

## The Five Failure Points of Today's Selling System



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## Executive Summary

The headlines in March, 2013 made Oracle the poster child for the issues that sales organizations too often face in driving business growth: There's a big divide between capabilities, expectations, and reality on multiple fronts.

The headline: "Oracle Throws Sales Under the Bus." The story: New software sales in the fourth quarter had slipped a worrisome 2 percent. Oracle president and chief financial officer Safra Catz laid the blame squarely at the sales organization's door, saying it was "mostly due to a sales force that lacked urgency."

It's the backstory, though that brings the point home. Oracle's sales chief had left in June. And the sales force was transitioning from selling data to selling hardware and apps, and adjusting to the challenge of selling a suite of products in an entirely different way than had been the case in the past. It caught up to Oracle by the time the fourth quarter – and time to press the pedal to the metal – came around.

This is the kind of situation that too many organizations face, though not many call out sales quite so publicly. It illustrates that there's not just one big gap impacting sales effectiveness. A series of them do. There's a big one separating how a buyer buys and your sellers sell. And another between your marketers' outputs and your sales force's needs. There's typically a big gap between how your organization trains and your sales reps actually retain what they learn. And another between revenue forecasts and how your sales force actually delivers.

The SAVO Group has found that failing to close all these gaps is what keeps businesses from achieving optimal success. The most forward thinking organizations address this situation by putting a sales enablement strategy in place – a dynamic and long-term initiative that provides the thinking and the tools to engage salespeople, sway buyers and inform marketers. It's all about smarter selling that transforms sales execution into a repeatable, results-oriented process that ultimately creates optimal alignment between your sales and your customers' buying processes.

A good place to start closing the gaps and embark on the path to smarter selling is by taking a look at five of the critical components of the selling system that are prone to failure. Smarter Selling™ uniquely captures behavioral intelligence and makes it actionable through purpose-built technology to close the gap and create the best outcomes.

## The Lead



*The Failure: Nurtured leads poorly handed off create low conversion rates*

Your marketers' work in lead generation more often than not won't progress into a real sales opportunity, a misalignment that can cause the typical company to underperform by 10 percent in annual revenue.<sup>1</sup> One reason? MarketingSherpa found that 79 percent of leads never convert to sales, largely because they lack nurturing through the sales hand-off.

Aggravating the situation further is the fact that buyers have easy access to information and educate themselves before they buy. In fact, the customer is nearly 60 percent through the education process before even contacting a vendor.<sup>2</sup> Another issue is the amount of time lead generation takes up: Sellers typically spent nearly 20 percent of their time researching and generating leads.<sup>3</sup>

Meanwhile, the business is paying the price. The SAVO Maturity Benchmark has found that sales funnel attrition loses \$9 in business for every \$1 in revenue acquired.

*The Fix: Making it faster and easier for sales to act*

Bringing sales and marketing into better alignment starts with the lead. And it's more than just the prospect's name and phone number that marketing needs to hand off to sales.

To improve conversion rates, sellers need to know about the campaign that drove the lead, what products/solutions were of most interest and what are the specific proposed next steps. This takes collaboration and input from the subject matter expert, based on the specific situation. It requires pushing information to the sellers about the prospective client's industry group, competitive standing and details about the prospect's points of pain and needs. Most importantly, marketing must equip sellers with a dynamic call script and qualifying checklist to enable the kind of conversation that turns the lead into an opportunity.

What this all translates into is the need for a systemized approach under which marketing can create, and provide and prescribe for sellers the people, content, and coaching that's relevant to the prospect's experience. By taking more control over their role in lead nurturing throughout the sales cycle, marketing will make it faster and easier for sellers to act. Everyone ends up heroes in enabling business success.

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<sup>1</sup> IDC Event Flash

<sup>2</sup> Corporate Executive Board, 2012

<sup>3</sup> CSO Insights, 2012

## The Process



*The Failure: Buyers and sellers are misaligned, lack of management visibility, team focus*

A variety of factors contribute to a malfunctioning sales process at many businesses. It's going to be challenging to close sales, for example, when fewer than 10 percent of companies report<sup>5</sup> that they've mapped their sales process to their customers' buying cycles.

Further, there's an overwhelming amount of information being thrust upon sellers – whether it's accepted sales methodologies (the average company deploys 2.6 of them<sup>6</sup>) or materials that are not relevant to the specific selling situation. As a result, the SAVO Maturity Benchmark has shown that 33 percent of new business losses could have been wins if the seller had been better informed.

Causing further damage to the process is employee churn, which impacts continuity and drains resources – human and financial. Consider that the average turnover rate for business-to-business organizations is 25 percent<sup>7</sup>. Factor in the costs of sourcing and on-ramping new sales reps over a seven to ten month period<sup>8</sup> and it's no surprise that the average company will have a quarter of its revenue-driving resources out of the game at any given point in time.

*The Fix: Better alignment to buyer's cycle, capturing prescriptives for success*

Smarter selling means extracting intelligence from what is known about buyers and their journey and translating it into the prescriptive steps that will allow the sales person to better tie in to the buying cycle. This information can then be used to prescribe the right guides and coaching mechanisms for specific sales situations. Armed with that sort of improved intelligence, the platform assembles the right team to work the deal.

A system that allows data on the selling process to be collected and interpreted enables the team to figure out the “handshake” and prescribe the right solution for a given sales situation.

By tracking verifiable completion of tasks, the system automatically moves the deal to each successive stage toward closing. This also enhances sales forecasting accuracy, as management can be confident that the criteria are being met for the deal to advance to subsequent stages.

The sales process will move that much more smoothly when it has been designed with the capability to proactively push materials & coaching to sellers that are most likely to further dialogue at each stage to accelerate the buying cycle. The system should also facilitate the capture of data on demand to shed better light on seller behavior, how marketing materials are being used and how well they're performing.

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<sup>5</sup> SAVO Maturity Benchmark

<sup>6</sup> IDC Sales Barometer Survey

<sup>7</sup> Forrester

## The Meeting



*The Failure: Prospects are unengaged, Sellers aren't equipped to deliver or Sellers are often off-message*

When only 7 percent of sales reps manage to get called back to a second meeting<sup>9</sup>, you know there's a problem. It might have to do with the way you are delivering the message – which only 14 percent of prospects say is relevant<sup>10</sup>.

That kind of response belies the amount of their time that sales people expend in preparation for customer interactions – 15 percent to 20 percent<sup>11</sup>. It's a wasted effort when half that time is spent on a fruitless search for the right information within their own company. Small wonder then, that the primary challenge affecting sales reps' productivity is the amount of time it takes them to become competent with delivering your company's messaging<sup>12</sup>.

*The Fix: Bring the right solutions at the right value to the deal*

The meeting is the make or break stage of the deal-making process, where the majority of prospects decide whether or not they are going to take a vendor seriously.

Coming equipped with the materials, messaging and solution values that will differentiate the vendor from the competition is part of it. But this is the opportunity where you can reshape the vision of the prospect to your favor.

Enabled sales organizations will have put substantial effort into building out content that aligns to every interaction; it takes smart technology to deliver this intelligence in real time, using mobility to equip the sales team to better interact and manage what transpires in the meeting. Further, the technology must provide management visibility and confidence by tracking the sales motion. That, in turn ensures that the sales team is recommending proposed solutions that meet expectations and can be replicated in future deals.

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<sup>9</sup> Forrester

<sup>10</sup> *ibid*

<sup>11</sup> IDC Sales Advisory, 2012

<sup>12</sup> SAVO Maturity Benchmark

## The Proposal



*The Failure: They're non-productive time-drains*

Too often, the generation of proposals falls to the sales rep, another do-it-yourself sales material production that may consume as many as 60 of the rep's working hours a month<sup>13</sup>. To add insult to injury, the resulting document may well be off-brand and non-compliant.

*The Fix: Validate and automate, monitor*

Automating the proposal generating function is key, but using information collected about each individual selling situation throughout the stages of the selling cycle takes automation to a new level. This information is used to automatically assemble the right proposal team, and develop a first draft of the proposal at the push of a button.

It takes a knowledge management system that pulls brand and legally approved content into all necessary documents, reduces proposal development time and increases management confidence in proposal accuracy. But it further systematizes the entire process around this stage of the cycle. It tracks the deal's progress through the presentation phase, to the prospect's validation and verbal commitment to your solution and company as the preferred vendor. It also updates dashboards as the deal moves through negotiation and close. The end result is far greater forecasting accuracy – operationally (the staffing and delivery of the solution) and for revenue growth.

## The Analysis



*The Failure: Inaccurate information damages forecasting accuracy*

Many businesses report information breakdowns when it comes to tracking and gaining intelligence from their sales process. Over half those reporting to the SAVO Maturity Benchmark said their CRM system is not configured to do the job; two-thirds lack such CRM insights as KPIs and dashboards. A separate study by IDC found that nearly half of sales forecasts are less than 70 percent accurate three months prior to close.

*The Fix: Capture Success Indicators to Correct Course, Replicate Best Practices*

By marrying more sophisticated tracking and analytics with the ability to capture behavioral intelligence, marketing, sales and operations gain access to insights that have never before been available.

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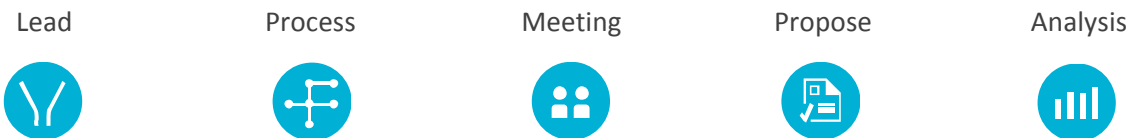
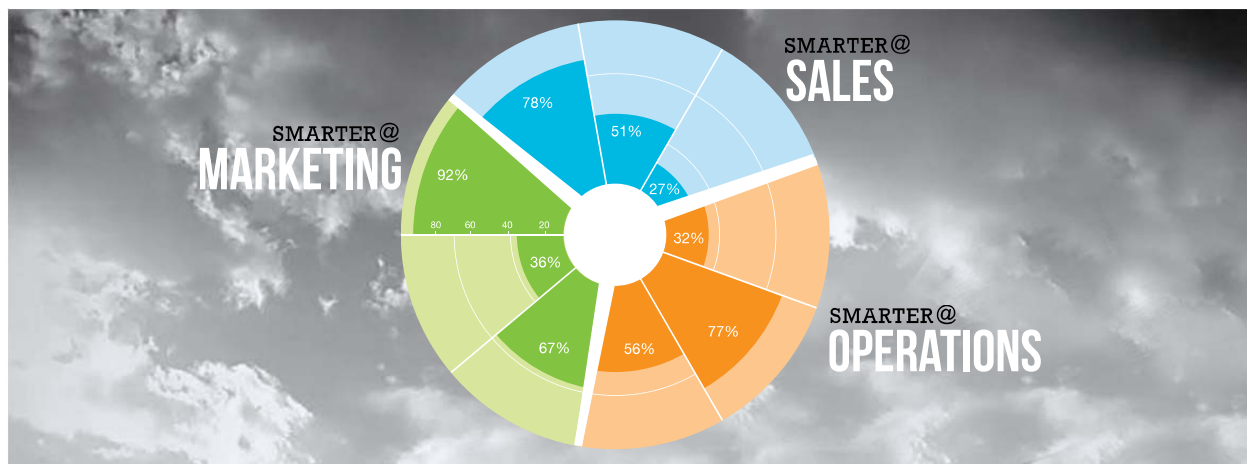
<sup>13</sup> CMO Advisory Service, 2012

Sales managers can now determine what actions their “A” sellers are taking and then replicate their patterns for sellers who aren’t so advanced or who are just building their experience levels. The tracking capabilities allow sales management to use data and executive insights to better align resources. These capabilities also shed light on where and why prospects are being lost in the sales process, so that sales and marketing can better collaborate to fix the failure point.

Product managers can get leading indicators of success of new product launches and other initiatives so they can learn and adjust for future initiatives.

Moreover, field personnel can now provide direct feedback to marketing – something that tends to be in short supply at most organizations. Coupled with analytics on what’s working and what’s not, marketers are better able to determine how to allocate future resources.

Another efficiency bonus: Management reports that used to require hours to prepare are now reduced to a few clicks of a mouse.



## The Path to Smarter Selling

Today’s business environment is tougher than ever before. Sales are hard-fought and harder won. Yet expectations of the sales team have never been so high. At the same time, buyers are better informed than ever before, and well aware of the value your solutions – and your competitors’ – bring to the party.



Making sales more effective is a critical imperative among businesses today. It starts by taking a keen look at the points of failure in your selling system, and identifying the kinds of fixes – the thinking and the advanced technological tools – that will enable your organization for long-term success.

Take a complimentary Maturity Benchmark to assess your current performance against peers, competitors and best-practice leaders. It's quick, easy and unique to your organization.