SALES FORCE MANAGEMENT – IMPROVING PROCESSES, TOOLS & HABITS

Sales Performance

If customers perceive that your company doesn't know what business it does with theirs, credibility suffers.

Key customer churn is most likely in turbulent times, and a good understanding of the marketplace can usually be gained through good market intelligence. The first challenge that sales managers face is simply to understand high-level dynamics behind sales performance. As fundamental as it is, sales managers at many organizations find it difficult to access reliable, timely information on key sales performance metrics. This is largely because of the complexity of multiple order entry systems and haphazard storage of sales & inventory data.

In such an environment, it's not easy to understand which issues are most important and how to determine priorities. Analytic applications start with a high-level approach through their distinctive, personalized dashboards that give managers at-a-glance readings on key performance indicators (KPIs).

Tracking sales performance by key metrics is a crucial first step towards improving sales effectiveness and productivity. The metrics available in an analytic application (as well as trigger-driven alerts on problems or anomalies) enable managers to work proactively and respond to issues as they develop—a big step towards shortening sales cycles. They monitor such points as:

- Key changes in forecasts and their projected impact on quarterly results
- Pipeline analysis by sales stage
- Sales trends and revenue fluctuations
- Sales performance gains and losses by sales reps, products, and key customers
- Actual sales productivity vs. goals

Metrics are only the tip of the iceberg. Beneath them is a wealth of data that when analyzed will invariably yield insights managers can use to fine tune sales performance, and greatly improve their ability to develop accurate forecasts. A deep understanding of revenue drivers and cost considerations is essential to evolve sales performance to a higher level.

Analytic applications excel at delivering those insights through dozens of prebuilt, sales specific reports and queries to commonly asked questions. They provide a capability called guided analysis that helps streamline cause-and-effect analysis to determine the root cause of issues. And they enable managers to explore data on their own, with ad hoc query that can unearth correlations not discernable in a spreadsheet.

This deep analysis is valuable to any organization, but particularly so for large organizations with multiple data sources. Analytic applications work from a common set of data aggregated from

CRM, financial, and other sales information sources to ensure that managers work from a single version of the truth to examine:

- Sales by multiple dimensions (e.g., product, customer, sales rep, channel)
- Under-performing sales reps, products, channels, customers
- Effect of discounts, special offers, sales incentives on revenue
- Rankings of high, medium, and low value leads
- Deal abandonment by time, sales rep, customer, and channel
- Sales activity conversion and volume such as visits by sales rep, customer, channel

It sounds like a nice problem to have: Lots of customers, client contacts, customer business units, sales channels, and sales reps. But it can handicap your performance in a big way. Sales managers at large organizations often struggle to understand the multiple points of interaction between their businesses and their larger customers. Meanwhile, credibility suffers if customers perceive that your company doesn't know what business it does with theirs.

With limited visibility into the web of relationships, it's difficult to understand even high level sales trends—much less drill into information to determine how your company can improve efficiency, eliminate redundancy, capitalize on cross-sell and up-sell, and present a cohesive front to the customer.

By working from data consolidated from disparate sources, analytic applications provide a single view of the customer. Managers can to better monitor performance, devise tactics and strategies, and allocate resources. The applications track:

- Revenue and profitability by customer contact and business unit
- Optimal cross-sell and up-sell opportunities
- Assigned reps by customer, business unit, territories
- Pipeline volume and value by customer profile

Sales managers at many organizations find it difficult to access reliable, timely information on key sales performance metrics. The scale and complexity of modern organizations is sometimes an impairment to understanding who your best customers actually are, and the nature and quality of the sales relationship. Through a well-structured sales force measurement and reporting system, client companies are often able to uncover growth of 10-15% even in the worst phases of downturn.