

Sales Management – The ‘new’ old problem

rocket science

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The Badges

ISO 9001 - 2000 Accredited - Quality Management

ISO 17799 Accredited - Information Management

Data Protection Registration No. Z6468807

Investors in People Accredited

SMART Award winner - Double Gold 2002

DMA Award winner 2004 & 2005, Grand Prix 2006

Data Intelligence Award winners 2005, Grand Prix 2006

Prince 2 and Microsoft Accredited

Sales Management – A brief History

In the beginning there was prostitution, then there was Sales and then Sales Management.

Lots of research, publications and understanding on prostitution, some done by me!!! and sales but very little on Sales Management

Sales Management – My Interest

Prioritisation of investment

	Sales Visit	Telemarketing Call	Direct Mail
Cost per contact	£100	£10	£1
Contact per annum	10	10	10
Marketing investment	£1,000	£100	£10
Sales needed @10% ROS	£10,000	£1,000	£100

70% of Sales visits are to customers who will never cover the cost !!!

The CEO's view of Sales and Sales Management

The majority of executives who rely on a sales team to generate sales are haunted by the lack of ongoing visibility into sales activities.

Aberdeen Group

Over half of the respondents in the research described their companies as sales-driven, with nothing more important than the efforts and outcomes of sales. Yet none could be certain of what their sales teams were doing.

Aberdeen Group

The CEO's view of Sales and Sales Management

'We asked CEO's to rate their sales organisations and describe in detail its management capability, the sales force's skill, and the organisational culture.

The picture wasn't pretty. In general, the executives were underwhelmed by their sales forces' performance, even though their teams were reputedly among the world's best

This finding is consistent with other studies that show executives' lack of confidence in sales. (A 2004 Accenture survey, for example, found that out of 178 executives polled, 56% saw their sales forces' performance as "average, worse than normal or 'catastrophic.'")

Harvard Business Review – July-August 2006

The Managers view of Sales and Sales Management

‘recent survey data suggests deviant salesperson behaviour is running rampant out in the field: 60% of Sales Managers have caught their reps cheating on expense reports, 47% suspect their reps have about sales calls and 36% believe salespersons behaviour has gotten worse in recent years.’

Journal of Personal Selling & Sales Management-Fall 2006,Volume 26,Nos4

What is Sales Management?

What do Sales Managers think they do?

What do Sales Managers think they do?



What is Sales Management?

Very few have offered definitions and no agreement.

The term '**Sales Management**' is quoted and claimed by all the leading SFA and Training providers, the way it is used is as accurate is like the way the term '**FAST**' is used.

Sales Management: Process Overview

Objectives → Resources → Management → Tools → Outcomes

Sales Management: Process Overview

Objectives	Resources	Management	Tools	Outcomes
10% Growth	Sales Team	Call Activity	Training	Sale
Launch	Product	Call Focus	Compensation	Order
Reduce Costs	Pricing	Call Change	Rewards	Enquiry
	Marketing	Call Process	SFA	New customer
	Database	Customers	Area Planning	Satisfaction
	Cars	Individuals	Market Quant	
	Phones		i-snapshot	

Sales Management Tools

Training and Compensation

It is theoretically possible to use training and compensation strategies to change the impact of all 6 levers, though it is likely to be expensive and not reproducible.

Sales training , can change behaviour but research suggests the effects only last between 90-120 days.

Sales Force Automation Tool (SFA's)

- Definition - 'SFA is support for sales force, which help by improving speed and quality of information flow among sales, customers and organisations' Speirer & Venkatesh
- Based on contact management products and early CRM concepts
- Developed in the mid 1980's
- Currently typified by Salesforce.com
- Bring value to the customer part

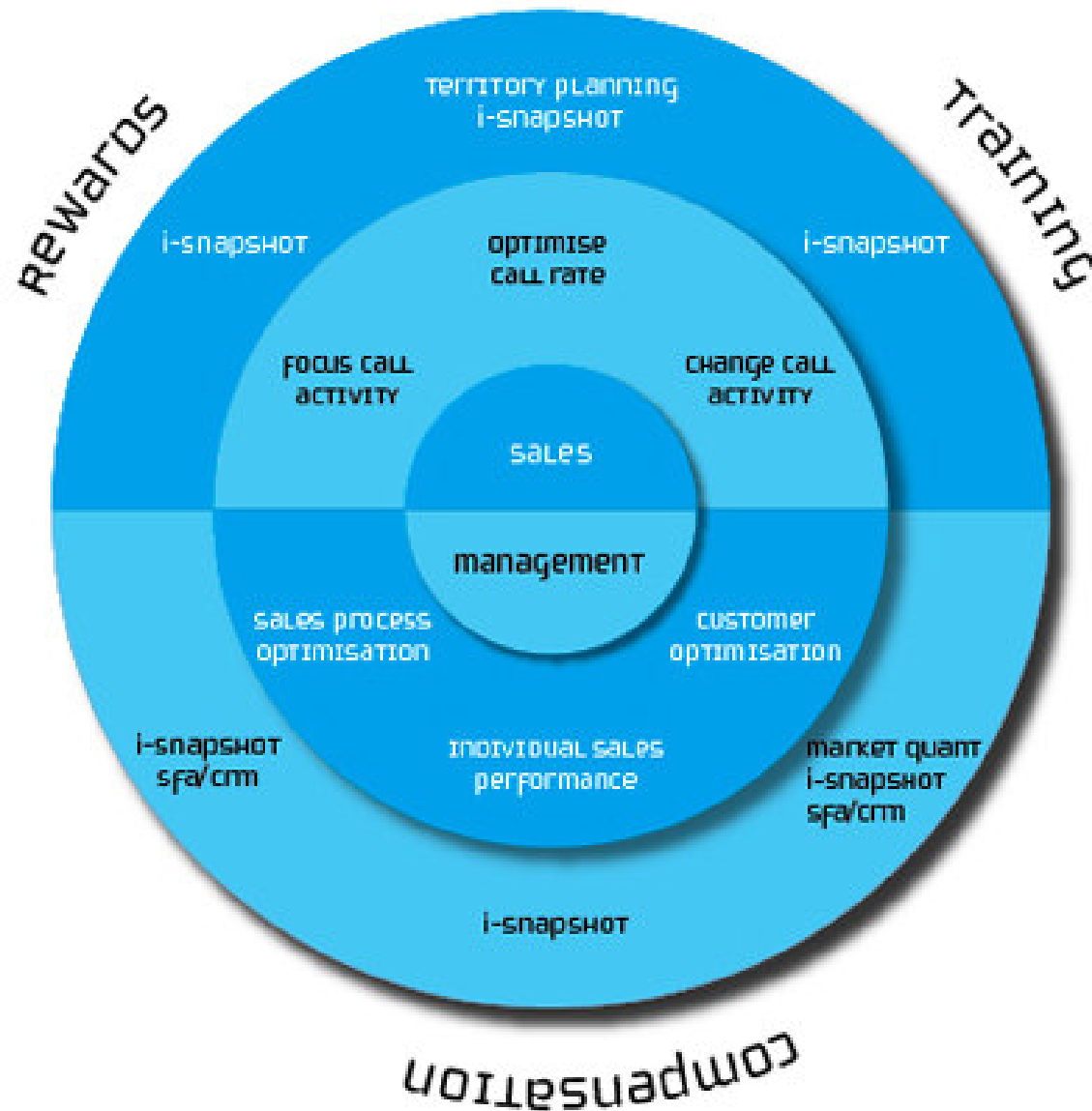
Sales Force Automation Tool (SFA's)

- Can be expensive
- Long implementation time
- Poor acceptance and use
- High failure rate
- Only offer limited help with Sales Management

Other Tools

- Area Planning/mapping
- Customer Optimisation - MarketQuant

Sales Management: The Tools



6 Levers of Sales Management

Increase sales activity
Focus sales activity
Change sales activity



Efficiency

Optimize the Sales process
Optimize Customer relationships
Improve individual performance



Effectiveness

Key Drivers of Sales Management

- Real time data
- Independently verified date and time
- Flexible data model
- Universal coverage – no excuses
- Easy to use and high user acceptance

When	Who
Call Statistics	Staff Member, Organisation

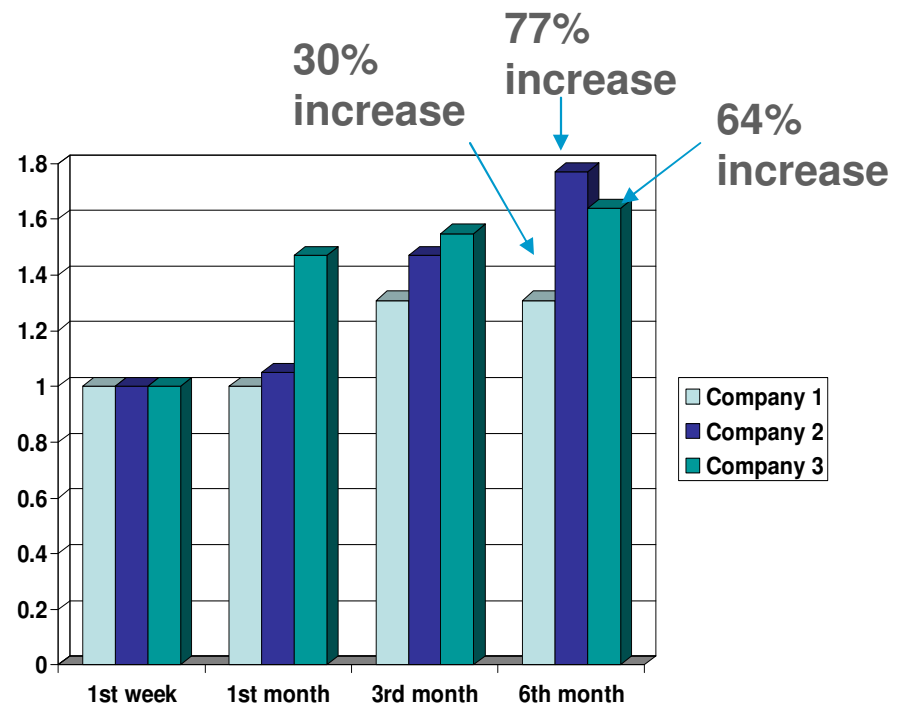
Where
Customer Location

Purpose	Location	Contact	What	Outcome	Action	Information
Why	Where	Who	What	And ...	ToDo	Additional
Sales Support Finance	HQ Office Site	MD SD FD Buyer Agent	Meeting Present Contract	Order Enquiry	Report FollowUp Next Meet	Competitor Personnel

What happens if you implement Sales Management tools?

Increasing Sales Activity

The graph shows the relative increases in the sales activity for 3 companies who used real time reporting, from the 1st week to 6 months.



Call rate ratios – Across 4 clients

Top = 9.5 visits per day

Bottom = 4.7

Ratio = 2:1

Top = 5.3

Bottom = 2.9

Ratio = 2:1

Top = 7.2

Bottom = 2.4

Ratio = 3:1

Top = 6.3

Bottom = 1.5

Ratio = 4:1

The most active sales people are completing at least twice as many calls as the least active

There is a correlation between activity rates and positive call outcomes

Top quartile v bottom quartile - per team

Improving Individual and Team Performance

The four bottom sales people were identified and benefited from additional training, after 6 months all showed significant improvement.

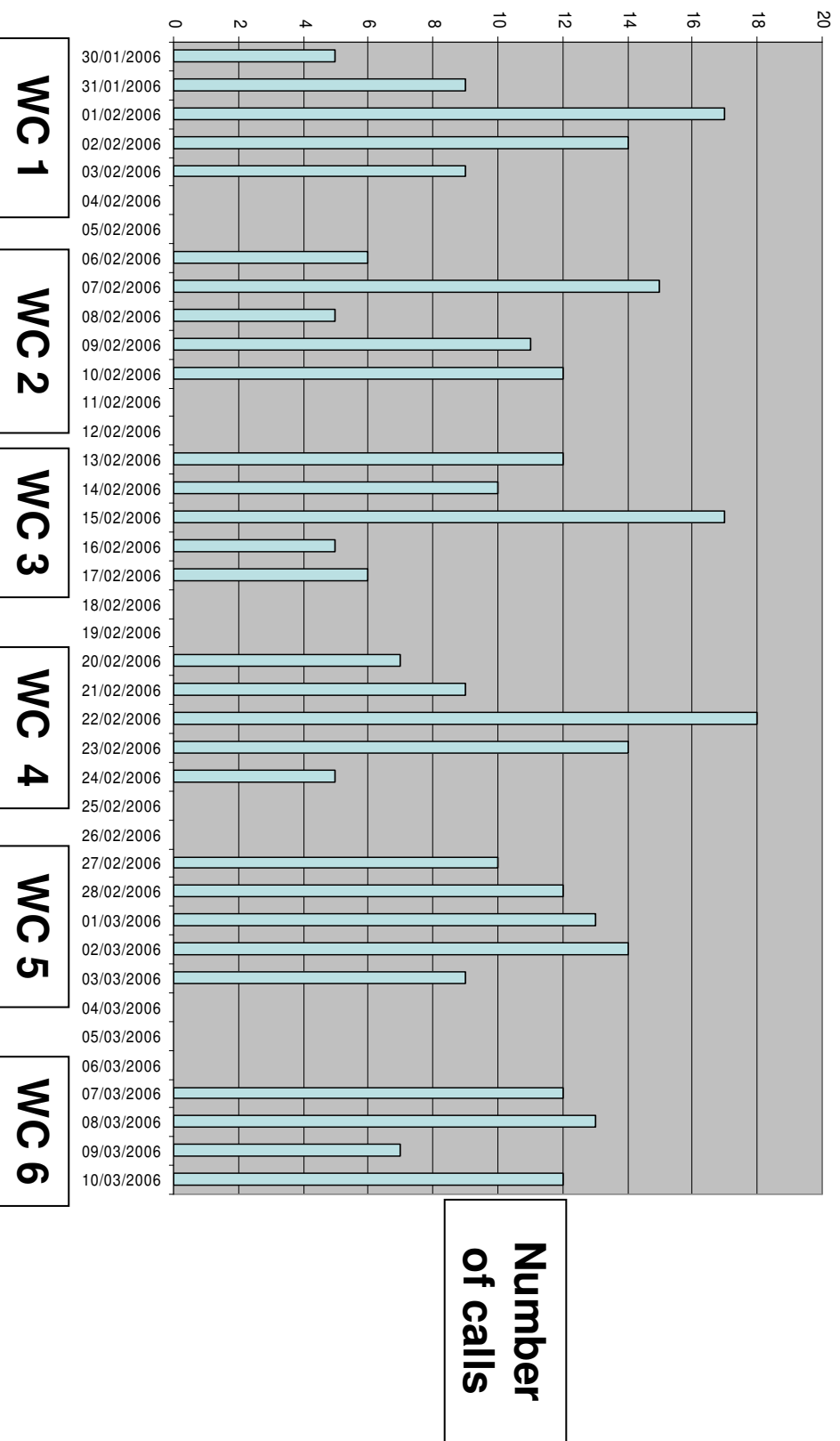
‘The goal is not to replace the rainmakers, but to narrow the gap between the top and bottom,

Harvard Business Review
December 2006

Week 1		Calls	Week 26	
Salesman 1	25		Salesman 7	23
Salesman 2	19		Salesman 10	22
Salesman 3	18		Salesman New	21
Salesman 4	17		Salesman 12	20
Salesman 5	17		Salesman 8	19
Salesman 6	16		Salesman New	18
Salesman 7	16		Salesman 19	18
Salesman 8	15		Salesman 17	17
Salesman 9	15		Salesman 2	17
Salesman 10	14		Salesman 20	16
Salesman 11	14		Salesman 1	16
Salesman 12	13		Salesman 18	16
Salesman 13	12		Salesman 9	15
Salesman 14	11		Salesman 5	15
Salesman 15	10		Salesman 4	14
Salesman 16	10		Salesman 13	14
Salesman 17	9		Salesman 11	13
Salesman 18	9		Salesman 14	13
Salesman 19	8		Salesman New	12
Salesman 20	8		Salesman 16	12
		14.53		17.42

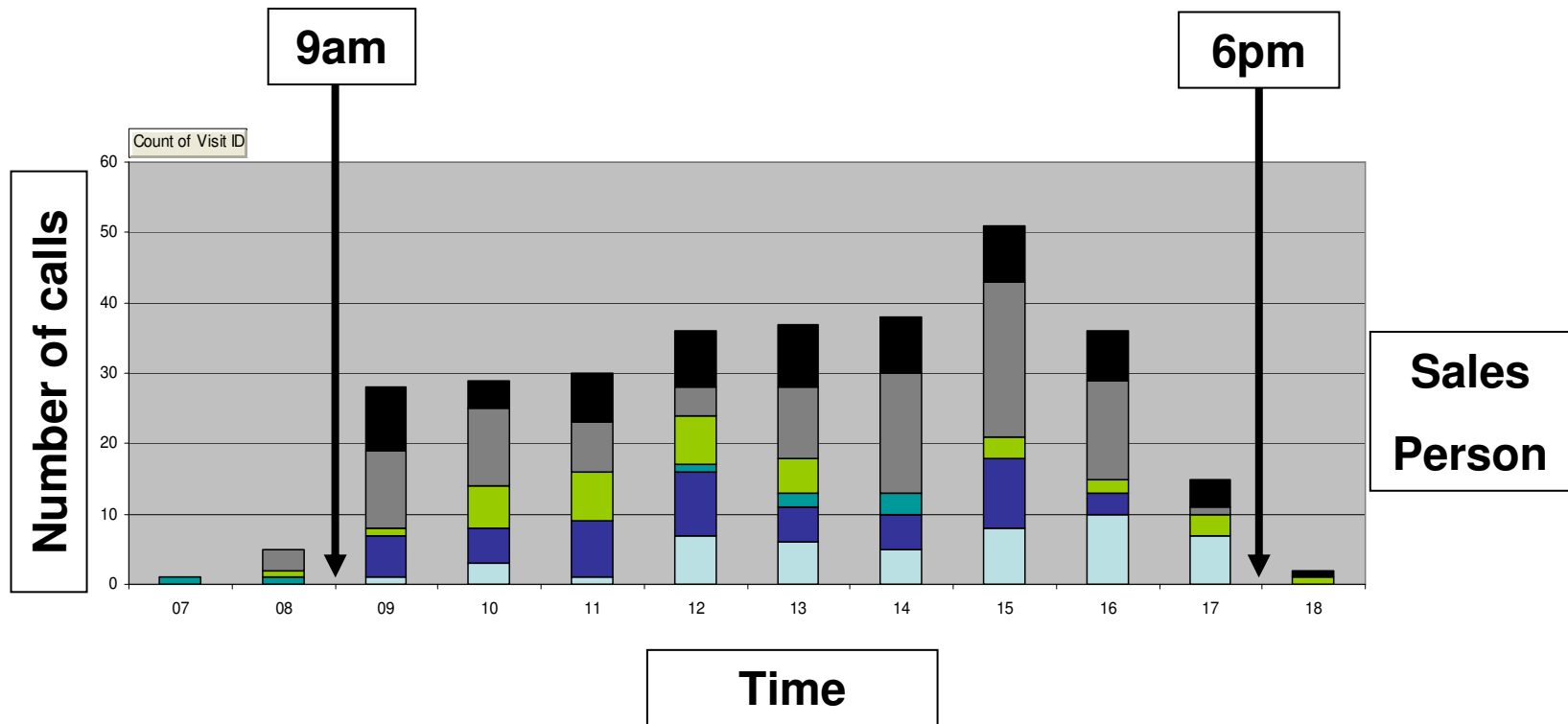
20% Increase

Sales Visits by Day of Week



Calls by time of day

Sky blue person = afternoon focus
 Grey person = start and finish early



Optimising Call Patterns – Identifying training

	Total Calls for Month	Average calls per rep per day	Nos of orders	Joint Visits	No further Action	No Show	Service Visits	Change In Sales for Month
Area 1	506	5.06	189	58	31	34	59	+15%
Area 2	510	5.1	102	12	97	87	102	+3%

The above regions have very similar work rates but did different things and achieved different levels of Sales Success. The data shows that Area 2 could improve via training

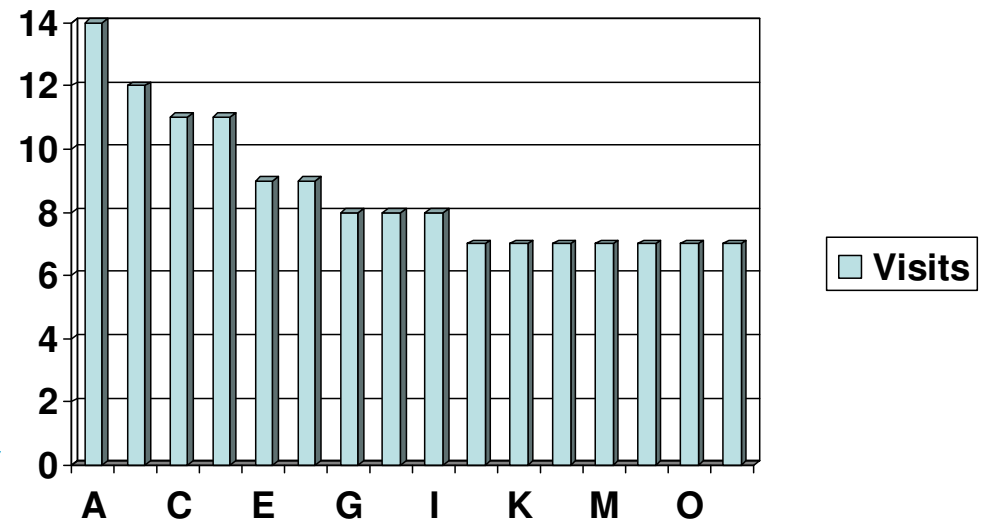
Customer Visits

Not all customers have the same potential or will respond the same, i-snapshot lets you see your investment by customer and return to help you target your resources.

Customer Visit Frequency

Total of 189 visits at a cost of £13,230

>7 visits in 1 Month



14 visits resulted in the following:

- 2 orders worth <£2,000
- 12 x no further action

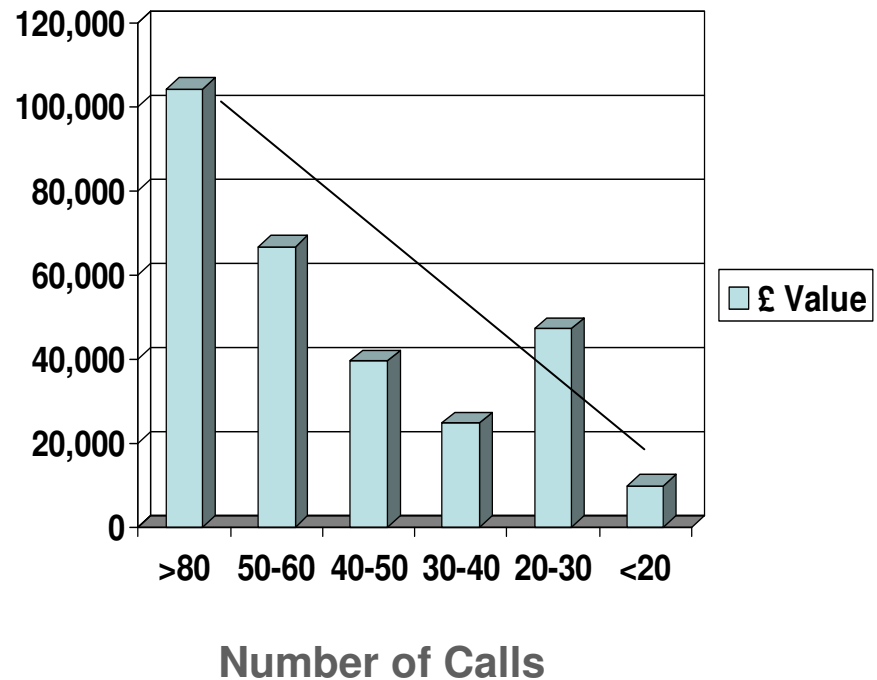
Customer Investment

Least Visited Customers

Whilst the previous 16 Customer had 189 visits, 30 of the top 50 customer had no visits and of the customer base in this area 279 had no visit

Increasing Activity, Increased Sales

The benefit of increased sales effort is well known by Sales Managers, the graph shows the direct correlation and benefit of a higher call rate in month on sales.



Some thoughts to finish with

Sales is one of the most important outputs of a business and Sales Activity is a key 'lead' indicator, yet visibility of the 'activity' has remained elusive.

It is only by understanding the Sales Process, Sales Management Levers and the Tools can organisations start to reproducibly improve their performance relative to the competition.

With understanding and visibility the new old problem, can be the new competitive advantage.

Thank you