IT'S ALL YOURS
Customize the content to learn more about the topics you care about most.

READ, WATCH, OR LISTEN
Our podcast, videos, and research articles—all in one place.

IN THE KNOW ON-THE-GO
Access SBI publications and insights from your peers wherever you are.

YOUR SMARTPHONE CAN ACTUALLY MAKE YOU SMARTER.

SBI APP
Download today at:
www.SalesBenchmarkIndex.com/SBI-App
CONTENTS

/44
BEST OF THE BEST
Winner Profiles
The 10 best companies to sell for in 2016 are four times more likely to make their number than misaligned sales organizations. See who made the cut.
By Greg Alexander

/56
8 Disciplines of Sales Execution
Discover how the best B2B sales organizations crush their number—and deliver sustainable revenue growth year after year.
By Ryan Tognazzini

/64
Shrink Time-to-Revenue for New Sales Employees
It’s hard to overstate the importance of a solid onboarding program. Your future depends on it.
By Mike Drapeau

/37
ON THE COVER
10 BEST COMPANIES TO SELL FOR IN 2016
The key to sales greatness is a well-aligned strategy that simplifies the buying and selling process. It’s why “A-Players” love their employers and almost never leave.
By Greg Alexander
CONTENTS

/4 EDITOR’S LETTER

/5 STAFF CONTRIBUTORS

/10 PERSPECTIVES

/13 DEPARTMENTS

/16 PERSPECTIVES

/14 THOUGHTS

/14 Understanding Where to Expand
/15 Pulling Off a Pivot
/16 The Top 10 Ways a New VP of Sales Can Blow the Honeymoon Period
/18 Using Root Cause Analysis to Diagnose a Revenue Miss
/19 What’s Your Customer Value Proposition?
/19 The Objectivity Scale

/20 IDEAS

/20 Locating Hidden Upside in the Go-to-Market Strategy
/21 Modify Your Value Creation Plan to Sync with Sales Effectiveness
/22 The CEO and Sales Leader Relationship
/24 Cost Structure Analysis Applied to the Sales Force
/25 Mitigating Risk with Pipeline and Forecast Accuracy
/25 Creating Equity Value with the CAC:CLTV Ratio

/26 INSIGHTS

/26 Drawing the Line Between Field Sales and Inside Sales
/27 Building Blocks of Account-Based Marketing
/28 LegalZoom’s Approach to Results-Oriented Marketing Campaigns
/30 Before and After: Revenue Growth Maturity Model
/32 The Metrics Dashboard
/34 Changing Sales Channels As a Product Moves Along Its Life Cycle
/34 Do You Need a Builder or an Operator?

/70 LIFESTYLE

Enjoy Cocktail Hour Without Paying the Price
THE POWER TO MAKE YOUR NUMBER IS ONLY A CLICK AWAY. VISIT OUR NEW WEBSITE.
FULLY CUSTOMIZABLE CONTENT THAT'S RELEVANT TO YOU.

SBI WEBSITE
Visit us at www.SalesBenchmarkIndex.com
EDITOR’S LETTER

Why Should I Work for You?

This is the question top sales talent asks themselves when you try to recruit them to your team. Do you have a compelling answer? You’d better. 2016 is the year when the demand for sales talent will outstrip the supply. This has already happened in some industries, such as software and cybersecurity.

You grew accustomed to the notion that you held the power position because you did the hiring and firing. No more. Top sales reps, managers, and executives are now calling the shots.

Many of the popular notions about what makes a great company to sell for are pure myth. Here are a few busted myths you will want to rethink.

Good-enough products are good enough. Wrong. SBI researchers found that top producers want to work for companies whose products solve customer problems that are so urgent they are willing to pay to fix them. See the SBI report, “How to Make Your Number in 2016” (www.salesbenchmarkindex.com/2016-report). Superstars won’t join you if your solution is “me-too.”

Marketing does not matter. Wrong. The SBI study reveals that the best sales talent put “compelling value propositions,” “strong competitive positioning,” and “effective lead generation” near the top of their list for attractive employer attributes. Quota killers do not tolerate weak marketing support.

Every “A-Player” wants to be left alone. Wrong. The SBI research also found that “A-Players” want to work for a leader who “assigns a quota appropriate for the territory assignment,” “understands how customers make purchase decisions,” “pays fairly,” and “enables the sales team with processes, training, and systems.” They do not want to be micromanaged. But they do require hands-on leadership that adds value every day.

There is no doubt about it. Companies that get the best talent are different. They are very diverse—small, midsize, and large enterprises from many different industries—and they are very confident about making their number in 2016. That’s a reverse from the last couple of years, when B2B sales organizations were considerably less optimistic about making their number. The top companies to sell for have much better employee engagement and lower turnover rates. And that may make their relationship with their sales talent the most important relationship these companies have.

The biggest difference is not who these companies are, but how these companies behave. The best companies to sell for are the most market-centric ones that produce compelling products, attract lots of buyers, and invest heavily in putting their sales teams into conditions that are built to win. They are quickest to adapt to the ways in which their customers buy their products.

Do you have open head count to fill? If so, pay attention. The 10 best companies to sell for in 2016 are not running yesterday’s playbook. They are implementing tomorrow’s best practices today.

Do what they do, and become great.

GREG ALEXANDER
CEO
STAFF CONTRIBUTORS

Greg Alexander
Leads the firm’s focus on the CEO’s role in accelerating revenue growth by getting the product team, the marketing department, and the sales organization into strategic alignment.

greg.alexander@salesbenchmarkindex.com

Kevin Avery
Challenges clients to design and implement innovative practices. Before SBI, Kevin held leadership positions in sales, marketing, business, and channel development in the high-tech industry, concentrating on the contact center and collaboration software.

kevin.avery@salesbenchmarkindex.com

Aaron Bartels
Helps clients solve the most difficult challenges that stand in the way of making their number. Aaron founded SBI with Greg Alexander and Mike Drapeau to help B2B leaders meet their goals.

aaron.bartels@salesbenchmarkindex.com

Eric Bauer
Drives business growth through brand strategy, sales and marketing alignment, and marketing effectiveness. As a global marketing leader, Eric helps clients identify and implement strategies that result in sustained growth.

eric.bauer@salesbenchmarkindex.com

Dan Bernoske
Dan is a go-to-market innovator. Before joining SBI, Dan held business development, sales, and product management leadership positions at several start-up companies, developing Apple iOS platforms and e-commerce–based social networks.

dan.bernoske@salesbenchmarkindex.com

Christina Dieckmeyer
Helps SBI and its clients make their number. Christina is an experienced marketing leader who focuses on executing the operating plan for SBI’s marketing department and allocating resources efficiently to drive revenue.

christina.dieckmeyer@salesbenchmarkindex.com

Mike Drapeau
Makes data and analysis come alive so clients can understand the “what” and “why” and design solutions that fit the environment. Mike spearheads the firm’s talent development, and has helped amazing sales and marketing leaders excel.

mike.drapeau@salesbenchmarkindex.com
**STAFF CONTRIBUTORS**

**Eric Estrella**  
Specializes in helping clients solve some of the most prevalent go-to-market problems in today’s complex selling world. Eric’s innovative go-to-market strategies help clients grow.  
[eric.estrella@salesbenchmarkindex.com](mailto:eric.estrella@salesbenchmarkindex.com)

**Mike Gala**  
Provides clients with insightful data analysis to accelerate their rate of revenue growth. Prior to joining SBI, Mike served in a variety of sales operations and sales enablement roles at large enterprise companies.  
[mike.gala@salesbenchmarkindex.com](mailto:mike.gala@salesbenchmarkindex.com)

**Scott Gruher**  
Orchestrates and designs the perfect project strategy, one engagement at a time, to help ensure every SBI client makes their number. Scott joined SBI with years of hands-on experience in sales leadership and enterprise selling.  
[scott.gruher@salesbenchmarkindex.com](mailto:scott.gruher@salesbenchmarkindex.com)

**Josh Horstmann**  
Brings a deep level of experience and insight in helping organizations develop and execute their corporate, sales, and marketing strategies. Josh specializes in helping clients solve demanding challenges by aligning functional strategies within an organization.  
[josh.horstmann@salesbenchmarkindex.com](mailto:josh.horstmann@salesbenchmarkindex.com)

**John Kearney**  
Helps clients adopt emerging best practices to make their number. Under John’s leadership, organizations have successfully grown revenue and improved sales and marketing effectiveness.  
[john.kearney@salesbenchmarkindex.com](mailto:john.kearney@salesbenchmarkindex.com)

**Drew Kiran**  
Accelerates client results by finding root causes and collaborating on solutions. Drew’s success as an entrepreneur and Fortune 1000 leader provides a unique perspective to help a wide range of clients.  
[drew.kiran@salesbenchmarkindex.com](mailto:drew.kiran@salesbenchmarkindex.com)

**Daniel Korten**  
Helps companies make their number and grow revenue by using a data-driven approach to solving problems. Dan has developed his problem-solving expertise through data-driven decision-making.  
[dan.korten@salesbenchmarkindex.com](mailto:dan.korten@salesbenchmarkindex.com)

**Steve Loftness**  
Helps sales and marketing leaders make their number through implementation and change management of proven and emerging practices. Steve leverages his expertise to help clients with innovative yet pragmatic solutions.  
[steve.loftness@salesbenchmarkindex.com](mailto:steve.loftness@salesbenchmarkindex.com)

**Tom Maloney**  
Works with clients to improve sales force effectiveness, reduce customer acquisition cost, and increase customer lifetime value. Before joining SBI, Tom was the vice president of sales operations for the Uniform Services Division at Aramark.  
[tom.maloney@salesbenchmarkindex.com](mailto:tom.maloney@salesbenchmarkindex.com)

**Scott McLeod**  
Helps clients make their number through organizational transformation, advanced analytics, and innovative go-to-market strategies. Before SBI, Scott spent 15 years holding leadership roles in sales and marketing operations, business analysis, and sales engineering.  
[scott.mcleod@salesbenchmarkindex.com](mailto:scott.mcleod@salesbenchmarkindex.com)
IF YOU WANT TO MAKE YOUR NUMBER, MAKE AN APPOINTMENT.

Pre-book your visit to our all-new executive briefing center and meet all our experts in one day.

SBI EXECUTIVE BRIEFING CENTER
Contact Christina Dieckmeyer at 317-750-7443 or Christina.Dieckmeyer@SalesBenchmarkIndex.com
Fred Penteado
Guides private equity portfolio companies in a variety of industries on ways to make their number. Prior to joining SBI, Fred held a variety of leadership positions with multinational Fortune 50 companies.
fred.penteado@salesbenchmarkindex.com

George A. de los Reyes
Solves clients’ most difficult sales and marketing problems to help ensure they accelerate and exceed their revenue growth goals. He leads engagement teams for clients such as Hewlett-Packard, Adobe, Thomson Reuters, Ryder Systems, and others.
george.delosreyes@salesbenchmarkindex.com

Lynne Sharrers
Designs exercise and nutrition programs for executives leading busy lifestyles. Lynne is an avid marathon and functional training enthusiast.
lynne.sharrers@salesbenchmarkindex.com

Matt Sharrers
Studies and works with the top 1 percent of B2B sales and marketing leaders who generate above-average revenue growth. Matt is arguably one of the industry’s most connected sales leaders, and he “lives in the field.”
matt.sharrers@salesbenchmarkindex.com

Barry Somervell
Leverages public and private executive leadership experience with academic disciplines to develop emerging best practices that help B2B companies make their number. Barry is an experienced leader with a strong history of success in strategy and execution plans.
barry.somervell@salesbenchmarkindex.com

Mark Synek
Leads SBI client engagements at the senior sales and CXO levels. Mark has taken his extremely diverse background and distilled it down to an enormous passion for helping sales and marketing leaders make their number.
mark.synek@salesbenchmarkindex.com

Ryan Tognazzini
Works closely with B2B companies to solve strategic business problems so they can make their number. Ryan has worked extensively with emerging growth technology companies. Additionally, Ryan works alongside numerous private equity investors.
ryan.tognazzini@salesbenchmarkindex.com

Bill Turner
Works with clients to turn vision into strategy, strategy into executable road maps, and road maps into measurable results. Bill brings decades of experience in driving B2B sales performance, operational excellence, and the effective use of business intelligence and IT.
bill.turner@salesbenchmarkindex.com

Barry Witonsky
Delivers a decisive course of action to sales and marketing leaders by analyzing their market, industry, company, and products. Barry has firsthand knowledge of the obstacles that arise when these groups are not aligned.
barry.witonsky@salesbenchmarkindex.com

Drew Zarges
Helps small business owners overcome their biggest sales and marketing challenges to accelerate revenue growth. Prior to joining SBI, Drew worked in the intermediary investment sales world.
drew.zarges@salesbenchmarkindex.com
MAKE YOUR NUMBER 365.

GET THE SAME BRILLIANT INSIGHTS FROM OUR SBI CONTRIBUTORS WITH OUR DAILY BLOG.

SBI BLOG
Sign up today at: www.SalesBenchmarkIndex.com/SBI-Blog
PERSPECTIVES

Customer Centricity Scorecard

The Internet and mobility have empowered buyers as never before. Why have so few sales and marketing teams changed their approach to reflect this new reality? In 2011, CEB reported that 57 percent of the buyer’s journey was complete before a salesperson got actively involved. By 2015 the number had risen to 69 percent. Organizations that sell and market the “old” way risk missing their number.

How well is your company aligned with your buyers? A customer centricity scorecard helps answer that question. Assess your approach against best-in-class, buyer-centric tactics in a wide range of areas, including buyer persona research, buyer journey mapping, content marketing, social selling, buyer-centric sales processes, and mobile enablement. Sales leaders gather invaluable insights about how to effectively reach buyers, even when a rep isn’t present. —Mark Synek

Revenue Plan Pro Forma

It’s Q1. The CEO has handed sales and marketing leaders a revenue number. How are they going to get there? A clear revenue plan pro forma is vital to delivering your number. It helps ensure employees work cohesively, and that increases your probability of success. Revenue and budget plans must take many different considerations into account, including changes in product, pricing, your competitors, and more. —Christina Dieckmeyer

Strategy-Tactics Matrix

Optimizing your resources—people, money, and time—is the direct outcome of an effective strategy. But effective strategies require impeccable execution to be successful. In many organizations, confusion between strategy and tactics is commonplace. A strategy-tactics matrix lays the foundation for how to become (or remain) a thriving business. It is a simple two-by-two grid that compares strategy (doing the right things) to tactics (doing things right). This tool helps you assess your company across four quadrants to determine four possible outcomes: die quickly, die slowly, survive, or thrive. —Tom Maloney
The Odds Maker

**Aligned strategies** give companies a 96 percent chance of exceeding top-line performance, while those with misaligned strategies have an 84 percent chance of attaining their growth objective. Curious about how your company measures up? After assessment against the revenue growth maturity model, you can use the Odds Maker tool to gain insights into your probability of success. —Dan Bernoske

Only 9 percent of companies have aligned strategies…

96%  Growth Attainment

91%  Misaligned Strategies

84%  Growth Attainment

…however, 96 percent of companies with aligned strategies attain their growth objective.

SOURCE: SBI RESEARCH

Customer Lifetime Value Calculator

**Do you know** your customer lifetime value (CLTV) number? This metric matters. It allows you to identify and prioritize customers who are worth the investment. When CLTV improves, it gets easier to make your number. Once you’ve calculated your customer lifetime value, you can quantify your company’s CLTV and compare it to the CLTV of other companies at the same level in the revenue growth maturity model. The journey from Level 1 (chaotic) to Level 5 (predictable) isn’t easy. But it’s worth it. Level 5 companies enjoy 26 percent better CLTV than Level 1 companies. —Mike Gala

Customer Acquisition Cost Calculator

**Do you want to become a CEO?** According to Forbes, less than 20 percent of Fortune 500 CEOs have a sales background. You can develop a great story to tell in the boardroom by calculating your customer acquisition cost. Start by totaling sales, marketing, and R&D costs within a specific time period. Then divide the total costs by the number of new customers. The result is your customer acquisition cost for that period. Track your acquisition cost consistently and push it lower over time. A 30 percent reduction in customer acquisition cost may add more than 10 percent to the bottom line. —Scott McLeod

Cost of a Mis-Hire

**Ever make a bad hire?** One that cost you upwards of $3 million? Calculating the full cost of a mis-hire demonstrates unequivocally why you can’t afford to rush into new hires. Multiple cost factors of hiring must be looked at—including areas that you may not have previously considered. —Steve Loftness
LIGHTS. CAMERA. TAKE ACTION.

NEVER MISS AN EPISODE.
AND NEVER MISS YOUR NUMBER.

SBI TV
Tune in at:
www.SalesBenchmarkIndex.com/SBITV
Understanding Where to Expand: Is your competitive advantage transferable to new markets? PAGE 14

The CEO and Sales Leader Relationship: “Complete transparency and then clear expectations are key.” —Chris Giglio, CEO at Aderant PAGE 22

Drawing the Line Between Field Sales and Inside Sales: Could your inside sales team have closed that deal? PAGE 26
Understanding Where to Expand

Is your competitive advantage transferable to new markets?

By Drew Kiran

Profitable growth is a challenge every CEO faces. In simplistic terms, you have two options: Sell more in your existing markets or identify new markets in which your products and services can be sold. New market opportunities are filled with rewards and fraught with risk. To mitigate this risk, the process for choosing new markets requires precision and extensive market research to provide actionable insights.

Start close to home. Perform a data analysis of your existing customer base. Determine the attributes that define your ideal customer profile. Identifying key attributes such as vertical industry, revenue, number of employees, growth rates, and geocentricity will be key inputs in identifying new markets. Best practice would be to assemble an expert panel of your top performers to gain a deep understanding of what attributes define an ideal customer. List these unique attributes and assign a weighting to them to produce an account scoring methodology. Apply the scoring methodology to your customer base and compare to quantitative metrics such as deal size, annual spend, and customer lifetime value.

Buyer interviews should always be conducted to provide insights that are not skewed by the internal perspective. You need to learn what your buyers value from your organization. You need to know how the buyers want to engage with your company. Track the buyer’s journey back to the lead source. A thorough understanding of how your buyers make decisions will be key in evaluating new markets and the level of effort needed to attract buyers.

Your corporate strategy clearly defines those markets in which you have chosen to compete and chosen not to compete. Study the criteria used in this decision process and determine if internal or external conditions have changed. Examine your competitive advantage: price, product, or customer experience. It is important to ensure you do not suffer from false differentiation—differentiation that is not important to the marketplace or is a false presumption of superiority. Is this competitive advantage transferable to new markets?

Utilizing these inputs, you can evaluate which markets fit your criteria and estimate total available market potential within each. Next, consider both the competitive landscape and your own talent strategy. Is the market dominated by a competitor that limits your growth potential? Do you have the talent needed to compete in the new market?

Extensive market research will increase your chances of success and enable you to design an effective launch strategy.
Pulling Off a Pivot

Is your sales and marketing mindset aligned with the new GTM model?

By Scott Gruher

Ninety-one percent of organizations are not strategically aligned across functions. The number is even higher shortly after an organizational or business strategy change.

Why? CEOs tend to focus on corporate and product when changing the strategy. While these are natural starting points, neglecting to align your go-to-market (GTM) model can be catastrophic. The issue with this is that even a modest change can create marketing and sales strategic alignment issues.

Let’s use a common strategy change that is prevalent in the software world today to illustrate this alignment challenge. Many software companies are attempting to increase cloud revenue because of the positive impact on a company’s valuation. But a large percentage do not consider all the necessary implications when making the shift to cloud, or they don’t go deep enough with their analysis.

Not fine-tuning the new GTM model when shifting to a cloud product leads to one of two issues:

• Poor revenue performance
• A high-cost model

Let’s dig into some specifics. In the perpetual license model, revenue is recognized almost immediately. This helps alleviate the customer acquisition cost incurred due to marketing and sales expenses allocated to new customer attainment. In the new cloud model, a lower-cost acquisition is typically required since revenue attainment is delayed. Also, the complexity of the sale and buyers could differ, leading to new internal roles and routes to market. For example, inside sales is prevalent in cloud software sales, while direct field sales still dominates perpetual license software. On the marketing side, a friction-free online marketing channel may need to be created.

The skills required to market and sell perpetual license versus cloud are different. Making the mental model shift is not easy for the existing talent and is rarely pulled off successfully. Evaluating your talent early can make the transition much more successful.

Another complication with moving to cloud is the need for churn reduction through customer success. With this new model of extended revenue recognition, achieving the desired customer lifetime value becomes extremely important and requires a team to ensure clients are engaged and renew. While this is common knowledge in the cloud world, it is a major shift from the mental model of the perpetual license world.

This is just one example of many potential strategy changes. But it helps illustrate the fault line a business strategy pivot can create between product and the GTM model. Those who consider all the implications and create an aligned GTM model will quickly reap the benefits of the new strategy.
You’ve recently been hired as the head of sales. So has Eric Vermillion, who is in his honeymoon period as senior vice president of sales at BlueCat. In a recent interview, Vermillion walked us through the top 10 mistakes new sales leaders make.

#10: Using Your Old Playbook
Too often sales leaders assume their old playbook will work in their new environment. It worked well before and will again, right? Not so fast. Vermillion recommends understanding the elements of your playbook. If it’s completely tied to the company and industry, then assume it’s wrong. Even if you go to another company within the same space, it’s probably wrong. Why? Because of the people. The people you answer to, the people who report to you, and the culture are all going to be different.
#9: Assuming the Answer to Every Problem Is Hiring Better People
The next mistake new sales leaders often make is assuming that by hiring “better” people, you’ll fix all your problems. “Instead, you’ve got to make sure that you’re setting people up for success,” says Vermillion. Put them in optimized performance conditions, or the folks you onboard aren’t going to make it.

#8: Not Asking For Help
New sales leaders have a lot to do, and not enough resources to get it done. It’s about capacity, not capability. But new sales leaders don’t ask for help. That’s why they were hired, after all—to fix the problems themselves. This is not the way to think, according to Vermillion. “You’re joining a leadership team, and you’ve got to advertise your desire for help. A good CEO will respect the request.” As a sales leader you need to be self-aware and not afraid to ask for help when you need it.

#7: Blaming the Previous Sales Leader
Many new leaders make this mistake time and time again. Vermillion’s advice? Just don’t do it. It’s that simple. You’re hired to do your job and move the company forward, not to live in the past.

#6: Focusing on Putting Big Numbers Up Fast
When you do this, you’re relying on short-term tactics disguised as a strategy. It’s a recipe for failure. Instead, new sales leaders should remember what a sales strategy is. It is the allocation of people, money, and time.

#5: Buying Software Tools to Measure Everything
It’s easy to be lulled into the sense of pretty pictures and graphics with software. But Vermillion claims “the planning exercise when you’re implementing a new tool is more powerful than the tool itself.” He contends that 90 percent of the productivity gain is in the planning, not the tool. New sales leaders need to keep this in mind.

#4: Spending Money on Sales Training Programs
A new sales leader is constantly bombarded with the latest sales training fads. A common mistake is jumping on the bandwagon as soon as you’ve assumed your new role. It never works. The training is not adaptive or reinforced, and becomes shelfware. There’s a time and place for sales training, but it’s not within the first six months of the job.

#3: Buying a Subscription to Advisory Services
Oftentimes, newly appointed sales leaders purchase a membership to get access to best practices, events, and support. It’s a do-it-yourself method with no implementation or execution help. Instead, Vermillion advises, “You should wait because the honeymoon period is all about making sure you’ve got a good, sound strategy and the right people on your team.”

#2: Changing the Comp Plan Right Out of the Gate
New sales leaders make the assumption that “salespeople are coin-operated” and are quick to change the compensation plan. Vermillion made this mistake himself in the past. “I made some changes and made it more complicated in an attempt to motivate specific behaviors. When you start to veer into the realm of complicated versus motivational, the confused mind tends to always say no,” he explains. Instead, he recommends that unless there is something detrimental to the overall financial health of the company, leave the comp plan alone during your honeymoon period.

#1: Not Aligning Sales Strategy with the Corporate Strategy
The CEO has a strategy, but the sales leader still operates in a silo. “This is where a lot of sales leaders believe you do things a certain way, the same way every year, and fail to realize that it has to be connected directly to the overall company strategy,” claims Vermillion. Instead, sales leaders need to be team players. Don’t think about just your number, think about the number of the company.

If you find yourself in a new job, don’t blow your honeymoon period by making these 10 mistakes.
THOUGHTS

Using Root Cause Analysis to Diagnose a Revenue Miss

Strong product positioning takes time, but generates results.

By Drew Zarges

At the start of my sales career I worked at a boutique investment company. During our onboarding, we went through an extensive product-positioning course. The trainer stood before the room. “We are volatility managers. We don’t manage money, we manage risk.”

I memorized the talk track; it made sense. Then I paid attention to the investment ads during the U.S. Open that weekend. “Manage risk” and “Reduce volatility” were narrated and pasted across my screen in big block letters. Every company sounded like ours. We had a product-positioning problem.

As 2015 came to a close, many companies missed the number. Shortsighted CEOs immediately assumed this was a sales execution issue. They canned the sales leader and moved on. But better CEOs investigated the root cause. That year, one of the core reasons why many companies missed their number was different: poor product positioning.

How do you determine whether your product positioning needs an overhaul? Get outside of your company. Begin your investigation with the following three core techniques.

Win-loss interviews. Identify key wins and losses throughout the year. Set up time to speak with the key economic buyers and technical evaluators. Ask them how they decided on the final solution. Have them outline the benefits and drawbacks of each solution. Red flags: “We bought on price.” “They looked the same.” “It seemed a lot like the legacy solution.”

Prospect-customer surveys. Create a list of candidates. Offer a substantial carrot for their participation. Then create a short, impactful survey that asks core questions about your product and its competition in the same space. Some topics: Is your product perceived as different? Do the unique features or benefits of your solution actually matter to target customers? Are competitors fast following your unique solutions?

Mystery shops. Go to your competitors’ websites. Click through their product page and see how they are positioning it. Is the message the same? If not, what are they communicating? Now fill out a form and engage with their business development team. Tell them you are looking at several competitors and ask what the difference is.

Strong product positioning takes time, but generates results. If your product sounds the same, or pitches features that don’t matter, you’ll compete on price. Invest the time. Create a message that is differentiated and relevant. ♦
What’s Your Customer Value Proposition?

By Frank Cespedes

Any strategy lives or dies on the basis of its customer value proposition. Many typologies are relevant to crafting a value proposition, because there are many ways to win customers. But the key issue is always: What is the center of gravity in our approach? Do we ultimately compete on the basis of our cost structure or another basis that increases our target customer’s willingness to pay? In other words, will we sell it for more or make it for less—and allocate sales resources accordingly?

Sell it for more. Here, your product or service provides better performance on attributes that are important to target customers and for which they are willing to pay a premium. This approach must avoid the following pitfalls:

- Meaningless or false differentiation: The points of superiority are unimportant to customers or based on a false presumption of superiority.
- Uneconomic or invisible differentiation: Customers are unwilling to pay for additional performance or are unaware of the difference.
- Unsustainable differentiation: The product or service features are imitated over time.

Make it for less. Here, your cost structure allows you to sell and make money at prices that competitors cannot. Typically, only a few firms can compete successfully in this manner. Once they do, their advantages of scale make it difficult for others to duplicate. This approach must address the following considerations:

- Price wars: Any cost advantage is lost in price competition and no one extracts value.
- Substitutes: You may have a cost advantage over competitors, but not over substitutes that are available to target customers.
- Cost reductions versus lowest costs: Lowering cost doesn’t necessarily mean your cost is lower than competitors and, in any market, there is only one lowest-cost competitor. Never confuse these different cost positions.

Strategy requires choice, clear communication, and coherent performance management practices—not just stirring metaphors— with the people who deal with customers. A moment of truth is the customer value proposition. Clarity will help your salespeople focus more efficiently, qualify customers more effectively, and allow your firm to allocate resources more profitably.


The choice is straightforward: Do it yourself or ask for help. It is tempting to solve the problem directly, without any outside influence. Certainly cheaper, seemingly faster. Or is it? As any do-it-yourselfer can attest, things don’t always go as planned.

The problem with relying on your own talent is twofold. First, people and organizations are limited by their own experiences. Second, everyone comes to the table with a natural bias. The diagnosis and solution are tainted by subjectivity, internal agendas, and inside-out thinking.

Utilizing outside expertise to gather the facts and use objective measures often results in a better plan, one that is more focused on a specifically verifiable root cause. —Eric Bauer

The Objectivity Scale

How can we grow revenue?
Locating Hidden Upside in the Go-to-Market Strategy

Shrewd investors look beyond EBITDA to outperform the competition.

By Eric Estrella

At Crater of Diamonds State Park in Arkansas, visitors mine fields looking for diamonds. Or better said, their proverbial lottery ticket. In today’s marketplace, it can be as hard to discover a good investment as it is to unearth a diamond in that park.

For every successful company out there, there’s a handful that have yet to realize their full potential. These underperforming companies are great investment or acquisition targets. But only if they outperform their peers in the future.

Institutional investors often look to improve EBITDA margins by reducing general and administrative expenses or optimizing supply chains. To grow revenue and bypass the competition, investors should look at go-to-market (GTM) strategies—in particular, product, marketing, and sales strategies. However, GTM strategies are only as good as the execution. And translating strategy into tactical execution is often the point of failure.

How would an investor know whether the strategy is sound, or executed effectively? A traditional metric looks at the total dollar investment in strategic areas as a percentage of revenue. Why this metric? Simply put, if the company you are looking to invest in has overallocated or underallocated capital, this presents an opportunity for improvement. Let’s look at a couple of examples.

**Scenario #1.** Acme Corporation, a potential investment opportunity, spends a total of 25 percent on product, marketing, and sales. Comparatively, Acme’s peer group is spending 35 percent of total revenue and is growing 15 percent faster than Acme. On the surface it appears you are 10 percent more profitable, but growing 15 percent slower. Acme is missing out on additional EBITDA dollars. Failure to fund growth hurts the value creation.

**Scenario #2.** On the flip side, Acme is spending 45 percent on product, marketing, and sales. Its peer group is spending 35 percent but all companies, including Acme, are growing at the same rate. In this case, Acme’s spend is inefficient and can increase EBITDA if allocated appropriately. This is where you need to optimize spend, without losing the growth momentum of the company and the market.

In either scenario, knowing what to look for and how to optimize your investment is key. By screening your potential acquisition investments, you can assess the target company’s sales and marketing effectiveness. Screening also creates an upside and risk hypothesis that enables you to make an informed investment decision. This is determined by understanding how GTM strategies and tactics come together.

An informed investment decision helps ensure your acquisition target outperforms its peer group and becomes the diamond in the rough you were seeking.
Modify Your Value Creation Plan to Sync with Sales Effectiveness

You’ve identified a sales transformation opportunity. What should you do next?

By Aaron Bartels

_During due diligence_ your team identified opportunities to grow revenues and reduce costs through a sales transformation. Now your value creation plan must be updated to sync with the opportunity. Begin with your sales strategy methodology in the proper sequence. Following this framework, you need to revise your value creation plan to include the sales transformation. A best practice plan comprises the following four elements of sales force effectiveness:

• **Plan:** What is needed to realize the sales transformation? This phase covers the five-step sales strategy methodology shown below, including but not limited to planning, engagement, organization, execution, and support.

  **Step 1: Planning**
  Develop sales and data plans that will allow the organization to make the number.

  **Step 2: Engagement**
  Define the processes through which the sales team will interact with prospects and customers.

  **Step 3: Organization**
  Make sure the organizational structure is set up correctly so the right people are in the right roles to execute the processes.

  **Step 4: Execution**
  Execute the strategy by focusing on areas such as sales enablement and pipeline/forecast management.

  **Step 5: Support**
  Boost effectiveness by supporting the sales team and making the internal organization easy to do business with.

• **Cost:** What will it cost to complete the sales transformation? Factor in all costs, including third-party consultants, internal resources, training, and so forth.

• **Impact:** What is the expected impact of the transformation? Account for growth from new segments and upsells/cross-sells to customers, plus the costs of disrupting customers.

• **Time:** When are results expected to be achieved? Be realistic about the level of change required. It may call for completion of a full sales cycle, ramp time for new hires, and other considerations.

Once the value creation plan is drafted, you need to make sure you have people who can execute the plan. That also means handling ongoing support and maintenance after the transformation is complete. There is no substitute for top talent. Early success will build morale and momentum. In many ways, the transformation must be ongoing to ensure it has a lasting impact.

With your plan and your people in place, it’s time to measure. You can’t drive the business forward while looking in the rearview mirror. Keep key indicators on the radar. Behavioral indicators tell you what behaviors show the transformation is on track. Leading indicators determine what early results are predictive of success and can be measured. Lagging indicators track what business results or financial metrics need to be realized.

You now have a value creation plan that includes the sales transformation you identified during due diligence. With the plan, the people, and the measurements in place, you have all the necessary ingredients for a successful outcome.
I recently spoke with the CEO of Aderant, Chris Giglio. Aderant is a leading provider of business management software for law practices and professional services firms. The company has an impressive 98 percent customer retention rate, and has been in business for over three decades.

Giglio shared his ideas on a controversial subject: developing trust between the CEO and sales leader. While it’s essential for the CEO and sales leader to work well together and be in strategic alignment, this isn’t always the case. Many times there is friction between the two, which causes discord and missed revenue goals.

The CEO and Sales Leader Relationship

How do you achieve alignment between the CEO and sales leader? It starts with transparency.

By Greg Alexander
This subject is top of mind for Giglio, who has recently hired a new sales leader. “I look at it from the opposite perspective,” he says. “How do I generate great alignment and a great relationship with our sales leader? And how do we construct a team to support that sales leader?” Giglio went on to discuss the keys to alignment between the CEO and sales leader.

Building Trust
According to Giglio, trust in the form of transparency is vital. Both sides must understand why things are the way they are and agree on what, if anything, needs to be done differently. To gain even greater appreciation for the challenges in his organization, Giglio spent a quarter as the active sales leader. “Complete transparency and then clear expectations are key,” he claims.

Creating the Right Conditions
In Giglio’s business, one of the challenges for the sales leader is on the product side. He shared his experience and explains, “As we went through this process of onboarding our new sales leader, we spent a lot of time with our product leadership. We found that we had opportunities to change our priorities based on the market conditions and the way clients wanted to buy. We adjusted our product road map and the allocation of our development resources to really support what the sales organization felt would be compelling in the marketplace.”

How did they go about this? At Aderant, the product team spends a lot of time in the field. They’ve created a forum for clients and prospects to give feedback, and to share their biggest challenges. As a result, the company has great solutions and attacks the market differently. This helps set the sales leader up for success.

But even with the correct conditions in place, Giglio stresses the importance of hiring the right sales leader. Often, executives get it wrong and make very expensive hiring mistakes. Giglio went into detail on how he recently tackled this issue.

Hiring the Right Leaders
At Aderant, several circumstances were in play. They’d had a recent business model change. And a product change. Now the company was going after a different type of customer and that required a different type of salesperson. Credibility was key when asking the customer to make a commitment to a new offering.

“We needed someone who was credible instantly because you don’t get a second chance,” says Giglio. “It was obvious we weren’t going to be successful the old way. When I came to terms with that, making the shift wasn’t really that difficult.” How did Giglio know this? By acting as the sales leader during his company’s transition period, he was able to go on calls, meet with customers, and witness firsthand.

If after adjusting the profile you’re still not seeing success, then what? Is it the environment or the person? How do you know? Giglio explains, “We did an organizational 360, a 360 review. It was a great way to fill out my perspective and provide a broader view to make more informed decisions.”

It’s often hard to look in the mirror. But if you don’t have the courage to look back, you will never get to the root of the problem. It’s not an easy process by any means. But identifying the issues is the only way to pinpoint a solution.

At the end of the day, deciding whether you have the right sales leader is a huge decision. It is very disruptive when you get it wrong. CEOs must hire sales leaders who inspire confidence and produce results. And the relationship between the CEO and the sales leader must result in trust and strategic alignment. ♦
Cost Structure Analysis Applied to the Sales Force

It’s not all about cutting costs. It’s about improving subpar sales and marketing performance to drive investor value.

By Bill Turner

You’ve completed initial screening of your target company and confirmed your belief in the investment hypothesis. Your target appears to be underperforming its potential in the marketplace. You sense strategic misalignment along with sales and marketing inefficiencies to be material causes. You know this presents an opportunity to profit from turning these weaknesses into assets.

How do you advance from a strong hunch to a conviction? Even more importantly, how do you quantify the opportunity and entice your investors to participate? This is the domain of a cost structure analysis.

First, let’s be clear about what a cost structure analysis is, and is not. It is a rigorous and accelerated evaluation of sales and marketing effectiveness. It delivers fact-based recommendations for improving profitable growth. And while cost takeout opportunities will be identified, tested, and quantified, this is not all about cutting costs. It is about improving subpar sales and marketing performance to drive investor value.

Identifying Value Creation Opportunities

So how do you identify, test, and quantify the opportunities? It all begins with benchmarks. By comparing your target’s performance to comprehensive performance benchmarks and emerging best practices, you identify functional areas with the greatest value creation opportunity. These become your investment hypothesis.

Next, you should thoroughly test your hypotheses and uncover new opportunities. This entails evaluating the company’s strategic alignment, performance conditions, and talent from the perspective of four discovery lenses:

- Customer
- Market
- Field
- Company

Utilize a structured, yet agile, approach to quickly yield qualitative and quantitative insights, findings, and recommendations your competition is likely to miss. The status of your hypotheses—in process, proven, disproven, or inconclusive—should be continually summarized for frequent reviews. High-touch communications will keep all team members aligned. This is critical to success when engaged in the due diligence phase.

Creating Your Investment Proposal Deck

You should culminate with the creation and communication of the investment proposal deck. By now, you can apply your findings for a trustworthy proposal and pave the way, either for the close or a recommendation not to proceed. In addition to summarizing and substantiating your value creation opportunities, your investment proposal deck should create a time-bound road map for the steps necessary to realize this value.
Mitigating Risk with Pipeline and Forecast Accuracy

Are you building your investment thesis on a good foundation?

By Fred Penteado

You're looking at adding a company to your portfolio. Its operating margin is good, and you identify several levers you can apply to improve it. The company has a great product road map, and it’s complementary to a company in your portfolio. Now it’s time to build the financial model, and this requires the pipeline. How do you know if you can count on it?

Like an engineer taking core samples before a project gets started, you need to inspect the pipeline, and look at the key opportunities to see if they are forecast correctly. An effective forecast and pipeline process is based on a buyer-driven sales process.

An opportunity is forecast based on observable customer criteria, not a sales rep or manager’s gut feel. Communication must be geared to the correct stage, based on the buyer’s behavior.

**Bad:** “This opportunity is in Stage 5, and is committed. It will close in 30 days. Everyone is on board; we have a meeting with the CIO on the 10th of this month.”

**Good:** “This opportunity is in Stage 4 (of 5). Five of the six buyer personas have indicated they are on board with our solution. We are meeting with the VP of Network Security on the 10th of this month to resolve two remaining concerns. Our sponsor has the contract on our paper, which is already being reviewed by their legal team. We have a follow-up meeting with our sponsor on the 12th to review progress on the contract.”

Creating Equity Value with the CAC:CLTV Ratio

**Private equity endeavors** to create sustainable value within acquired organizations. Due diligence efforts must be comprehensive and yield insight into the feasibility of this goal.

How can this be done? Through the CAC:CLTV ratio, which compares an organization’s customer acquisition cost (CAC) and customer lifetime value (CLTV). Why the CAC:CLTV ratio? Because there is no better predictor of near-term organizational success—and no clearer long-term indicator for value creation opportunities.

Whether value is built through cost savings or revenue growth, private equity firms that utilize this ratio make better investment decisions. They’re also less likely to invest in a pretender.

—Daniel Korten

Given the target company’s historical performance, you can assign a 65 percent win rate to this opportunity. Based on the same historical performance for opportunities of this size, signing contracts is a 60-day process.

A good pipeline is too important to your investment thesis to be left to luck.
INSIGHTS

Drawing the Line Between Field Sales and Inside Sales

Could your inside sales team have closed that deal?

By Barry Witonsky

As a sales leader your gut may know that your expensive outside sales team is going after relatively small deals. This is frustrating because it means you are paying too much for too little revenue. In other words, your customer acquisition cost (CAC) is too high and your customer lifetime value (CLTV) is too low.

You want to require outside sales to call on larger accounts. But too many companies guess where the line between field sales and inside sales should be drawn, leaving the sales channels up to their own devices. As a result, both channels call on the same accounts or each channel gravitates to the easiest wins. To determine where the line should be, begin by answering these questions:

- How do your customers and prospects want to buy?
- What should the line be based on?
- How will you enforce the line?
- Do you have the right salespeople?

Understanding how customers prefer to buy from you is an often overlooked but critical consideration. Just because you want certain businesses to go through inside sales does not mean they want to.

The number of employees or end-customer revenue is often used to determine where the line should be drawn. But will this suffice? The ideal solution is to create a propensity to buy formula or determine potential revenue. One or both of these approaches in combination can then be used to set the line of demarcation.

Once the line is determined, you need to decide how it will be enforced. For example, will reps be compensated if they sell to the wrong account? More importantly, think about what will happen if revenue is coming in low. Will you keep enforcing the line or will you break down and let salespeople go after any revenue they can? Will your sales reps be successful in the new environment? Most likely 10 to 20 percent will not succeed, so think carefully about ways to handle the turnover.

Finally, make sure you roll out the changes clearly and effectively. Consider multiple ways of communicating expectations. And make sure sales operations are prepared to support the change by loading assignments into your CRM or through other methods. Then enjoy watching revenue increase while costs decrease.
Building Blocks of Account-Based Marketing

Align sales and marketing strategies to meet the needs of your most valued customers.

By Barry Sommervell

For B2B marketers, account-based marketing (ABM) has become a hot topic. The ABM approach leverages market insights for best results from your top accounts. To accomplish this, the sales and marketing functions must first come to an agreement on the target accounts and what successful ROI will look like. ABM program execution requires properly sequenced assembly of the following four building blocks.

**Step 1: Gather insights.** Begin by gathering insights to determine how to select the right accounts to target. Be sure to include industry trend data and measure your current share compared to the available opportunity. Insights provide more value if they are outside-in, gaining an understanding of the account objectives.

**Step 2: Plan.** The next step is planning. This is where you design your approach for reaching your goals. It requires clear identification of the buying team relationships and specific target account plans. By gaining an understanding of the problems these individuals seek to solve, you get direction for content and campaigns. This stage is also where key elements are defined to enable the sales teams to move the account through the sales process.

**Step 3: Create and execute campaigns.** Now, it’s time to create and execute campaigns. Based on the insight-gathering and planning stages, you can determine what content needs to be assembled or created to support your campaigns. Keep in mind, the specific account profiles may require versioning to address different regional or global messages. Then coordination with sales drives the channels and timing to best reach targeted personas. The campaign elements must be tightly coordinated with the execution of each individual account plan.

**Step 4: Measure.** The measurement of results drives agility and effectiveness. You must closely watch campaign impact on relationships and revenue along the buyer’s journey. Using dashboards of campaign performance metrics helps indicate when it’s time to adjust marketing mix and materials. You want to take advantage of successes to scale up programs and make adjustments when desired results aren’t achieved.

Account-based marketing can be a valuable approach for generating results from your most important accounts. Make sure you keep an outside-in view when developing an engagement approach for these customers. The win for both parties comes from how well you position your solution to meet your customers’ unique needs.
LegalZoom’s Approach to Results-Oriented Marketing Campaigns

Join CMO Laura Goldberg in conversation about the anatomy of campaign planning—plus the importance of audience targeting, channel selection, and the right performance indicators.

By Greg Alexander

Too often marketing leaders struggle to generate results from their campaigns. Issues such as poorly defined audiences, the wrong programs, the wrong activities, or bad offers continue to plague marketing teams. SBI recently spoke with Laura Goldberg, chief marketing officer at LegalZoom, to hear how she combats this problem. She walked us through the anatomy of campaign planning that generates results for LegalZoom.

Campaign Planning
The first step is determining which type of campaigns to run. “It’s all about defining your goals up front,” says Goldberg. “We think about what we are trying to achieve with our marketing in general and with the campaigns specifically.” Once objectives are set, a series of decisions must be made. What is the budget? What is the media mix, the channels, the schedule, and so forth? How should marketing leaders make these strategic decisions?

At LegalZoom, a wide variety of products further complicates the decision-making process. “When you’re selling just one
thing, then it’s only one set of decisions for one product. On the other hand, we have lots of products and three main product lines,” she explains.

In order to surmount this hurdle, Goldberg and her team group things together and again, think about what they’re trying to do. Are they trying to generate new customers? Increase the lifetime value of their current customers? Once this is determined, she allocates money against the three product lines and determines the best channel. Take LegalZoom’s trademark business, for example. It’s a very complicated, long buying process. Because of this, Goldberg knows that online is the best channel for that product. She then looks at their budget, determines the spend needed, and optimizes the campaign schedule based on their buyer’s behavior.

**Audience Targeting**

Another key piece to LegalZoom’s success is audience targeting. Goldberg explains, “We have spent a lot of time, energy, and money thinking about who our customer is. We did a segmentation study to understand the characteristics of someone who is open to a new and different way of purchasing a legal solution.” This resulted in very detailed customer profiles and the knowledge of whom LegalZoom should go after and how the company should go after them.

Once they have their targets, Goldberg must determine what content to put in front of them. How does she do it? LegalZoom creates a wide variety of content. The nature of their business requires it. Recently they have ventured into video content. Why? Because it provides an easy way to explain complicated processes. For example, they use a two-minute video to explain the difference between a trademark, a copyright, and a patent. This is much more digestible than a 10-page white paper on the same subject.

**Channel Selection**

Equally important is channel selection. Goldberg and her team work to understand the different media types and what they’re really good for. For example, LegalZoom knows television is a great channel to bring awareness to their products. So only awareness-based offers are used for this channel. Additionally, LegalZoom spends a significant amount of its time testing, specifically testing calls-to-action. Which ones work best on which channels?

> “We have spent a lot of time, energy, and money thinking about who our customer is. We did a segmentation study to understand the characteristics of someone who is open to a new and different way of purchasing a legal solution.”

— Laura Goldberg  
Chief Marketing Officer  
LegalZoom

**Key Performance Indicators**

Goldberg also spoke to some of the challenges faced by marketing leaders today. One of the biggest challenges is attribution. What drives what? “Everything is so inextricably linked,” she says. “People will search on a question, go to their mobile phone, log on to their desktop, etc. Attribution is a huge challenge that we are constantly working on.” So what should you measure when in search of the Holy Grail of attribution? Goldberg recommends having two or three key performance indicators to track. At LegalZoom she measures customer acquisition cost and lifetime value.

All things considered, Goldberg would make three recommendations to immediately improve the effectiveness of your marketing campaigns:

1. **Know your audience.** Whom exactly are you selling to?
2. **Know your selling points.** What is going to make your prospects get off the sofa or away from their desk and go buy your products?
3. **Match the action you want to the appropriate channel.** And spend your dollars there.

Marketing budgets are constantly under pressure. If campaign results are poor, the budget will get taken away. A key input to campaign success is proper campaign planning. It’s a lot more scientific than it has ever been. Marketing leaders must take the time to plan their campaigns correctly. And in the end, they must focus on results, not activities.
Before and After: Revenue Growth Maturity Model

The key to value creation is maturity through strategic alignment.

By George A. de los Reyes

Strategic alignment is an urgent need. It is fundamental to successful and predictable revenue growth. One way for organizations to assess themselves is by using the revenue growth maturity model. As companies mature and move up through the different levels of this model shown below, their customer acquisition cost, customer lifetime value, and growth attainment improve.

Back in 2012, a midmarket software company decided it needed help. The company had been recently acquired by a private equity firm. At the time of the transaction, the company had an estimated value of $1.5 billion. In terms of strategic alignment, the acquired company was plotted as Level 1 – Chaos on the revenue growth maturity model. A corporate strategy existed, but functional strategies did not. When asked, most of the functional leaders were not familiar with their corporate strategy. At Level 1, the organization was neither stable nor predictable. Its performance was erratic and functional leaders were unable to repeat successes consistently.

The key to value creation is maturity through strategic alignment. For this Level 1 software company, the first step was defining its corporate strategy. In addition to setting the direction for the company, the corporate strategy defines why the company exists in the first place, which markets it chooses to compete in, and what strategic advantages will be developed. Without a defined corporate strategy, functional strategies cannot be developed.

In the three years following acquisition, the company progressed from Level 1 through Level 2 to Level 3. Corporate and functional strategies were created yearly using a similar process and then implemented. Within each level, the individual functions understood their strategy and abided by it. Success was repeatable and execution consistent. Initiatives were deployed that aligned to and actualized the individual functional strategies. The impact was measurable. In 2015, the software company was valued at $3.5 billion. And it has recently embarked on another three-year journey to reach Level 5 on the revenue growth maturity model and $5 billion in valuation.
RESULTS LIKE THIS DON’T HAPPEN OVERNIGHT.
THEY TAKE AT LEAST A FEW HOURS.

BOOK OUR WORKSHOP AND WE’LL LEAD THE WAY.

2016 STRATEGY WORKSHOP
Contact us at www.SalesBenchmarkIndex.com/2016Workshop to set up an SBI session for your team.
The Metrics Dashboard

Weekly KPIs help hit the objective with an agile response to market and demand shifts.

By John Kearney

CEOs measure strategic alignment in market share, EBITDA, and shareholder value. They often resist less tangible indicators, such as “We have worked tirelessly to develop our mission and vision. But in the end, it’s near impossible to measure whether they have truly been adopted by the organization, or produced any value."

Markets and demand shift fluidly today. In the time it takes to impact the bottom line, the activities and outcomes that got you where you are may have become irrelevant. Emerging best practices indicate that weekly KPIs produce the best results. How should CEOs think through the ones that they, as well as all team members, should be held to?

Let’s start with a simple principle: A CEO’s strategy determines the allocation of time, people, and money. KPIs should measure, across the organization, the allocation of resources deployed against corporate objectives. They help ensure different functions, which all have visibility into these KPIs, are aligned in hitting the objective.

This snapshot is from a recent review of corporate strategy for the executive education center of a top-tier business school. The school’s corporate strategy had a core objective calling for increased market penetration. Market research determined there was a high volume of new customers they could pursue. This objective drove the need for realignment across functions:

• **Sales:** Compensation paid on new customer acquisition had to be tracked and in line.
• **Marketing:** Head count had to be added to drive the content required to develop awareness and nurture prospects.
• **Programs:** Time had to be spent researching the market problems that drive a prospect’s decision-making.

The executive team had to make sure the corporate strategy was cascading across the organization—applying time, people, and money correctly. Each function had to understand what the other functions were doing to be productive. Setting KPIs for themselves and for their teams helped ensure a transparent and aligned organization. As you consider what will help you allocate resources, keep three principles in mind:

• **Agility:** Refresh dashboards quarterly. As market dynamics shift, proactively refresh your KPIs and build new dashboards.
• **Visibility:** Make dashboards readily accessible in conference rooms or WebEx bridges. Many professionals are visual learners, and illustrating performance helps accelerate adoption.
• **Routine:** Review dashboards weekly, and elements of them daily, to focus the team on these numbers.

Before any member of the team makes a decision, they should consider the impact on their KPIs.

A well-defined and communicated corporate strategy keeps functional teams on task and aligned. Setting weekly KPIs improves probability of success.
NUMBERS
THAT’LL HAVE
YOU SMILING
EAR-TO-EAR.

SUBSCRIBE TO THE SBI PODCAST AND
HEAR PROVEN STRATEGIES FROM YOUR PEERS.
Changing Sales Channels As a Product Moves Along Its Life Cycle

By Dan Bernoske

Your sales channel options range from low-cost, low-touch self-service to high-cost, high-touch field sales. Your product life cycle follows a predictable, four-phase path. It is critical to align your sales channel strategy to your product life cycle.

As your product matures, margins naturally become slimmer. New competitive threats and evolving customer demands put downward pressure on your customer lifetime value (CLTV). Unique value propositions can easily become commoditized. Your margins get squeezed as your product evolves through its four phases of life:

- **Introduction**: Focus on building awareness and establishing a market.
- **Growth**: Build preference for your brand and grow market share.
- **Maturity**: Defend market position while maintaining your margins. Sales growth begins to decline as competition crowds you out of the market.
- **Decline**: Make choices about the future of your product:
  1. Maintain the status quo and milk the cash cow;
  2. Invest in the product with new differentiators; or
  3. Kill the product by selling it or liquidating remaining inventory.

Meanwhile, customer acquisition cost (CAC) is taking a bite out of your bottom line. Your go-to-market choices play a significant role. In fact, much of your CAC:CLTV ratio depends upon how you select your sales channel to match where your product is in its natural life cycle.

How you engage with your buyers can range from free to using a $500,000, fully loaded field sales rep. On the low end, Freemium and self-service models are well suited for low-cost products. While common among new, innovative web products, this approach should also be considered for highly matured, commoditized products. On the high end, field sales with sales support resources are best for high-cost or differentiated products. Regardless of choice, always consider the life cycle of the product you’re bringing to market.

As your product matures and market dynamics change, reevaluate your sales channel strategy. Make sure the costs do not outweigh customer lifetime value. Enable your buyers to buy the way they want to.

Do You Need a Builder or an Operator?

The damage that is done from hiring the wrong sales leader can take six quarters to repair. CEOs and boards must make the right decision. Key distinctions:

1. **The Builder**. These entrepreneurs are good at starting new things. They build sales organizations and put ideal performance conditions in place.
   - **Risk**: Builders want autonomy with limited oversight.

2. **The Operator**. These leaders excel at stepping into the right performance conditions. They execute with precision.
   - **Risk**: Operators are not strategists. Don’t force them into that role.

For every three operators, there is one builder. It’s critical to understand which type of executive you need at the outset.

— Matt Sharrers
MAKING YOUR NUMBER STARTS WITH FINDING ONE IN A MILLION.

SBI GREATLY IMPROVES YOUR TIME-TO-FILL RATE, AND YOUR CANDIDATES.

TALENT MANAGEMENT
Schedule a free consultation today. www.SalesBenchmarkIndex.com/talentmanagement
STEP 1:
STRATEGIZE IF YOU WANT TO MONETIZE.

To make our list of the 10 best companies to sell for, ask yourself, “Am I doing the right things?”
The key to sales greatness is not a prescriptive set of programs, best practices, or methodologies. Reaching deeper than hiring profiles and compensation plans ever can, well-aligned strategies that simplify the buying and selling process are why “A-Players” love their employers and almost never leave.
Everyone knows when you sell for Broadridge you have a good territory, a fair quota, and a competitive compensation plan. Lots of accounts, presales support, excellent customer service, a CRM tool, an easy-to-use process to get a quote out the door, and a sales manager who treats you well. You just get it. Many also know that Broadridge provides lots of sales training, exciting sales contests, and a President’s Club award trip for people who make their number. The company recently took its top producers to the Amalfi Coast.

So when you see that Broadridge is Number 1 on SBI’s ranking of the 10 best companies to sell for in 2016, you may figure the reason has to do with these excellent working conditions. But that’s not why. The attributes of an outstanding environment to sell in are not the reason any company makes this list. Attributes are just that: specific qualities and unique characteristics that determine a company’s personality.

Understanding that quality well enough to build a sales force around it has long been a goal of top companies. And it is becoming more valuable. That is because as the competitive advantages change—for example, when products become commodities and cost structures get cloned—companies that do not know the method of building great sales teams will be at a disadvantage.

**Easy to Do Business With**

Which brings us back to the exceptional selling environment at Broadridge. The truth is, while the most sought-after sales talent does not generally sign on to a company because of sales contests and award trips, these things can teach us about the attributes of a company’s sales team. We can answer the question, “Why is it that some companies are such powerful magnets for the world’s best sales talent?” Listen to what a customer of Broadridge recently told an SBI consultant: “Broadridge is easy to do business with.”

Wait a minute: Being easy to do business with makes a company great to sell for? It does. Customer-obsessed Broadridge studies how the executives inside their customers and prospects make purchase decisions, to ensure sales reps sell the way customers want to buy. It makes
sales reps use a sales process designed with the customer’s buying journey in mind, which results in shorter sales cycles and better close rates than most B2B companies. And now we begin to understand the real reason Broadridge offers all the sales tools it does: to ensure sales reps make it easy for customers to place orders.

That is, the sales environment is just a tool for reaching a goal, and the goal is revenue growth derived from happy customers. Making the number obviously requires more than a superb sales environment, but we are only glimpsing the explanation of sales greatness. During an expert panel discussion in a recent focus group, the sales rep responsible for the customer quoted here said, “The best perk of working at Broadridge is that they are easy to sell for.” And the Number 1 reason the sales rep gave was Chris Perry, the president of global sales, marketing, and client solutions at Broadridge: “Our head of sales is smart and driven. He provides the best environment for selling I have ever experienced.”

Here is the simple attribute of every company on this list: It is easy to buy from and sell for. It is not difficult or complicated. Astoundingly, many companies still don’t get that, though it was the central insight of the SBI research team when assembling the list of the 10 best companies to sell for in 2016. “The key to creating a great company to sell for,” says SBI partner Mike Drapeau, “was not a prescriptive set of sales programs, best practices, or methodologies. It was the simplifying of the buying and selling process.”

Reaching deeper than hiring profiles and compensation plans ever can, sales strategies that simplify by bringing clarity to the buying and selling process are why “A-Players” love their employers and almost never leave. It is why job applicants will do whatever it takes to get a job at these places.

In the past, plenty of average places to sell for have managed to make their numbers without mastering this understanding. And no doubt, many will continue to thrive. But all evidence suggests that this track is about to become a lot more difficult. Deep changes in buying behavior are likely to boost the advantages that first-rate companies to sell for already enjoy in the marketplace and penalize companies that fall behind.

Sales Effectiveness
It is not just because sales effectiveness is growing more valuable in most industries. That trend has been going on for years. The remarkable point is that while most trends eventually fade away, this one is accelerating. SBI’s 2016 research report finds a strong correlation between a company’s assessed level of strategic alignment in the revenue growth maturity model and two key

“Customer-obsessed Broadridge studies how the executives inside their customers and prospects make purchase decisions, to ensure sales reps sell the way customers want to buy.”

Customer acquisition cost is significantly reduced for strategically aligned companies (Level 5), compared to companies with misaligned strategies (Level 1).
metrics: customer acquisition costs and customer lifetime value. Customer acquisition costs are down 30 percent for companies with excellent sales strategies. And the customer lifetime value of these accomplished sales teams is up 26 percent.

Companies will continue to gain a competitive advantage by attracting and retaining the best sales talent, which is reason enough to become a great company to sell for. But there is a shift regarding who is considered to be the best sales talent. The definition of an “A-Player” sales rep or sales leader has changed. The reason is that knowledge and skills have become commodities. Knowledge and skills that must be learned—solution selling, value proposition messaging, social media prospecting, and so forth—can be mastered by anyone anywhere who attends online courses or sales training workshops from the dozens of vendors that offer them.

As knowledge and skills become commoditized, talented salespeople who make it easy for their customers to buy are emerging as the new “A-Players.” More and more companies recognize that they need sales talent that is good at shielding the customer from complexity. It may be difficult to develop a proposal, adjust product specs, redline a legal document, or modify payment terms. But the customer does not need to witness this.

The best companies to sell for are not those with the most complex customer experience, but those with the simplest customer experience. SBI partner Scott Gruher, who directs SBI’s delivery team, has aptly summed up the new reality: “It is not simply those who have the most experienced sales teams; it is those who have the sales talent to shield customers from frustrating complexity. Strategic alignment across a company’s functions is the source of a great customer experience. And this is what allows the company to be easy to buy from and sell for.” You got it. There are new “A-Players.”

Many companies struggle with finding and hiring these top sales employees—as well as deploying them in ways that make the most of their unique gifts. But the top companies to sell for, mostly, are already there. Making it easy to buy from and sell for them is the essence of what they do. Consider another company on the list, national healthcare provider Concentra. The company asks customers and prospects the following questions: “Do you prefer to engage with our representatives in person, on
6 Elements of Strategic Alignment
Hints from our winners: What makes a company easy to buy from and sell for?

These companies know their markets better than their competitors, down to the accounts, buyers, and users of their products and services. PGi understands the equilibrium point between market demand and sales capacity. Instead of having too many salespeople chasing too few opportunities, the company makes sure each salesperson has a chance to be successful. Concentra arms each salesperson with an ideal customer profile so they know whom to call on and whom to ignore. Heartland has built a custom sales methodology that maps directly to the decision-making process its customers follow when buying its products. When the sales team is put in a position to win, employee engagement goes up and “A-Players” refer their friends.

Market Research

Hire “A-Players” and make the number, right? Wrong. “A-Players” become “C-Players” overnight if they are not placed into optimized performance conditions. But drop top talent into a great environment and watch revenues soar. At Concentra, accounts are ranked based on revenue potential over the next 12 months. Sales talent is assessed and ranked based on competency. Want a better territory? Prove you have the ability to maximize it. Great companies have corporate strategies that allocate people, money, and time correctly.

Corporate Strategy

Many of the 10 best companies to sell for don’t build products they think the market wants. Instead they build products the market tells them they will buy. Magento, maker of digital e-commerce platforms, measures how urgent and pervasive a customer problem is before they consider putting it on the product road map. Great products that address real customer problems get reps in front of customers who are willing to spend. Sales reps love nothing more.

Product Strategy

Every company says it feeds the sales team with plenty of leads. The 10 best companies to sell for don’t say it; they do it. For example, LegalZoom offers its sales team something it has never spoken about: lead qualification. A lead never goes to a salesperson until it has been determined to be worthy of a salesperson’s time. A strategically aligned company—in this case alignment between marketing and sales—goes beyond talk and includes daily behavior.

Marketing Strategy

Many companies measure sales success on the percentage of the sales team that makes quota. In fact, several publish leaderboards highlighting where you stand, expressed as a percentage of goal, relative to your peers. Great companies to sell for view individual rep success as the responsibility of the sales manager. After all, promises were made during the interview process. When the objectives of the company and the individual are aligned, the task of making the number gets easier.

Sales Strategy

Several of the 10 best companies to sell for are difficult to get hired into. Many of them, including Heartland, Hewlett Packard Enterprise, and LegalZoom, attract dozens of applicants for every job opening. These companies can hire the best of the best. Top talent wants to work for companies with the best talent.

Talent Strategy
the web, or on the telephone? How does a salesperson add value for you? What would you like a salesperson to be able to do for you that they can’t do today?”

Or look at Hewlett Packard Enterprise. Here is a typical sales rep comment: “The company performed a time study to understand what tasks I am required to perform that do not benefit the customer, and eliminated most of them. That allows me to invest more time in my customer relationships.” The extras available to the sales teams inside these companies are pretty darn cool. But it’s the CEO and the head of sales, working in alignment, that make them great companies to sell for.

Strategic Alignment
You’ve realized by now we are talking about strategic alignment, the way the executive team behaves from moment to moment when leading their functional teams. More companies are seeing the connection between the strategic alignment of functional teams—such as product management, marketing, and sales—to revenue growth and sales excellence. Chris Perry, the top sales executive in the financial services industry vertical, has been president of global sales at both Thomson Reuters and Broadridge. “The continuum from the CEO through product development, marketing, sales, and service is what makes it easy for customers to recognize our value and buy from us,” Perry says. “That in turn makes it easy for our sales associates to be successful.”

Brian Walker, CEO of furniture maker Herman Miller, recently appeared on the SBI Podcast. “We think about talking to the sales force in a language they actually believe they can use with their customers,” Walker says. “It certainly gives them confidence.”

The term strategic alignment is everywhere. Yet as companies increasingly grasp its importance, they also realize they have no clue where to begin applying strategic alignment to sales. How does strategic alignment make a company easy to buy from, and as a result, great to sell for?

Top Performers
In case you are a skeptic, the 10 best companies to sell for in 2016 do outperform other companies on key sales metrics. The SBI research team performed pattern and trend recognition, used deductive and inductive reasoning, regression analysis, and predictive analytics. They found that these companies are four times more likely to make their 2016 number than sales organizations that are not strategically aligned. The top factor: being easy to buy from and sell for.

It’s puzzling. Why don’t CEOs and sales leaders realize that great companies to sell for are also the ones that make the number? And then make the necessary investments? The SBI research team exhaustively investigated several hypotheses and concluded that some CEOs and sales leaders just don’t get it. They simply don’t understand that the best companies to sell for make their numbers, year in and year out.

A corollary: Some sales reps and managers don’t get it either. Otherwise, why would they work for companies that make it difficult for customers to buy, and for reps to sell? It defies common sense. Read on to learn about 10 companies that hope the others never wake up.

Methodology
To identify the 10 best companies to sell for in 2016, SBI conducted the most extensive primary market research in the sales effectiveness industry, based on its proprietary four-lens methodology.

Customer lens. One quarter of a company’s score is based on the customer lens, which analyzed responses from 32,000 customers and prospects. The survey and interviews asked questions related to how a sales team added value during the sales process.

Field lens. One quarter of a company’s score is based on the field lens, which analyzed responses from 18,000 sales reps and 7,800 sales managers. The survey and interviews asked questions related to how a company supported the efforts of the sales team.

Market lens. One quarter of a company’s score is based on the market lens, which analyzed responses from 2,100 mystery shops across 100 industries and subindustries. The results revealed how organizations in the same industries, selling similar solutions to similar buyers, differ in their sales approaches.

Corporate lens. One quarter of a company’s score is based on the corporate lens, which analyzed responses from 10,000 collected documents, 1,900 sales metrics, and 900 C-suite executive interviews. The focus of this analysis was to understand what the executive leadership team wants and needs the sales team to deliver.
STEP 2: DETERMINE EXACTLY HOW YOU’RE EXECUTING.

To make our list of the 10 best companies to sell for, ask yourself, “Am I doing things right?”

Contact Dan Perry at 818.749.4139 or Dan.Perry@SalesBenchmarkIndex.com
Richard Daly
CEO

Chris Perry
President, Global Sales, Marketing, and Client Solutions

Broadridge
Lake Success, New York
broadridge.com
CEO and sales leader are in total alignment at this leading provider of investor relations and solutions for wealth management, asset management, and capital market firms. As a result, Broadridge celebrates its No. 1 appearance in the 10 best companies to sell for in 2016. Richard Daly (photo left), CEO at Broadridge, has enabled his sales leader to be successful by setting obtainable financial objectives, picking the right markets to compete in, and investing in a highly differentiated value proposition. In turn, Chris Perry, president of global sales, marketing, and client solutions at Broadridge, executes the corporate strategy by making sure his sales team engages with customers and prospects the right way. This results in high close rates and deal sizes, with shorter sales cycles. “We look forward to augmenting our partnership with SBI, leveraging their proven model to continue the acceleration of our sales growth and the evolution of our organization,” says Perry.

“We are flattered to earn this prestigious award, especially given the thorough and rigorous nature of SBI’s selection process. We take great pride in creating an environment where our sales professionals can thrive.”
The opportunity to learn emerging best practices, instead of being trained on today’s best practices, is one big reason why it’s attractive to sell for Hewlett Packard Enterprise. For instance, the company’s “ropes to the ground” program elevates the skill level of each salesperson, making individuals more employable both inside and outside Hewlett Packard Enterprise. “We would like to thank SBI for this recognition,” says Marcel Keller (photo right), VP and GM of global sales, marketing, and operations at HPE Technology Services.

“We would also like to thank SBI for their ongoing partnership and support as we continue to build the most capable and competitively differentiated sales force in the business. An all-around win!”

Hewlett Packard Enterprise

Steve Lutz
SVP, Worldwide Enterprise Group Sales and Operations

Marcel Keller
VP and GM, Global Sales, Marketing, and Operations, Technology Services

Hewlett Packard Enterprise
Palo Alto, California
hpe.com

$52 billion annual revenues

14,000 sales employees
Armed with big data, this national healthcare company is able to improve the customer experience by matching the right customer to the right sales channel. As a result, the sales team eliminates wasted time on accounts that are unlikely to spend, and invests in customers who welcome the assistance. Concentra makes its debut on our list with an astounding understanding of whom its ideal prospects are, how these prospects make purchasing decisions, and how much these accounts are likely to spend in the current fiscal year.

$1.1 billion annual revenues

150 sales employees

John deLorimier
EVP, Chief Sales and Marketing Officer
Concentra
Addison, Texas
concentra.com

“It is always a thrill to be recognized by your peers and a respected organization like SBI. It is validation that we are doing the right things.”
Knowing the difference between sales strategy (doing the right things) and tactical execution of the sales strategy (doing things right) makes all the difference at Magento. Led by Mark Lavelle, CEO at Magento, this e-commerce digital platform provider understands that it serves three distinct markets, and each one responds to the company’s value proposition differently. This clarity removes the noise that exists inside many sales teams and replaces unproductive flavor-of-the-month sales improvement programs with segment-specific value propositions and position statements.

“We are honored to be named to the top organizations to sell for in 2016. Our commitment to be the leader in omni-channel commerce innovation is further validated by this award.”
A stellar talent management program drives success for this payment processor, which has more than 300,000 customers. Heartland has created “A-Player” profiles for each sales position and assesses current and future sales employees against these profiles. The company sources, hires, onboards, develops, and promotes these “A-Players” based on the outcome of these assessments. Turnover in the sales force is astonishingly low after the first year of employment because it’s so motivating to work alongside superstars. “We’re honored to be selected as one of SBI’s top 10 sales organizations,” says Tony Capucille, chief sales officer at Heartland.

“We’re excited for a future where celebrating the entrepreneurial spirit, honoring the sales profession, and transparently serving business owners is the status quo for all sales organizations.”
This enterprise software company invests 37 percent of revenue in R&D, marketing, and sales, all toward growing revenue. More importantly, Genesys dynamically adjusts the allocation of funds among product, marketing, and sales based on market intelligence. The company understands that revenue growth is the responsibility of every department, not just sales. “We are honored to be named a best company to sell for in 2016 by SBI,” says Tom Eggemeier, president at Genesys.

“This award recognizes hard work done across the company to develop both the industry’s most compelling CX solution and a passionate culture to being sales-driven in everything we do.”

Genesys

Tom Eggemeier
President

Genesys
Daly City, California
genesis.com

- $900 million annual revenues

640 sales employees
LegalZoom

Democratize the law. The LegalZoom marketing team communicates this compelling brand promise to its target audience with every customer interaction. This results in brand preference for the provider of an easy-to-use online service that helps people create their own legal documents. And that makes it much easier for the sales team to beat its competitors in every deal. “I’m thankful for this recognition and proud of what it signifies,” says Laura Goldberg, CMO at LegalZoom. “It reflects the environment we’ve created.”

“Engaged employees who break the mold of a traditional sales force, a high engagement level that helps attract top talent, and a singular focus on the customer experience create an atmosphere that allows us to concentrate on our ultimate goal: the success of our customers.”

Laura Goldberg
CMO
LegalZoom
Glendale, California
legalzoom.com

Annual revenues
Confidential

No. sales employees
Confidential
Scott Tapp
EVP, Global Sales, Marketing, and Field Operations
PGi
Atlanta, Georgia
pgi.com

“The world’s largest dedicated provider of collaboration software gives every salesperson a chance to succeed by making sure there is enough opportunity to call on. Constantly pruning the org chart means valuable accounts and resources do not get wasted by underperforming sales employees. This rebalancing of resources allows the company to invest in new capabilities to the benefit of all. “PGi has a long history as a sales-centric organization. One of the ways in which we have become a collaboration industry leader is through our talented and motivated sales team,” says Scott Tapp, EVP of global sales, marketing, and field operations at PGi. “The entire PGi sales leadership team is appreciative of this recognition by SBI.”

“In 2016, we have a strong go-to-market plan that continues to align product, marketing, and sales tightly around our customers to drive consistent and meaningful growth.”
In the spring of each year, this provider of small business software hosts its best salespeople at President’s Club in an exotic location such as Hawaii, Mexico, and the Caribbean. More sales reps “make club” at this company than the typical company because Infusionsoft provides an extraordinary amount of sales support. The company has invested in training its sales force in a buyer-centric sales methodology, along with well-designed sales territories, realistic quotas, a pay plan that rewards performance, and technology tools that make the job easier. This translates into a lot of wins and winning is contagious. “I am thrilled for the team to receive this honor from SBI,” says Clate Mask, CEO at Infusionsoft.

“Every day, I have the pleasure of walking into our offices and hearing the buzz from our sales and marketing floor. Our strong inside sales model has been the backbone of growth for Infusionsoft.”

- $110 million annual revenues
- 100 sales employees

Clate Mask
CEO
Infusionsoft
Chandler, Arizona
infusionsoft.com
Sales reps and managers say working for Cypress is “fun,” thanks to a fantastic product management and development organization. The company provides its sales team with products and services addressing urgent and pervasive customer problems that they are willing to pay to solve. This means telephone calls get answered, emails get replied to, and appointments are easy to get. “We are honored to be included in this list and view it as a sign of progress in our efforts to keep our customers’ perspectives in mind,” says Mike Balow, EVP of sales and applications at Cypress. “Sales effectiveness is based on constantly gathering information and finding the right ways to respond.”

“We have worked at gathering feedback from our sales force and responding quickly with solutions that help our customers and us to be successful.”
STEP 3: IMPLEMENT A PLAN FOR THE TASKS AT HAND.

To make our list of the 10 best companies to sell for, ask yourself, “How do I go from current state to future state?”
Keep Your Eye on the Goal

Eight critical disciplines help companies make their revenue goals.

/1 Hierarchy of objectives
/2 Stoplight reporting
/3 Daily huddles
/4 Weekly meetings
/5 Monthly alignment sessions
/6 Quarterly business reviews
/7 Annual operating plans
/8 Multiyear strategic plans
# 8 Disciplines of Sales Execution

Discover how the best B2B sales organizations crush their number—and deliver sustainable revenue growth year after year.

*By Ryan Tognazzini*

---

**Do you ever wonder** how some companies beat their number year after year? Anybody can hit their growth number once. Delivering sustainable revenue growth, at scale, requires disciplined sales execution.

Execution is a popular buzzword. Turn on any postgame sports interview and the losing coach will likely lament poor execution by his team. Take football. The head coach often states his team didn’t execute on the key plays required to win the game. You rarely hear this from coaches who’ve won multiple championships. They are maniacal about every facet of execution, down to seemingly mundane fundamentals. This is why they win over and over again.

The same is true in B2B sales. Missed the number this quarter? It likely had something to do with poor execution by members of the team. Sales didn’t bring the big deal across the line before the quarter ended. They had everything they needed to succeed: the right tools, processes, products, etc. In the end, they still didn’t get the job done.

Top B2B sales leaders rarely let this happen. Many of them make their number well before the final day of the quarter. They’re looking two to three quarters out to see what’s coming—and figuring out how to adjust their resources to make sure they meet or exceed their number.

**Relationship Between Strategy and Tactics**

Strategy focuses on doing the right things; tactics focus on doing things right. They are highly interrelated, especially when it comes to sales execution. Many companies have deployed brilliant strategies and still missed their number. This is due to poor execution. Companies who fall into this category will likely survive, but will find growth difficult. Counter this with having the wrong strategy. When companies deploy ineffective strategies, they die. Their ability to execute simply determines how quickly they will die.

The alignment between strategy and tactics creates sustainable growth year after year. The execution of those tactics is where the magic happens. It’s one thing to have a great playbook. It’s another to actually be able to run the plays effectively. This is the essence of execution.

---

<table>
<thead>
<tr>
<th><strong>STRATEGY</strong></th>
<th><strong>TACTICS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Doing the Right Things</td>
<td>Doing things Right</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INEFFECTIVELY</strong></th>
<th><strong>EFFECTIVELY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>DIE QUICKLY</td>
<td>THRIVE</td>
</tr>
<tr>
<td>A Poor Plan</td>
<td>A Brilliant Plan</td>
</tr>
<tr>
<td>Executed Brilliantly</td>
<td>Executed Brilliantly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INEFFICIENCY</strong></th>
<th><strong>EFFICIENCY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>DIE SLOWLY</td>
<td>SURVIVE</td>
</tr>
<tr>
<td>A Poor Plan</td>
<td>A Brilliant Plan</td>
</tr>
<tr>
<td>Executed Poorly</td>
<td>Executed Poorly</td>
</tr>
</tbody>
</table>

Top organizations thrive by bringing strategy and tactics into alignment.
SBI research finds companies that successfully execute both strategy and tactics have a four times better chance of making their growth objective compared to companies that don’t. If you’re wondering whether the juice is worth the squeeze, the answer is a definitive yes.

In top sales organizations, every member of the team knows at the end of each week whether it was a good one or not. They’ve done this by removing ad hoc productivity killers. They don’t spend time on random report requests, meaningless conference calls, or endless emails. In their place are the eight disciplines of sales execution. (See the sidebar, “Keep Your Eye on the Goal.”)

“In top sales organizations, every member of the team knows at the end of each week whether it was a good one or not. They’ve done this by removing ad hoc productivity killers. They don’t spend time on random report requests, meaningless conference calls, or endless emails. In their place are the eight disciplines of sales execution.”

/1 Hierarchy of Objectives
How well aligned are your objectives? Your company’s sales goals likely look something like this: Achieve annual revenues of $500 million, which is 15 percent growth from last year. These are clear objectives, but they are only the beginning.

The hierarchy of objectives drives alignment down through the organization, all the way to the field. For example, let’s say you are launching a new product in the first quarter of the year, and it needs to generate 15 percent of this year’s bookings goal. Some ways to test alignment of objectives cover the following area:

- **Product:** Is the product team associated with the new launch measured on getting the product to market on time and hitting the bookings goal?
- **Marketing:** Are the marketing resources dedicated to creating demand for the new product tied to the amount of leads and subsequent bookings?
- **Sales:** Has the sales team been trained and certified to sell the new product? Do they have appropriate incentive goals to ensure they sell it?
- **HR:** Is HR being measured on its ability to attract and develop the right talent on time to sell the new product?

Every person associated with the goal should be individually measured on their contribution to success. This is cross-functional by design, not just focused on sales. Tying
individuals to the goal across functions is the first step in driving execution through strategic alignment. It signals to the individuals throughout the organization that "this is important and part of our success depends on me."

/2 Stoplight Reporting
The best organizations use a stoplight report to measure progress against their objectives. This is a simple and highly valuable part of execution. The stoplight report measures the KPIs each functional group requires to meet the objectives. To keep this simple, each functional area should have no more than five KPIs tied to each major objective. These are the key integration points between functional groups that will drive alignment and execution. The term stoplight is a simple way to measure how you are doing against those KPIs:

- **Green:** You are at or ahead of the goal. Celebrate and keep going.
- **Yellow:** You are 10 to 15 percent behind the goal. Determine whether action is needed.
- **Red:** You are way behind the goal. Decide what action will be taken to fix it.

Unlike many New Year’s resolutions, these objectives are not meant to be stuffed in a sock drawer and forgotten. Progress reports should be updated and reviewed by the key leaders every month. This allows for agile decision-making on the strategy versus waiting for the quarter to end.

Now for the hard part. In many sales organizations, setting and measuring objectives is common practice. But aligning and measuring objectives at the individual level may be a new discipline to improve results. This gets done through various activities across the organization. Execution is about focus and attention daily, not just quarterly or annually. When it comes to how the best companies execute, four activities are a key differentiator: daily huddles, weekly meetings, monthly alignment sessions, and quarterly business reviews.

/3 Daily Huddles
These are 15- to 20-minute meetings between managers and direct reports to discuss what activities will be performed that day. If the proposed activities do not support the KPIs, don’t do them. This step ensures individuals focus on doing the right things every day.

```
“Tying individuals to the goal across functions is the first step in driving execution through strategic alignment. It signals to the individuals throughout the organization that ‘this is important and part of our success depends on me.’”
```

<table>
<thead>
<tr>
<th></th>
<th>Current YTD</th>
<th>YTD Goal</th>
<th>Q1 Actual</th>
<th>Q2 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total leads</td>
<td>4,226</td>
<td>5,000 (10,000/year)</td>
<td>2,575</td>
<td>1,651</td>
</tr>
<tr>
<td>Total opportunities</td>
<td>592</td>
<td>625 (1,250/year)</td>
<td>248</td>
<td>344</td>
</tr>
<tr>
<td>Cost per opportunity</td>
<td>$2,450</td>
<td>$2,500</td>
<td>$2,650</td>
<td>$2,293</td>
</tr>
<tr>
<td>Value per opportunity</td>
<td>$1.4 million</td>
<td>$1.25 million</td>
<td>$1.61 million</td>
<td>$1.26 million</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total bookings</td>
<td>$203 million</td>
<td>$250 million ($500 million/year)</td>
<td>$89 million</td>
<td>$114 million</td>
</tr>
<tr>
<td>Total win rate</td>
<td>30 percent</td>
<td>32 percent</td>
<td>29 percent</td>
<td>31 percent</td>
</tr>
<tr>
<td>Average sales price</td>
<td>$1.14 million</td>
<td>$1.25 million</td>
<td>$1.24 million</td>
<td>$1.07 million</td>
</tr>
</tbody>
</table>

Stoplight reports facilitate agile decision-making while there’s still time to improve results.
The daily huddle is markedly different from the typical weekly team meeting, during which a manager does a lot of talking while the team tunes out. The huddle requires the participants to come prepared with their action plan for the day. The leader’s role is to listen to the action, and agree with or redirect the team member to focus on different activities to meet the objectives.

This step is incredibly powerful because it puts daily focus on executing the right things. When done properly, the possibility of being surprised by people spending days, weeks, or months on the wrong activities is eliminated. In its place is real-time decision-making to support business objectives.

/4 Weekly Meetings
During the daily huddles, obstacles will arise that are preventing the team from accomplishing its objectives. However, the huddle is not the forum to focus on one-off issues or to spend time problem-solving larger issues.

The weekly meeting is used to address recurring themes that come up during the week. This is a longer meeting (usually 60 minutes) that allows the leader to name the issues and decide on solutions with the team.

An example might be a team of inside sales reps having trouble getting access to a new buyer persona. On the weekly call, it’s determined that a persona enablement session and a few email templates from product marketing will help them improve results. The manager takes the action and schedules the enablement session for the following week.

This is an example of an actionable meeting that can easily replace an existing unproductive one. At one hour in length, the return on investment for the time spent can have a huge impact. Additionally, the level of engagement from team members goes through the roof. They are actively surfacing challenges in their daily work that are getting addressed and removed by their manager to help them hit their goals.

/5 Monthly Alignment Sessions
The monthly alignment sessions are two- to three-hour meetings in which leadership reviews and takes action on the results of the critical KPIs. This is where the stoplight report comes in. The agenda for the monthly alignment meeting covers the following ground:

- Review the prior month’s actions and results by owner to answer what got done and what didn’t.
- If something didn’t get done, determine and attempt to remove the obstacle that kept the owner from completion.
- Determine actions for the upcoming month.
- If results aren’t improving, reassess how you are allocating people, money, and time to make improvements.

The purpose of the quarterly business review is to determine whether or not strategic assumptions hold true. Leadership reviews and updates the following for the coming quarter, and determines whether people, time, and money should be reallocated to improve results:

- Financial performance
- Stoplight reports
- Market intelligence trends
- Corporate strategy
- Product strategy
- Marketing strategy
- Sales strategy
- Talent strategy
To use the stoplight report in this session, start with the red areas. These are underperforming KPIs that put you at risk of missing the number. Understand what is causing the problem and assign ownership to take action immediately.

An example might be that marketing has delivered only 50 percent of the leads required for the quarter with a month left. A shortage of leads means sales won’t have enough opportunities to hit the bookings goal next quarter. The marketing leader should arrive at the alignment session with the cause of the shortage and a proposed solution. The team should collectively agree on the solution and decide who will help ensure it solves the problem.

Next, focus on the yellow items. These are cautionary results that may or may not require action. The group should determine if action is required this month or not. If so, follow the same ownership and action process you did for the red KPIs. If no action is being taken, keep your eye on these to see if they improve or decline.

For the green KPIs, congratulations are in order. You’re meeting or exceeding the goal. In this case, make sure the team members celebrate hitting the metric. The tendency in average-performing sales teams is to focus on the bad news. Winning is contagious. The best sales organizations embrace the opportunity to congratulate the people responsible for beating their goals.

This should cover action items and progress from the prior call, as well as determining new actions to be taken in the coming month.

/6 Quarterly Business Reviews

The quarterly business review is a two- to three-day offsite to assess how you’re executing against your strategy. If things are not working, leadership will make decisions about how they will reallocate people, time, and money to improve results. This may mean stopping or starting new projects in support of the overall objectives. (See the sidebar, “Quarterly Business Review Agenda.”)

Let’s say at beginning of the year, a strategic assumption was made that marketing, partners, and sales would each contribute one-third of the sales pipeline for the year. Through the first two quarters of the year, marketing and partners are each generating 45 percent, while sales is generating 10 percent. In this case, the decision-making focuses on whether sales should invest more of its resources (people, time, money) catching up, or whether the marketing and partner organizations should get even more resources to improve their results further.

If key leadership is not in the room with the right information, strategic decisions don’t get made. Organizations operate in silos instead of collectively determining what changes will improve results. The quarterly business review provides an effective forum to execute on strategic business issues.

The disciplined cadence of daily huddles, weekly meetings, monthly alignment sessions, and quarterly business reviews may seem like a lot to tackle. However, many of these meetings should replace time wasters including unproductive updates and
ad hoc reporting requests. This is about becoming great, not just good. It requires a time investment from everyone in the organization to do the right things.

To be the best requires balancing both short-term and long-term execution. Whereas the first six disciplines focus on in-year execution, the final two require looking ahead.

/7 Annual Operating Plans
Some companies refer to the annual planning process as annual operations planning. This should start in Q3 of your fiscal year. Leading organizations assess their strategies using market research. The goal is to understand changing dynamics in the market, in the industry, and with buyers. This work helps uncover emerging trends and best practices in the marketplace, and documents the functional strategies that define how the organization will address these changes. For sales, this research informs many decisions along the following lines:

- Changing your sales methodologies based on changing buyers and markets served
- Allocating or adding resources to focus on new markets or products
- Hiring and developing new types of talent
- Changing goals and compensation objectives
- Requiring additional support resources or systems

The other functional groups will also develop their strategies during this process. Once complete, the functional leaders get together to review and determine the key integration points. These integration points become the KPIs that start the hierarchy of objectives and stoplight reports for next year. Without this alignment, the functional teams will operate in silos. Execute on this step and you have an aligned plan to optimize your investments and make your number.

/8 Multiyear Strategic Plans
The final execution discipline is called the multiyear strategic planning process. Many companies have a three-year rolling strategy, which they update every 12 months. This is similar to the annual planning process, but it looks beyond just next year. For example, if your product road map goes out three years, you should be accounting for this. The sales leader should be part of this process and incorporate it into the sales strategy.
Let's say your CEO decides he wants to expand into new vertical or geographic markets in the next two years. Key decisions need to be made on how to enter those markets. Three common ways to penetrate new markets are:

1. **Build**: Create the capability in-house with homegrown resources
2. **Buy**: Acquire a company with a presence in the target market
3. **Partner**: Develop a strategic relationship to help penetrate the market

As it relates to sales execution, it’s often outside the scope of a sales leader’s strategy to decide whether or not to build, buy, or partner. The CEO usually determines this. However, if the strategy is to build, sales leaders need to know this in advance so they can groom the necessary talent in time to meet the objectives. If the decision is to buy, the integration of two sales organizations needs to get reflected in the multiyear strategic planning process. Lastly, a partnership will require the sales leader to account for things such as partner recruitment and enablement, rules of engagement, and compensation parameters.

With a multiyear planning process, top organizations don’t get caught flat-footed when decisions like this take place. Looking into the future allows for the appropriate planning and increases the odds of consistently making the number.

“**This is about becoming great, not just good. It requires a time investment from everyone in the organization to do the right things. To be the best requires balancing both short-term and long-term execution.**”

**Sequence Matters**

The order in which the eight disciplines of sales execution are applied is critical. For example, if the hierarchy of objectives is correct, the stoplight reports will focus on the right KPIs. Using the right KPIs means the daily huddles and weekly meetings will reinforce the correct behaviors. This helps ensure the monthly alignment sessions and quarterly business reviews are spent optimizing versus dealing with fire drills. When it comes to annual and multiyear planning, the internal information available to make strategic decisions will be accurate and increase the chances the strategic decisions that get made will ensure the revenue objectives are met.

Attaining strategic alignment and consistently hitting your revenue objectives is not for the faint of heart. SBI research findings indicate that only 9 percent of companies are in strategic alignment. That leaves more than 9 out of 10 companies in their wake.

If you’re serious about scalable, multiyear growth, these eight disciplines of sales execution are for you. This is how the best companies in the world are hitting their revenue goals year after year. They do it through daily, weekly, and monthly execution that’s focused on alignment to their long-term strategic objectives. Are you up for it?
Is sales onboarding a problem for you? One of the great frustrations for sales management, HR leaders, and CFOs is the interminable time it takes to get a newly hired salesperson productive. Usually onboarding performance, if it is measured at all, is tied to reducing the metric for ramp time to full productivity: the average time (in months) it takes for a newly hired salesperson to achieve their annualized quota.

As a former naval officer who spent time at sea on a destroyer north of the Arctic Circle in a winter storm, I can tell you what a bow wave looks like. And it is scary. That is precisely the sort of threat sales leaders face. Businesses are growing. Corporate strategies call for expanded market share or new market penetration. Internal talent assessment efforts lead to the need for new people with higher and different sales skills. All of these demand generators mean more new sellers are coming to your business.

According to SBI research, the average cost of a mis-hired salesperson exceeds $500,000. These costs include recruiting, salary, benefits, severance, and lost customer opportunities. CFOs are now looking at onboarding from the perspective of a new time-to-revenue process. With this attention comes a willingness to invest in the core dimensions of onboarding. Because of this, onboarding has recently come under increasing scrutiny. How do you know if this is an issue you need to tackle in the coming year?

The process to find new people is expensive. The process to evaluate and hire them is expensive. Expectations run rampant about what they can produce and how quickly they can produce it. And so the fix is suggested: “Let’s improve our onboarding program. How hard can that be?” Plenty.

How to Take Onboarding from Negligence to Nirvana
It’s almost impossible to believe, but often growth companies neglect their onboarding program in favor of other areas that seem more pressing or strategic. New reps are turning over quickly in the meat grinder of high expectations combined with poor onboarding.

“\nThe average cost of a mis-hired salesperson exceeds $500,000. These costs include recruiting, salary, benefits, severance, and lost customer opportunities.\n”
Onboarding new employees is a huge challenge. Every department wants its own processes, approach, content, tools, and time lines. The sales function is particularly demanding in this regard. For good reason. Sales is primarily responsible for revenue generation. So any delay due to substandard onboarding has a material impact on financial results.

When you add to this challenge that many in sales leadership do not fully understand what it takes to get top talent productive quickly, the frustration is complete. But there is a way out. Follow these steps and your onboarding capability will go from negligent to nirvana.

**Step 1: Diagnose Root Cause on Current State**
Businesses suffering from high turnover, long onboarding periods, or both should conduct a due-diligence assessment. Diagnosing the root cause will help you narrow down the problem at hand so you can bring to bear the key solution approaches.

**Step 2: Decide Who Will Own Onboarding**
The onboarding function, previously entrusted to HR in conjunction with sales trainers and sometimes sales administrators, is usually one of those processes that is owned by everyone and no one at the same time. Unless that lack of accountability is rectified, any meaningful or lasting improvements will not be possible.

**Step 3: Design the Onboarding Plan**
Every newly hired salesperson should have an actual onboarding plan. Something they can call their own. Typically, these plans are embedded in a software application or a custom Microsoft Excel spreadsheet, or built in a cloud-based tool such as Asana. In any case, the plan contains tasking and guidance the employee needs to execute as individual onboarding steps. It should also boast the following:

- **Self-service.** The plan should be built so new hires can administer it themselves with easy oversight by their onboarding coach. Empower the employee to advance their progress and take the initiative.
- **Situationally applied knowledge.** The plan should enable salespeople to do more than just check boxes and take tests. You cannot learn anything
in a classroom or online without activating that learning in the field. Too many times onboarding is read this book; study this marketing material; pass this test about the product. The key to making knowledge stick is having reps apply it situationally.

- **Personalization.** Each salesperson is different. Jamming someone into a generic onboarding plan impacts adoption. Ensure each plan is custom to the role and, where possible, to the individual employee.

- **Progressive difficulty.** The plan should have increasingly challenging assignments. It should start with shadowing assignments, followed by performing selling tasks under observation, then collaborating with a fast-ramp onboarding partner, and lastly, independent accomplishment.

### Step 4: Build the Onboarding Program

Now that you have a compelling onboarding plan, don’t stop there. You should wrap that plan up into a larger program that defines onboarding as a unique cross-functional company capability. We suggest that, at a minimum, you adopt the following dimensions for your onboarding program:

- **Define everyone’s roles.** This is a must, due to the cross-functional nature of onboarding. It is shocking how many companies try to pull off the onboarding program without some form of a RACI (responsible, accountable, consulted, informed) diagram.

- **Assign a fast-ramp coach.** Establish a one-to-one relationship between a newly hired rep and a seasoned rep, the latter serving as a dedicated mentor for the whole onboarding period. The purpose of this coach is to reduce the friction a new hire faces in navigating the organization, give them the benefit of sales excellence from a star performer, and accelerate their development.

- **Use a complete set of onboarding tools.** Onboarding programs should contain a complete set of tools, frameworks, and guides. Using these regularly and improving them over time will yield great results. Key tools include an onboarding checklist, an onboarding performance assessment, a customer-focused onboarding scorecard, a content matrix, dedicated new hire learning paths in a learning management system, and a RACI diagram.

- **Make the sales manager accountable.** Too often sales managers see onboarding as somebody else’s duty. They see their role as waiting until the person is fully trained, after which they take over. This is a toxic approach. From Day One, sales managers should hold themselves accountable for the success of the new hire’s onboarding experience.

- **Promote quick wins.** Nothing succeeds like success. Positive momentum will lead to greater traction, which will result in reduced ramp times. By prompting small victories, new hires will adopt new behaviors more quickly.

- **Celebrate failure.** This may seem to conflict with the previous item but it does not. People learn more from failure than they do success. The more failure you celebrate, the more risk you are willing to take because you know you are not going to be punished for trying something different or new.

- **Integrate role-playing.** Role playing and scenario-based Q&A are the best ways to build core selling skills. It is frightening how few onboarding programs have built this into their programs. Some applications—such as the Rehearsal VRP video role-play training platform—really make this come alive. When companies formalize role playing, they realize big improvements in ramp time.

- **Gamify the experience.** The sales environment is uniquely suited to gamification, which rewards employees (e.g., with points, countdowns, leaderboards, and even virtual currency) for accomplishing prescribed learning tasks. Early adopters of gamification report significant improvements in ramp productivity. It works particularly well when sales teams are spread across wide geographic areas. It’s also a good way to improve the use of customer relationship management.
• **Implement a testing and certification program.** This is a key way to track the progress of new hires and compare new hires against each other and their predecessors. This approach will enable you to pinpoint areas where additional development will be needed.

**Step 5: Roll Out the Onboarding Process**

With plan in hand and program built, the next step is to consider the need for process. If the onboarding process is not defined, nothing you do will be repeatable or reliable:

• **Document it.** Get the process down on paper. Everyone should know the phases and exit criteria.

• **Incorporate ongoing improvement.** Real-time improvements are more effective than end-of-year assessments. Assume that everything can and should be optimized. Get feedback from new hires and stakeholders. Test assumptions. Iterate the process even for those who are halfway through.

• **Build it to scale.** A process that works one person at a time won’t survive contact with the waves of new hires coming your way. Ensure what you have built can accommodate multiple, simultaneous new hires without bringing the organization to its knees.

• **Get the new hires high, wide, and deep inside the organization.** Have executives take active roles. Onboarding is a team responsibility. Get new employees mapped to all of the organizational mavens — those most connected to the sales function and its success.

• **Measure differently.** Every process needs measurement. The key metric of ramp time to full sales productivity is a lagging indicator. Behavioral indicators let you know how things are going right now. For example: Are new hires reading required materials? Updating the onboarding plan frequently? Coming prepared to each interaction? Leading indicators also reveal how you are doing in real time. For example: Are new hires getting high scores on the learning exams? Performing well in role plays? Coming up with compelling proposals?

**Step 6: Make Your Customer the Center of the Onboarding Program**

Most companies stop when they’ve taken care of the plan, the program, and the process. And that’s a mistake. You must keep going to take your onboarding capability from mediocre to masterful.

For instance, most onboarding experiences are not customer-focused; instead, they usually take an inside-out view. World-class selling organizations put the customer at the center by tying onboarding success to the new hire’s ability to satisfy customer need. You do this by baking the following dimensions into the onboarding program:

• **Who.** New hire understands who needs the solution. Product features and competitive advantages are presented relative to one or more buyer personas.

• **When.** New hire learns how to identify which stage a prospect is in relative to a reasonably predictable buying process.

• **How.** New hire learns how to probe buyers regarding a series of micro-decisions that are tied to a final purchase decision.

**Step 7: Dimension Your Onboarding Program Content**

I have seen many companies deploy onboarding as I have just described. And they benefit from the improvement. Toward the end of Year One, though, the improvements start to level out. The question then becomes, “What’s next?” The answer is usually easy: content.
Great learning content is hard to produce. For that reason, most companies avoid tackling it as part of their onboarding improvement initiative. Eventually, this will get in the way. When it does, ensure your onboarding content focuses on the following areas:

- **Solution/product.** Newly hired salespeople must know how the product can solve the buyer’s problems. To do this for onboarding, develop one-page product portfolio guides that cover product market segment, buying persona, the market problem, and how that problem is solved.

- **Customer.** New hires with a detailed level of customer knowledge are able to anticipate needs, solve problems, and align solutions.

- **Competition.** Most competitive intelligence focuses on features and functions. Big mistake. This aspect of your content should address how the competition sells. How they position. How and with whom they go to market.

- **Process.** Process self-sufficiency is a must. Your content must enable the new hire to master key sales processes such as account management, opportunity management, relationship management, and more. But if you are using old and tired courseware, you will bore students rather than educate them.

**Step 8: Make Your Onboarding Program Agile**

An agile onboarding program does not treat everything as a regimented series of highly structured events that retard right-brain thinking. Instead, the agile approach promotes mastery. It rewards creativity and initiative. It enables new hires to learn and apply new capabilities every day. For instance, agile onboarding:

- **Layers knowledge.** Subjects are not covered completely in one session. Enough information is absorbed to support learning of the next subject.

- **Sequences content.** Topics are revisited at increasingly more advanced levels. Basic skills can be applied early without waiting to complete the entire curriculum.

- **Sets progressive expectations.** It makes the challenge greater over time—from accomplishing developmental tasks at the start to closing orders that deliver revenue at the end.

- **Embeds the subject-matter expert view.** Contributions from internal (and even external) subject-matter experts are delivered to enhance each required discipline—industry insight, marketing expertise, customer relationship management skills, proposal writing, and so forth.

**Next Step: Talent Development**

Some firms that have best-in-class onboarding programs suffer a performance dip because the onboarding experience is not connected to ongoing talent development. In these cases, the newly onboarded employee begins to fall behind because the intensity and focus of the onboarding experience is not matched with something similar for the general population of sales reps. In these cases, the skills and confidence built in the first crucial four to six months degrade and have to be rebuilt.

Instead, companies should have a robust and interconnected talent development program that picks up right where onboarding leaves off. The onboarding graduate should have a personalized development plan, assigned coach, and new formal knowledge paths. Using this new content, process, and assistance, the sales rep can take what they have learned or develop skills in which they have become proficient to a deeper level.

**The Net-Net**

Now you know what you have and how to achieve the ideal. Equally important, you know how to measure your program’s effectiveness. Your future depends on the investment you make today in your newly hired reps’ success.
Enjoy Cocktail Hour
Without Paying the Price

Healthy choices for happy hour

By Lynne Sharrers

It’s Monday morning and you are heading to the airport. You look at your schedule: a week full of meetings during the day and business dinners at night. You know this means happy hours for cocktails. How do you manage not consuming all the bad calories that social drinking invites? Here are a few suggestions to help you make a healthy choice.

Keep in mind “healthy” is a pretty subjective term as you manage alcohol. Nothing listed below is healthy when multiplied by four. Our bodies treat alcohol as a toxin. But you can make healthier choices when ordering a drink. And you can stay on track while drinking by making smart choices. The fewer the drinks, the fewer the calories!

Liquor: Neat or On the Rocks
Many drinks are full of sugar and unnecessary calories. Keep your drinks simple. Straight liquor is the healthiest if served neat or on the rocks. Here is a simple rule: The clearer the liquor, the easier it is on the calories.
Stay away from mixers because they only add sugar to your drink. Vodka, gin, whiskey, and Scotch are all fair game for your happy hour. One serving of vodka contains only 97 calories and 0 carbs per 1.5 ounces, while a serving of gin is about 110 calories and 0 carbs. Whiskey and Scotch have a little more flavor and are still fairly low in calories when served neat or on the rocks. Tequila is a great option as well; it’s made from agave, a naturally occurring sweetener, which some studies show can help lower blood glucose levels. Plus, it can be enjoyed by simply adding soda water and a splash of lime instead of margarita mix. Tequila is also gluten-free, which is a great option for those with celiac disease.

**Mixed Drinks**
A margarita or Long Island iced tea can have more calories than a large order of McDonald’s french fries. These drinks are a tasty trap full of bad stuff. They not only increase the probability of a hangover in the morning, they go right to the waistline. Another rule of thumb: The smaller the number of items that go into a drink, the less calorie intake you will have. Avoid mixers if at all possible. Yes, they may taste better, but juices, syrups, mixes, and sodas are hidden sugar-bombs full of empty calories. One serving of pineapple juice adds on an extra 133 calories and 32 grams of carbs. A serving of ginger ale has 124 calories and 32 grams of carbs. Those are two examples of low-end mixers. If you are looking for a little more flavor, add freshly sliced fruit, mint leaves, sliced cucumber, or even jalapeño.

**Wine**
If you prefer wine over liquor, you’ll add some nutritional value but increase calories. Higher calories with less sugar can be okay. Red wine is said to contain 4 to 9 percent of your Dietary Reference Intake (DRI) of iron, 9.4 percent of potassium, and 5 percent of magnesium. It is also full of antioxidants that have been shown to protect the heart and lower cholesterol. Calories tend to range from about 110 to 130 for a 5-ounce glass. However, there are some considerations to make when picking grapes: White wine typically contains fewer carbs than red wine. This makes a small difference in terms of calories. Red wine will be richer in antioxidants.

**Beer**
Unfortunately, almost every beer you drink will be high in calories and carbs. This is the least-favorite option to select. Most beers contain up to 15 grams of carbohydrates, equivalent to one slice of bread. If beer is the route you take, keep it light. A light lager will have around 95 to 120 calories and up to 7 grams of carbohydrates per 12 ounces. The darker the beer, typically the higher the calories and carbs will be. Stay away from malt beverages; they are loaded with sugar. Although these are all healthier ways to drink, the key to “healthy” drinking is moderation. One way to do this is drinking water between alcoholic beverages. Water will keep you hydrated and slow down the number of alcoholic beverages you consume. Knowing the numbers is a great start, but how does a healthyminded drinker keep it all straight in a crowded bar? Simple. Memorize a few go-to drinks that are lighter than their syrupy-sweet counterparts:

- **Tom Collins**: Ice, seltzer, splash of lemon juice, gin
- **Homemade margarita**: Splash of lime juice, splash of lemon juice, tequila
- **Vodka soda**: Lemon or lime wedge, seltzer, vodka
- **Mojito**: Seltzer, light rum, simple syrup, lime, fresh mint
- **Tequila Sunrise**: Splash of cranberry juice, fresh orange juice, tequila
- **Mint Julep**: Seltzer, bourbon, simple syrup, fresh mint

Now you can enjoy happy hour with half the calories. Cheers!
Elementary

By Kevin Avery

Once upon a time, my company executed the Sherlock Holmes strategy. We excelled in deductive reasoning: Once you screw up in every way imaginable, what remains—no matter how implausible—must be right.

Each year, our “strategy” restated goals using martial language and bigger words. From on high came the number. We used scientific tools: Magic 8-Ball was a favorite. The Ouija board came out when things got dicey. What drove our goal? TAM, of course. Expense budget: Percent of revenue (never mind the dynamic, high-growth market).

Each leader had a “track record of execution.” Yet somehow their successes failed to replicate. The sales leader always got the chop first. Rinse, repeat. Throw in (or out) a CMO here and an Ops VP there.

In truth, we didn’t have a strategy. We never had a clear line of sight into how the goals could be met. We were not alone, and still aren’t. In fact, 2016 SBI research findings indicate that only 9 percent of companies are fully aligned internally and with the external market.

Consider what is, sadly, only a mild exaggeration of real life.

Alignment with the external market is absolute...zero. Now consider internal strategy alignment.

<table>
<thead>
<tr>
<th>Strategy Cascade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
</tr>
<tr>
<td>Product</td>
</tr>
<tr>
<td>Marketing</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Talent</td>
</tr>
</tbody>
</table>

Years later, strategy still bedevils. Why? Could it be the 8,039,927,210 definitions of strategy? It takes 42 minutes to start a coherent strategy conversation because both parties have to inch mentally toward a common ground.

Many executives, even CEOs, have climbed the ladder without learning how to create good strategy. Absence of strategy and bad strategy far outnumber good strategies. We now can split most people into (1) those who think strategy is fluff, don’t do it, and believe it hasn’t cost them; and (2) those who feel uneasy not knowing how to do strategy and live in quiet shame about it.

Group One cannot evolve unless they suspend their disbelief. But for Group Two, the path is clear. More executives take the plunge every month. You can do this!
SUBSCRIBE TODAY. MAKE YOUR NUMBER TOMORROW.

SBI MAGAZINE
Subscribe today at:
www.SalesBenchmarkIndex.com/SBIMagazine
INTRODUCING
SBI ON DEMAND.
HELPING
SMALL BUSINESSES
MAKE BIG NUMBERS.
- ACCESS TO SBI EXPERTS
- EXCLUSIVE PREMIUM CONTENT
- ONSITE WORKSHOPS

DREW ZARGES, GENERAL MANAGER
OF SMALL BUSINESS PRACTICE
Contact Drew Zarges at 504.606.2036 or
Drew.Zarges@SalesBenchmarkIndex.com