenged. We offer a complex solution and a certain amount of ramp-up time is necessary for our people to be effective at explaining the solution to qualified prospects.

We have quite a few new salespeople who are at around 70 percent FTE at this point. However, they are getting more productive as the quality of their prospects increases and as our marketing department is able to more clearly

articulate our message and provide them with sales support materials.

Analyzing Productivity

The productivity of our sales force is analyzed through calls per day and regular sales statistics. At the end of the day, the most important measure is what sales opportunities were successfully closed. Keeping pace with sales objectives and quotas is paramount.

Because salespeople are motivated by compensation, we use

Til F. Dallavalle
Vice President of Marketing
NIKSUN, Inc.

performance to tailor our compensation plans. As the year rolls out, we introduce sales incentive programs. When we offer the right incentive, we see it in the results the following month.

The competitive nature of our market, however, makes it difficult at times for salespeople to fill their pipeline with enough opportunities to make quota in a given month. In light of this we have also looked at sales by quarter and do our best not to punish our sales force for same-year sales that had slightly longer sales cycles. Our sales executives all have commissioned-based positions; so if any of them don't meet their goals, their compensation is directly affected. For sales executives, this model seems to be an effective and common practice.



Til F. Dallavalle

Vice President of Marketing
NIKSUN, Inc.

"In general, our firm is looking to grow with the market and to continue to grow our share in the market. In order to do that, we have to increase our sales productivity to a point where we are more productive than our competitors."

- 30 years of marketing experience
- Previously director of global sales and marketing, Telcordia
- B.S., Mathematics, Seton Hall University
- M.S., Telecommunications Management and Computing, Polytechnic University

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We customize our compensation plans for the following year based on information from the year before.

Primary Responsibility

The global vice president of sales has primary responsibility for driving the productivity of our sales force. We have defined geographical regions with a regional vice president assigned to each. Within each region, we also have salespeople. The global vice president manages

all of these regional vice presidents. He monitors and manages the sales metrics and is constantly looking at productivity and coming up with ideas for improvement. He comes to me with situations in his regions and we put our heads together to come up with a campaign or an initiative. He will then launch the campaign and direct marketing to develop resources and materials to enable the salespeople to achieve their objectives.

Our regional sales managers are dispersed geographically across North America, Europe, the Middle East, and Asia. They work tirelessly to meet prospects and educate them on the value and performance of our solutions. When we use a third party for lead generation, this firm works directly with the ground manager to qualify prospects and arrange meetings and demonstrations. Our sales team encourages the prospects they engage to take an evaluation unit and place it in their own network for a month. That

Expert Advice

Communication and Training In the next six months, we have plans to create messaging. We are repositioning certain products in market spaces and have a tactile program that is directly focused on increasing sales productivity.

We have also researched and investigated a number of ways to work with our team. We kept our team informed about potential solutions and asked for their input. As their thoughts aligned with ours, we created a collaborative technical plan with buy-in from executive management, marketing, and sales.

way the prospects can make their own assessment. Our sales process is complex, but when we get a customer to agree to try an evaluation unit in their network and to run their own data through it for a period of three to four weeks, we have an incredibly high success rate that is very close to 100 percent. It is very rare that someone takes an evaluation unit and does not agree to purchase or deploy it in some way.

Some firms are calling this practice “tryvertising,” which is really just giving a prospect a chance to try out your product/service before

they make an investment in it. What tends to happen in our experience is that better than 90 percent of the prospects that use an evaluation unit to assess its value eventually purchase the unit. By conducting this trial, they prove to themselves that our product is differentiated from the rest of the products on the market. When this happens, it transforms a prospect (one who is evaluating our product) into an advocate. This is what we want to be in the end. It is the model that is helping us accelerate our sales cycles and continue to grow our business. ■

Stephen Maitland-Lewis

Director of Marketing, The Daily Journal

Increased Revenues and Market Share

Sales productivity should lead to greater profit. If it doesn't, something is going wrong in the pricing of the product or in the cost of production. If your production costs are in check and your product is priced correctly, you should see greater revenue and profitability.

Anything that is time-consuming and takes a salesperson away from generating sales is going to be unprofitable, so we have to be careful not to overdo it.

Market share is difficult to determine in our industry. Although we know who our competitors are and do our best to retain and increase customers, I don't know what our market share is. In the Los Angeles market, we probably have 90 percent as far as the legal daily newspaper market is concerned.

Sales Force Productivity

Our sales force is doing a wonderful job. We offer constant training, especially when we bring out a new product. We hold morning sessions with our sales force and our

customer service people, and are very generous with the amount of time we devote to them. We let them brainstorm and ask questions.

We devise marketing plans on a monthly basis. We list firms' clients and calculate the number of attorneys within each firm. We work out what their current subscriptions are with us and then determine whether there is the potential for more.

Stephen Maitland-Lewis
Director of Marketing
The Daily Journal

We are constantly improving and streamlining our cutting-edge databases that we use for subscriptions. As the databases have become more sophisticated, we have more time to devote to actual marketing.

Using Communication to Motivate

Salespeople are driven by rewards. Communication and anything else we can do to facilitate a salesperson's performance are going to be well-received. Anything that is time-consuming and takes a salesperson away from generating sales



Stephen Maitland-Lewis
Director of Marketing
The Daily Journal

"We aren't truly willing to launch a product until everybody is up to speed."

- One of the country's oldest daily newspapers
- Attorney and marketing professional
- Experience includes international investment banking

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is going to be unprofitable, so we have to be careful not to overdo it.

If too much time is spent on internal meetings, internal conferences, and internal memos, the salesperson is going to grow impatient because they take the sales person away from what he or she is trained to do and affects his or her bottom line. We have to be careful not to take up too much of their time with internal meetings.

Deployment

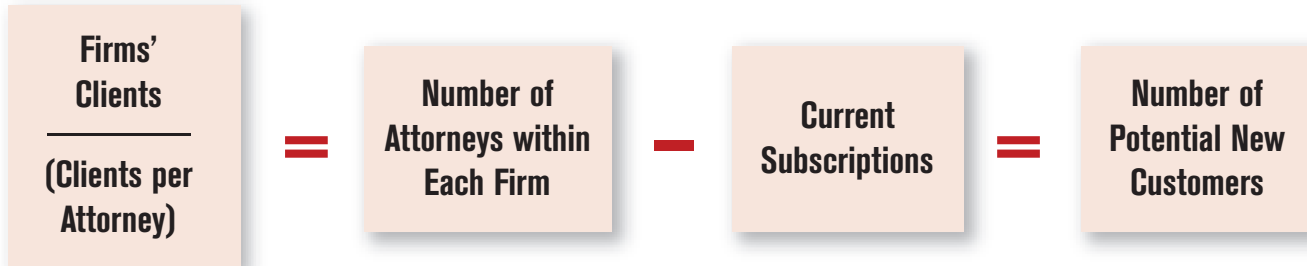
The deployment of our sales force is somewhat determined by product. Some people focus on certain products and others focus on others. Deployment is also deter-

Expert Advice

ROI To determine the ROI of our sales efforts, a person needs to see the overall picture. The ROI has to factor in the cost of paper, delivery, as well as other costs.

Consequently, no one person necessarily has all of the information to come up with an accurate figure. In our case, the publisher and the CFO work on ROI; no one in marketing would have the necessary information.

The Daily Journal's Formula for Generating New Subscription Revenue



mined by what we perceive as our opportunities.

The Role of Training

Training is important for every facet of the corporation. Our sales training is ongoing and everybody is involved. We have mentoring, in-house meetings, in-house tutorials, and in-house discussions with question-and-answer sessions.

While our salespeople have to be competent and professional, they also need to have expertise and enthusiasm. A person who is well trained will succeed, and enthusiasm will be generated from that success. On the other hand, a person who is not well trained is not going to succeed and will be unenthusiastic.

Best Practices

Our best practice for increasing productivity is to know our customer. We need to have people on the road visiting firms and looking customers in the eye. The Internet and e-mail aren't going to build those essential long-standing relationships. ■

Ideas to Build Upon & Action Points

I. What Challenges Do Today's Sales Forces Face?

Gone are the days when a successful sales career could be built on developing relationships, pointing out features, and putting one's bucket beneath the spending faucet. In today's post-dot.com bubble era, sales professionals must also be problem solvers for customers who have become more astute and demanding. More specifically, in order to succeed, many salespeople must offer their customers the following:

- A thorough understanding of the products and services they sell which, in many cases, have become technologically more complex and increasingly multi-faceted
- Ways in which the product/service they're selling will create value for the end-user
- Solutions to perplexing difficulties arising from the customer's use of the product or service
- New, creative ideas for meeting needs and wants

II. The Bottom Line

When assessing a company's financial status, company leadership and stockholders tend to focus on revenue, while salespeople are necessarily more interested in actual dollars earned, i.e., gross profit. For well-managed companies, one should naturally follow the other: a lift in top-line revenues should lead to greater market share and increased bottom-line profit. But first, the dollars must come in. Because salespeople are motivated by money, most companies link sales compensation to sales performance, which is determined using criteria such as:

- Individual progress toward meeting target incentives that are based on actual sales cycles (as opposed to calendar quarters or years)
- Completion of business objectives
- Degree of success of the overall sales organization
- Three- to five-year trends in revenue and gross profit

III. Must-Have Strategies for Analyzing Sales Productivity

You can't increase sales performance unless you fully understand its key drivers that are specific to your industry and markets. For example, some businesses will find it useful to assess a salesperson's productivity by his or her phone calls and meetings. However, that metric would prove completely useless to other companies that are more concerned about building long-term relationships with a few big-spending customers. You can measure progress in ways that are meaningful to your organization by:

- Setting periodic "supporting" and "critical" milestones by which to monitor performance
- Tracking the conversion of opportunities (leads) into sales by developing an enterprise pipeline or forecasting tool
- Regularly conducting a gained agreement process that analyzes existing and potential customers
- Analyzing travel and entertainment dollars that salespeople spend relative to the yield they generate
- Assessing the overall quality of the customer relationship in terms of dollars earned and projects successfully completed

IV. The Golden Rules for Effectively Managing Your Sales Force

A well-trained salesperson tends to be an effective salesperson, which in turn can result in an enthusiastic salesperson. However, requiring your sales force to attend too many meetings and trainings can quickly backfire if you thereby reduce the time they could be selling and earning the company — and themselves — additional revenue. Approaches for cultivating a capable and motivated sales staff include:

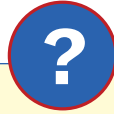
- Ensuring that the marketing function develops useful sales support materials
- Providing knowledge-acquisition tools (such as Street Smarts) to allow salespeople quick access to subject matter experts

- Holding periodic trainings — especially if new products/services are being launched — and encouraging people to seek out learning opportunities on their own
- Offering helpful feedback and mentoring services on how to achieve performance objectives
- Keeping everyone informed about departmental developments
- Asking for staff input on solving problems
- Reviewing individual progress against milestones on a regular basis, and establishing "recovery plans" when necessary

V. Essential Take-Aways

When it comes to increasing the productivity of your sales force, developing motivated and competent salespeople who know your products/services intimately is a major component, but not the only one. For many industries, other key strategies include:

- Defining exactly what constitutes the "right customer" and "right projects" for your business and allocating sales/marketing resources accordingly
- Continuously enhancing the capabilities of sales tools, such as databases
- Setting sales targets that challenge, not discourage
- Deploying sales forces in ways that are appropriate to their markets, such as by business segments in some, and by geographical segments in others
- Employing "tryvertising" methods where prospective customers are given a chance to try a product/service before making an investment
- Tracking all contacts with the customer through the use of a management operating system (MOS) to ensure the maintenance of satisfactory relationships and effective completion of projects
- Personally visiting your customers and "looking them in the eye" — not just relying on the Internet and e-mail ■



10 KEY QUESTIONS AND DISCUSSION POINTS

- 1 How does increased sales productivity translate into increased revenue? Into market share growth? Into increased profitability?
- 2 How would you currently rate your sales force's productivity? By what percentage would you like to increase productivity of the sales force in the next 12 months? Do you currently have a plan to generate this productivity increase?
- 3 What process do you use to target the efforts of your sales force? How do you identify the needs of specific customers? How do you pass along this research to the sales force?
- 4 How have you utilized automation to help increase sales productivity? What automated tools are your sales force currently using? How has the sales force reacted to the use of automation?
- 5 How is the productivity of the sales force analyzed? When this analysis is complete, how do you use the data to increase productivity? How often is this analysis conducted?
- 6 How can you use communication to motivate your sales force? Is there an opportunity for two-way communication? How is feedback from the sales force utilized to increase productivity?
- 7 Could you describe your sales force deployment? How does this deployment strategy increase productivity? Do you have any plans to change sales force deployment in the next 12 months?
- 8 What are the industry best practices in increasing sales force productivity? Before implementing a best practice, what analysis do you do to ensure that the best practice will work at your organization? Has the implementation of a best practice increased productivity at your company? If yes, how so?
- 9 What role can training play in increasing the productivity of the sales force? What percentage of your sales force undergoes training on a regular basis? Can you describe the training available to your sales force?
- 10 What role can compensation changes play in increasing the productivity of the sales force? Can you describe the compensation structure for your sales force? How do you believe this compensation structure drives productivity?