

## Research report



## Boosting Sales Productivity

... and sales, by getting 64% more selling time

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*"Management drives productivity" (Raj Nallari, World Bank Institute, 2010)*

### The report at a glance

A clear benchmark of the factors that distinguish the high sales productivity companies from those with lower productivity arises from our interviews and surveys of managing directors and sales directors from over 50 IT solution providers.

We found that sales people in the higher productivity companies spend on average **64% more time selling** than sales people in the lower productivity companies!

The factors correlated with high sales productivity do not include those one might have first expected, such as the company's sales training, the CRM system adopted, or the sales methodology used.

What does give sales people in the higher performing companies this added time? It's not longer workdays - although they do work on average five hours more per week. We discovered significant gaps between high and low productivity companies with respect to how sales people are recruited, trained and led; their bid/proposal process; and how they work with partners. However, just as important is how well the rest of the company supports the sales organisation in serving its customers. A range of organisation factors, from company strategy through solution delivery to how sales people are recruited, correlate with high productivity.

This report discusses all these factors and gives a snapshot of how these companies - large and small, product and service oriented - manage their performance.

## Managing Sales Productivity

**The IT industry is seen as “best practice” in selling Business-to-Business (B2B)** but it is not perfect in the view of those responsible for sales performance in the industry

The interviews and surveys that form the basis of this report support that view.


The companies involved exhibit similar product approaches, strategies, sales models, partners, sales training, methodologies, systems and metrics. However, how well they execute and their level of satisfaction with their performance varies considerably.

This executive briefing identifies the points of similarity across the companies participating in this research and highlights key differences between them. The findings allow senior executives in B2B companies to identify how they can boost revenue and profit through improved sales productivity.

## The Key Drivers of Sales Productivity

The sales productivity benchmark survey conducted as part of this study identifies a number of factors correlated with high productivity. The key productivity drivers and the productivity ratings for all companies, the top 10 companies, and the bottom 10 companies surveyed are summarised in the table below.

Key Productivity Driver	Productivity Rating		
	All	High	Low
1. Strategic mission creates competitive advantage	80.5	87.9	73.4
2. Solid market share in targeted markets	77.4	87.6	68.6
3. A strong solution portfolio	79.6	85.6	72.7
4. “Sales ready” lead generation	80.9	88.4	73.2
5. Time spent prospecting	61.4	82.1	46.8
6. Quality and timely proposals/quotes	72.9	84.7	61.3
7. Product and service delivery quality	88.7	91.4	85.2
8. Sound customer relationships	86.8	89.5	83.1
9. Mutually rewarding partnering	79.6	91.1	67.5
10. Systematic recruitment and induction of sales people	74.2	87.7	61.5
11. Organisation focus and alignment in support of the customer and sales	80.3	89.5	70.2
12. Organisation performance monitoring and control drives productivity improvement	84.3	94.0	81.5
<b>Overall Productivity Rating</b>	<b>68.1</b>	<b>85.3</b>	<b>53.1</b>

These drivers are described in detail below in the relevant sections of this study (identified by the tag “kpd” in the heading).

## The BusinessSPM “Value Chain” of Productivity

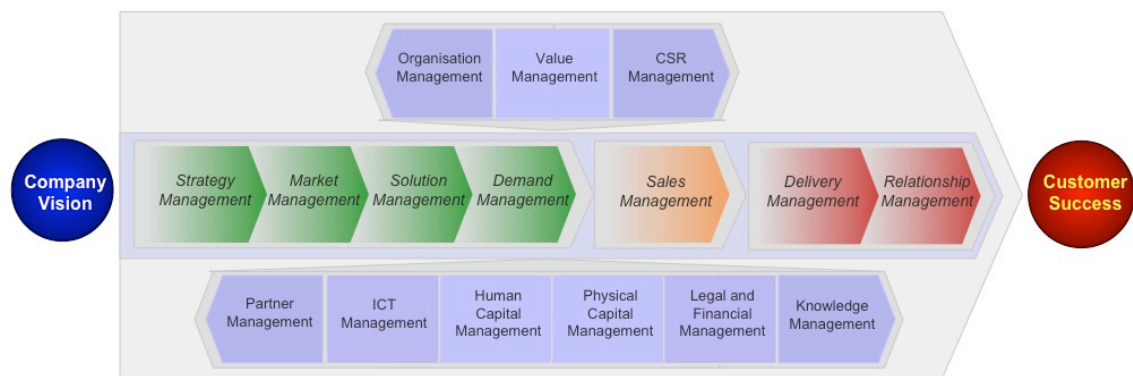
The BusinessSPM approach to benchmarking productivity builds on the findings of our earlier investigations into sales productivity (see Further Reading), and on our operational experience improving the performance of IT sales organisations. The result of our analysis is the BusinessSPM Value Chain model and methodologies that

*The critical takeaway for leaders is that sales activity is but one of your company activities that create value for your customers and revenue for you*

describes how a company transforms its “vision” into success for its customers. The value chain creates value for the customer and this is rewarded with revenue (from the effectiveness of the value chain) and profit

(from the efficiency of the value chain) for the company. Improving the value chain leads to increased revenue and profit.

The key components of the value chain are shown in the diagram below. The value creating links are those in the central stream, from strategy through to the relationship with the customer.



The BusinessSPM Value Chain Model

The lower stream encompasses the functions that support the value creating activities. The upper stream activities manage the value chain.

The model highlights the central role of the sales function, but also that successful selling depends on the “upstream” functions. And it shows that the sales function establishes the basis for “downstream” success. The interaction between company and customer has many iterations of value creation during the course of the relationship, and the importance of the “downstream” activities to up-sell and cross-sell is apparent.

Each value-creating link is served by its predecessor and serves its successor. Underperformance by one link detracts from the performance of the next and is magnified down the chain. For example, if each of the links is operating at 90% productivity, the whole value-creating stream operates at a debilitating 48% overall productivity (0.9 times 0.9 times ...)!

The importance of the supporting functions and company management to sales success – not to mention customer value – can also be appreciated from the model.

A company looking to improve its revenue and profit can do so by working on the factors in their value chain that drive sales productivity, and by ensuring those factors have not become barriers to sales success.

The rest of this briefing provides insight into the operation – link by link – of the value chain using the information gained from our interviews and surveys. At the start of each section is a brief overview of the purpose of the link.

## Sales Management

*The central and core link in the value chain is Sales Management. Here, market needs are matched to the company's solutions and applied to individual customers. The first step is territory allocation and quota setting, followed by account planning and opportunity management. Key to the success of this link is the performance of the sales manager in two main areas: 1) recruitment/induction and training/coaching/motivating the sales people; and 2) managing the sales process to ensure it efficiently and effectively converts demand into orders.*

Considerable time during the interviews and in the associated survey was spent on matters directly within the control of sales management. There is consensus that sales managers are crucial to the performance of the sales force, and general agreement that the key role of the sales manager is to "help the sales person sell".

A number of factors show a clear difference in the operation of the sales force between higher ("High") and lower ("Low") productivity companies and these are summarised in the table below.

Sales Management – Key Productivity Drivers	
High	Low
<ol style="list-style-type: none"> <li>1. Sales people spend much more time with customers than with their company – 64% more selling time!</li> <li>2. Sales people are systematically and formally recruited, inducted and assigned to customers</li> <li>3. Sales people act professionally</li> <li>4. Sales managers mentor sales people</li> <li>5. Sales managers are committed to maintaining sales competency</li> <li>6. Sales manager coaching of sales people is part of the culture</li> <li>7. Strong teamwork across sales and with the rest of the company</li> <li>8. Disciplined use of a standard sale methodology and a supporting CRM/SFA tool</li> <li>9. The customer is involved in opportunity planning</li> <li>10. Bid management and forecasting processes are formal and effective, but also easy to use</li> <li>11. The win/loss rate is acceptable</li> <li>12. Partnering is mutually rewarding (some conflict)</li> </ol>	<ol style="list-style-type: none"> <li>1. Sales people spend less time with customers than with their company</li> <li>2. Recruitment, induction and matching of skills to roles is informal and unstructured</li> <li>3. Turnover of sales people is high</li> <li>4. Sales people are not assigned accounts on the basis of the customer's needs</li> <li>5. Sales compensation plans are not aligned with sales/company goals</li> <li>6. Some sales people lack professionalism in behaviour and appearance</li> <li>7. Sales managers focus on results, not on how to achieve them</li> <li>8. Sales managers are not committed to building sales competency</li> <li>9. Sales morale and motivation is low</li> <li>10. Coaching is not endemic</li> <li>11. Teamwork is lacking</li> <li>12. No sales methodology</li> <li>13. Poor bid management and forecasting processes</li> <li>14. Unhappy with their win/loss rate</li> <li>15. Some conflict with partners</li> </ol>

These are described in the sections that follow:

- How sales people spend their time
- Recruitment and resources
- Territory and quota
- Competency and morale
- Motivation and coaching
- Opportunity management and forecasting.

### **How Sales People Spend Their Time**

Sales people from companies with higher productivity spend 64% more time “selling” than do the sales people of lower productivity companies. This works out to be 9.8 “sales hours” per week – more than one extra selling day each week!

Higher productivity companies report that their sales people work 52.8 hours per week (averaged across all these companies), while the lower productivity companies report 47.7 hours. This difference of 5 hours, or 10%, is overshadowed by the reported “sales hours” (total hours worked x % time spent prospecting and working on opportunities).

*The more ‘selling time’ available to sales people, the more they can sell – BusinessSPM research finding*

Sales people from the higher performers also spend less time on company matters:

- Meetings – 4.8 hours compared to 7.2 hours
- Internal selling – 3.2 hours compared to 4.8 hours

but about the same on Training – 2.5 hours.

These high productivity companies also report less “Personal Time”, including “Down time” – 1.6 hours compared to 3.6 hours.

### **Recruitment and Resources**

Higher productivity companies systematically select their sales people on the basis of: 1) their professional behaviour and sales capability relevant to the specific requirements of the sales role; and 2) their “cultural fit” with the company.

*“Typically we have hired tier 2 and 3 sales people. Now we seek ‘solution sales’ people who can match our new competition” – local MD of a global software company*

These companies also systematically induct new sales people to ensure they have mastery of organisational matters (strategy, solutions etc.) and sales matters (policies, procedures,

standards, tools etc.). The sales manager has primary responsibility for recruitment, with the HR department in support.

Lower productivity companies experience high turnover of sales people and indicate some confusion as to what style of sales person (“hunter”, “farmer” etc.) the organisation needs.

### **Territory and Quota**

This is an aspect of sales management that all the companies believe they have relatively well covered, with little difference between higher and lower productivity companies.

One concern highlighted by a number of lower productivity companies is the misalignment of sales compensation plans and the sales strategy. For example, where renewals or subscription are the primary source of revenues, sales people are not always (properly) compensated for such revenue.

*“Its our compensation plan structure that drives our success” - EVP of a global SaaS company*

Another area that concerns the lower productivity companies is territory allocation – specifically the assignment of territory to sales people in order to meet the company’s internal needs not the customer’s needs. They also believe that territories and quotas are not well matched to sales’ skills and experience.

The lower productivity companies are experiencing challenges in pipeline coverage and quota achievement. They also are behind on achieving their non-financial sales goals.

### **Competency and Morale**

Lower productivity companies do not have an organisational focus on assessing or lifting sales competency and they may postpone training if business results and

outlook are below expectations. They also report that morale is significantly lower than desired. Reasons given include the poor economic climate, poor company performance, and the possible impact of recent acquisitions.

A number of companies describe the need to move their sales people from being “product sellers” to “relationship managers”.

Higher productivity companies exhibit a commitment to regular and “across the board” training of sales people. Methods used include “night schools”, a standard corporate sales curriculum, and annual “boot camps”. These companies also continually improve the training provided. One company ties training

*“We are encouraging sales people to be more creative, such as training them in mind-mapping and so forth” - local MD of a global software company*

attendance to compensation and requires sales managers to personally assess the acquired competence.

The gap between vision and execution is smaller for the lower productivity companies on the question of the amount of training sales people receive. This may indicate that these companies feel that they have provided enough training, or perhaps that they have not reaped the benefits of training already provided.

### **Motivation and Coaching**

Lower productivity companies have a sales force that is “not highly motivated” and report that their sales managers do not act as coaches.

*“Our sales managers are sales people by background, but their role is coaching and mentoring” – GM of an Australian software company*

Higher productivity companies “value coaching” and make it a formal part of the sales management role, including monitoring and reviewing sales calls and weekly “one-on-one”

reviews of the sales person’s activity. The sales managers manage the *process*, not the *results*.

### **Teamwork**

Trust between sales people and the rest of the company (and partners) is an issue for lower productivity companies but not those with higher productivity. This may be related to the lack of sales team reviews and similar joint activity reported by the lower performing companies.

*“Our compensation approach drives teamwork” – GM of an Australian services company*

One high performer remarked that “teamwork and sales management leadership” made up for

any lack of sales infrastructure (such as procedures, standards and tools). Another stated that the company’s sales compensation approach “drives teamwork”. This is in contrast to lower productivity companies where teamwork is infrequent and doesn’t involve the extended sales team.

### **Sales Process and Standards**

A major area of difference between higher and lower productivity companies with respect to their sales process is customer engagement. Lower productivity companies indicate a significant gap between vision and execution in the area of engagement with their customers’ key decision makers.

Most companies use TAS, STRATEGY or Customer-Centric Selling as their standard opportunity management methodology, often because it is built-in to their CRM/SFA

*“We put an emphasis on risk mitigation rather than compliance” – local Operations Manager of a global software company*

system. A number of lower productivity companies do not use any methodology.

Oracle/Siebel and salesforce.com are the more widely used CRM/SFA products. Some

companies use their own offering or an in-house solution. Adherence to company

standards for the use of systems and methodologies is a problem for most companies, more so for those with lower productivity.

### **Opportunity Management and Forecasting**

The companies whose opportunity management and forecasting is led by sales managers report higher productivity than the companies that don't. This leadership by sales managers is not a case of "micro-management" but one where the sales manager manages the sales *process*, not the *sale*.

Most companies believe they use defined and standard processes for opportunity management and forecasting, and that these are used as intended.

Lower productivity, however, is associated with opportunity planning that does not

*"We agree a standard sequence of events with the customer" - Sales Manager of a global network systems company*

involve the customer, and with late submission of poor quality proposals that are not managed through a formal bid process. These companies report that their proposals are often unsuccessful.

Lower productivity companies also feel that their forecasting process is not quick and easy for sales people and sales managers to use.

### **Strategy Management**

*Strategy Management is the first link in the value chain and the basis of the value creation. By evaluating external opportunities/threats and internal strengths/weaknesses, the company determines its strategies and priorities. Market goals and organisational capability objectives are set, and necessary resources are identified and allocated.*

High productivity companies employ strategy as the basis of how they address and manage all company functions, including sales. Their strategies incorporate the high-level goals of the organisation (purpose and mission) and the segments and products on which they focus their efforts. Such strategies help forge collaboration between sales and the other company functions.



*Incisive business strategies provide sales people with the competitive advantage they need to be successful, and they drive collaboration across the company – BusinessSPM research finding*

Often the lower productivity companies had recently undergone, or are in the process of, a change in senior management, integration of an acquisition, or a major restructure. They report a significant underachievement of their company

mission and feel that their company's overall strategy is a barrier to improved performance. These companies do not have a mission that drives planning, nor do they review company performance against plans and goals.

Few of the companies use a formal strategic planning process or have developed a strategic plan that guides their sales and other activities. Most describe their strategic planning in operational terms - deployment of corporate policies, annual planning for revenue and/or profit growth, and similar. Consideration of competitors and competitive strategies is rare.

The KPDs related to Strategy Management are summarised in the table below.

Strategy Management – Key Productivity Drivers	
 <p>1. The purpose and mission are clear and realistic</p> <p>2. The purpose and mission are completely and effectively deployed and achievement regularly reviewed</p>	 <p>1. The purpose and mission statements are missing, platitudinous or vague</p> <p>2. The purpose and mission are ignored, unknown, or misunderstood</p>

## Market Management

*Market Management transforms the market goals determined in Strategy Management into: 1) clear direction on the market segments the company will address and the sales channel(s) that will be used to address them; 2) the rules of engagement that the channels must follow; and 3) the solutions that will be taken to each market segment by the sales channel(s). Specific goals (number, revenue, references and so forth) are also set for each solution in each segment.*

Lower productivity companies report that they underachieve with regard to market share, and that their company's go-to-market model is a barrier to higher performance.

Most companies, to varying extent, use market segmentation. This takes the form of either vertical (industry) or horizontal (product) division, with further segmentation by customer "size". Only two use a strongly analytical approach to defining and characterising the segments or to characterising an "ideal" customer.

Segmentation by customer size is used for the "go to market" model and channel strategy. Large customers ("Named" or "Enterprise" Accounts) are allocated to Account Managers; medium-sized customers are allocated to Territory Managers;

*Evidence-based market segmentation, coupled with a clear channel strategy, are prerequisites for a high performance sales function – BusinessSPM research finding*



smaller customers are often allocated to partners, sometimes supported by the company's telesales or "inside sales" team.

Two forms of sales partnering are apparent.

Some companies partner with larger companies as a way of generating leads; others use partners to serve "small" customers. Some use both approaches. Partners are also/only used for "delivery" by some companies.

Conflict between the direct and indirect sales forces is not perceived to be a widespread problem although some companies still suffer from it. The low productivity companies report "channel strategy" problems.

The KPDs related to Market Management are summarised in the table below.

Market Management – Key Productivity Drivers	
 <b>High</b>	 <b>Low</b>
<ol style="list-style-type: none"> <li>1. A defined and effective Go-to-Market model is used</li> <li>2. A clear channel strategy is supported by market segmentation and specific goals for each channel</li> <li>3. Market performance is regularly and widely reporting across the company</li> </ol>	<ol style="list-style-type: none"> <li>1. Segmentation is not used or only recently conducted</li> <li>2. The Go-to-Market model is not effective</li> <li>3. The role of partners is confused</li> </ol>

## Solution Management

*Two main streams of activity dominate Solution Management: 1) management of the solution portfolio, and the individual solutions, so that the company's offerings meet the needs of the company and of their chosen markets; and 2) 'evangelising' the solutions inside and outside the company to ensure that employees (particularly sales and delivery people) and partners, customers, and analysts understand, and are enthusiastic about, the solutions.*

Companies generally gain the majority of their revenue from their core or legacy products and services whilst the newer products often do not generate the revenue expected.



*Many "product" companies are moving their offerings into "the cloud" as "Software as a Service" solutions – BusinessSPM research finding*

The companies offer a portfolio of products and/or services, or a core product/service that is customised/applied to suite an individual

customer's needs. They believe that employees are well prepared for the introduction of new products

The higher productivity companies are quite satisfied with the standard of product/solution/service management within their organisations. Lower productivity companies describe challenges in how their portfolio of offerings is managed, and how well their offerings are communicated to the market and internally.

The KPDs related to Solution Management are summarised in the table below.

Solution Management – Key Productivity Drivers	
 <b>High</b>	 <b>Low</b>
<ol style="list-style-type: none"> <li>1. Individual solutions and the solution portfolio are managed formally and systematically</li> <li>2. The company's solutions are evangelised internally and externally</li> <li>3. The performance of solutions and the portfolio is regularly reported across the company</li> </ol>	<ol style="list-style-type: none"> <li>1. Solution/portfolio management challenges, including product/service quality</li> <li>2. Poor communication of solutions and the portfolio</li> </ol>

## Demand Management

*Lead generation, through campaigns (promotions, conferences, seminars, telemarketing and so forth) is the main activity of Demand Management. The desired outcome is the provision of qualified sales leads to the relevant sales channels. Another activity is the support of sales programs where the purpose is not to generate leads, but to provide information to sales people and partners about customers with whom they are already engaged.*

Higher productivity companies use “programmatic” demand generation techniques that support all sales channels, including partners, and seek to continuously improve their lead generation performance. These activities also provide “sales-ready” leads to the channels. These companies are also very satisfied with the mix of advertising, promotions and publicity that Marketing provides in support of Sales.

Poor lead quality, poor marketing communications, and poor lead generation for partners are attributes of the lower productivity companies.



Most companies feel their demand generation strategies are appropriate but their execution is a restraint on company performance. The extent of this restraint is much

*“We need to align Marketing with Sales” - GM of an Australian software company*

greater amongst the lower productivity companies, who also perceive that their demand generation doesn’t adequately serve all sales channels.

Companies large and small use “word of mouth”, references and personal selling by account managers. Some also have large partners (e.g. Oracle and IBM) who provide them with leads. The lower productivity companies tend to use predominantly these methods.

The KPDs related to Demand Management are summarised in the table below.

Demand Management – Key Productivity Drivers	
 <b>High</b>	 <b>Low</b>
<ol style="list-style-type: none"> <li>1. Demand generation is “programmatic”</li> <li>2. Marketing communications is broad and effective</li> <li>3. Demand generation provides “sales-ready” leads</li> </ol>	<ol style="list-style-type: none"> <li>1. Demand generation is “done badly”</li> <li>2. Marketing communications is poor</li> <li>3. Leads are of poor quality and tend to be ignored by sales people</li> </ol>

## Delivery Management

*Delivery Management is the implementation of the solution purchased by the customer in a manner that ensures it meets: 1) the customer's needs; and 2) the commitments made by the company (through its sales people and partners) related to the value that the solution provides the customer.*

Higher productivity correlates with the use of formally defined, managed and reviewed delivery processes.

Higher productivity companies also report that the capabilities of their offerings are formally specified and clearly communicated to customers. Both higher and lower productivity companies find that their sales people spend around six hours per week handling customer problems.

*Formal quality management of delivery/implementation is critical to customer, solution, and sales success – BusinessSPM research finding*



A number of larger companies had moved away from large, high risk delivery projects, preferring to have partners do this work. Services companies are very focused on delivery as customer references and repeat business are major revenue drivers.

Smaller companies also rely on the services business that flows from product sales.

Most of the companies report that their solution delivery activities lead to referenceable customers, and are continuously being improved, even though they often have challenges meeting customer commitments related to delivery projects.

Companies that rely on references and repeat business but have trouble meeting delivery commitments often eventually obtain the reference. However, the quality and reliability of that reference can be over-estimated.

The KPDs related to Delivery Management are summarised in the table below.

Delivery Management – Key Productivity Drivers	
 <b>High</b>	 <b>Low</b>
<ol style="list-style-type: none"> <li>1. Solution capabilities are clearly specified and communicated to customers</li> <li>2. Formal delivery processes are used</li> </ol>	<ol style="list-style-type: none"> <li>1. Specification of solution capabilities is not rigorous</li> <li>2. Less formal approaches to delivery management tend to be used</li> <li>3. Meeting delivery commitments is problematic</li> </ol>

## Relationship Management

*There are three main aspects of Relationship Management: 1) maintaining a sound relationship with the customer so that the customer buys more and encourages others to buy from the company (by being a reference); 2) providing technical services in support of the delivered solutions; and 3) the up-sell and cross-sell of other company offerings to the customer.*

Lower productivity companies are concerned about how well all groups within the organisation support good customer relationships. Sometimes they are concerned that these groups do not see this as part of their role. They also experience lower levels of customer satisfaction than the other companies.

*Customer focus across the company creates an environment in which customers are responsive to up-sell/cross-sell initiatives, and are willing and active references – BusinessSPM research finding*



There is contentment across the companies with the meeting of commitments made by sales people to customers, with continuous improvement of customer service, and with the loyalty and

reference level of their customers.

Many companies survey the satisfaction of their customers. The higher productivity companies use this data to improve their solutions and processes.

A number of these companies have created a “customer care” team to take responsibility for the resolution of customer problems, and so free the sales people to concentrate on selling. Only two describe formal reference programs.

The KPDs related to Relationship Management are summarised in the table below.

Relationship Management – Key Productivity Drivers	
 <ol style="list-style-type: none"> <li>1. The whole organisation takes responsibility for maintaining excellent customer relationships</li> <li>2. Customer service/relationship activities are defined, managed and reviewed</li> </ol>	 <ol style="list-style-type: none"> <li>1. Maintaining the customer relationship is an informal, and purely a sales organisation responsibility</li> </ol>

## Partner Management

*Partner management involves all the activities that ensure that the relationship between the company and its partners creates value for both and for their customers. These activities include partner recruitment, enablement, support and relationship management.*

Attributes of the partnering model of the better performing companies include a clear partnering strategy and supporting program(s), sharing of leads through a common CRM facility, and the inclusion of partners in company sales training.



Most companies, but not all, work with partners – using them as either lead providers, as a “sell through” channel, or to provide delivery (implementation) services to their customers. The higher productivity companies are very satisfied with how their

*A well designed and executed partnering strategy allows both parties to “grow the green” for mutual benefit – BusinessSPM research finding*

company works with partners and with the performance of the partners themselves. However, even these companies have their partnering problems with “channel performance being our biggest headache”, “no grand plan” and “some conflict” reported by three of the high performers.

The lower productivity companies report significant gaps between the expected and actual partner relationships and results. These companies exhibit some common traits – conflict with partners over opportunities, ineffective partner programs, unsuccessful attempts at partnering, and/or poor delivery (implementation) quality.

The KPDs related to Partner Management are summarised in the table below.

Partner Management – Key Productivity Drivers	
 <ol style="list-style-type: none"> <li>1. Partnering is conducted with a clear strategy and effective programs</li> <li>2. Partners are integrated into the marketing, sales and delivery processes</li> </ol>	 <ol style="list-style-type: none"> <li>1. There is uncertainty about partnering and multiple programs are employed</li> <li>2. “Too many partners”</li> <li>3. Conflict between sales people and partners</li> </ol>

## Supporting Value Creation

*Supporting value creation are a number of functions – Supplier Management, Human Capital Management, Physical Capital Management (“Facilities”), Legal and Financial Management, Information and Communication Technology Management, and Knowledge Management – that allow the value creating functions to concentrate on doing just that.*



Higher productivity companies in general are positive about their supporting groups, while – as with most of the companies surveyed – generally believing Knowledge Management to be an area of weakness.

*Sales productivity is underpinned by the quality of the service provided to Sales by IT, HR, Finance, Legal and other supportive functions – BusinessSPM research finding*

Lower productivity companies feel that HR, IT, Legal, Finance, and Facilities are not aligned with, and do not adequately support, the sales function. One commented that sales people always “complain about Legal”.

A number of the higher performers have established a sales operations function to assist the sales teams, but these tend to focus on forecasting – in support of the sales manager – rather than providing broader assistance. One lower productivity company without such a broad sales operations function saw this as “limiting sales productivity”.

The KPDs related to Supporting Value Creation are summarised in the table below.

Supporting Value Creation – Key Productivity Drivers	
 <p>1. All functions within the company are fully aligned with, and support, the sales organisation</p> <p>2. The sales organisation is supported by a sales operations person or team</p>	 <p>1. The sales organisation feels that it is not adequately supported by the HR, IT, Legal, Finance and Facilities functions</p>

## Organisation and Value Management

*Organisation Management includes organisation design, organisation structure and internal communications. Value management incorporates the design, implementation and continuous improvement of the processes, tools and skills required to monitor and control company value creation.*



The lower performing companies report very low scores on two factors that correlate with high productivity: 1) a company-wide culture of excellence supported by accountability for performance; and 2) performance management processes that are

*Performance management systems drive productivity when they are used by individuals and groups to continuously improve their performance – BusinessSPM research finding*

aligned with the company’s goals and are used by groups and individuals to improve their own performance.

The high performers, in contrast, use metrics that include both financial and non-financial measures, and both lead and lagging indicators of performance. Plans and goals are deployed throughout the company, and performance monitored and communicated.

The KPDs related to Organisation and Value Management are summarised in the table below.

Organisation and Value Management – Key Productivity Drivers	
 <ol style="list-style-type: none"> <li>1. Focus on customers, functional alignment and performance optimisation</li> <li>2. Individuals and groups use the performance management processes to improve their performance</li> </ol>	 <ol style="list-style-type: none"> <li>1. Focus only on short-term financial results</li> <li>2. Performance management processes are used primarily for supervision and control</li> </ol>

## Corporate Social Responsibility Management



*CSR Management includes those aspects of company operations that relate to the wider responsibilities of the company – to its employees, its community and to the environment.*

Higher productivity companies are very comfortable with their performance in economic sustainability, environmental sustainability, labour practices, human rights and product responsibility.

The lower performing companies saw weaknesses in their approach to environmental sustainability and labour practices.

Only one company reports a formal program of company-wide training in any of these matters. Two companies stated they had formal charity programs.

The KPDs related to CSR Management are summarised in the table below.

CSR Management – Key Productivity Drivers	
 <ol style="list-style-type: none"> <li>1. They are comfortable with their CSR performance</li> </ol>	 <ol style="list-style-type: none"> <li>1. They perceive weaknesses in their CSR approach</li> </ol>

## Be a Productivity Leader (and get that extra 64%)

The operations of the companies interviewed and surveyed have many similarities. They go to market on an industry or product basis and use a mixed direct/indirect sales model; their products are either “solutions” or services or both; they recruit from the same talent pool; they partner with similar (sometimes the same) vendors, distributors, resellers and systems integrators; and they face the same delivery and service challenges and address them in similar ways.

How then, does a company emerge from the pack? Many are subsidiaries of global companies and so broader strategic initiatives are not an option, and product/service offerings are mandated. Local companies may not have the size or resources to emulate the global companies or compete with them.

Whatever their circumstances, efficient and effective management of their operations is within their responsibility and authority.

The opportunity for these companies is to do as they do now, but to do so more efficiently and effectively, and to continuously improve their efficiency and effectiveness. The company that invests in performance *improvement*, not only performance *achievement*, will become the productivity leader.

To find out how well placed you are to become a leader in sales productivity, answer the following questions and check your total score against the table over the page. For each question, score yourself from 0 (not at all) to 10 (completely/always).

Question	Score (0-10)
1. Your business strategies provide your sales people with a competitive advantage	
2. Your market segmentation is based on quantitative analysis	
3. You sell your new products as well as your mature products	
4. Your sales and marketing activities are aligned and synergistic	
5. Your sales people spend most of their time prospecting for, or managing, opportunities	
6. Your delivery and implementation activities are formally managed for quality	
7. Your quotes and proposals to customers win their business	
8. Your complete organisation ('front office', and 'back office') is focused on the customer	
9. Your partnering activities create value for you, your customers and your partners	
10. You systematically recruit and induct sales people who fit your culture and who can meet your customers' needs	
11. The activities and conduct of all parts of the organisation ('front' and 'back' office) are aligned with, and support, your sales people	
12. Performance monitoring and reporting is used to drive improved productivity across your company	
<b>Total Score</b>	

Total Score	Your Sales Productivity Position
101 - 120	Congratulations! You are a Productivity Leader. But you should not be complacent. Stick to the basics but also look to innovation in sales productivity improvement to keep ahead.
71 - 100	Your performance is solid. You should identify the key barriers to boosting sales productivity and focus on removing them.
41 - 70	You need to implement a rigorous sales productivity improvement effort across your company.
0 - 40	You need a long-term strategy for change and survival.

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## Further reading

Articles that may be of interest are:

“Leveraging Sales Managers to Create Superior Performance”, *Towers Watson, 2011*

“Freeing up the sales force for selling”, *Olivia Nottebohm et al, McKinsey Quarterly, July 2011*

“Managing Sales Productivity”, *Philip Radburn, BusinessSPM, 2006*

“The New Science of Sales Force Productivity”, *Dianne Ledingham et al, Harvard Business Review, September 2006.*

“How Sales Forces Sustain Competitive Advantage”, *Forum Corporation Sales Force Research Report, 2006*

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The interviews and surveys on which this briefing is based were conducted with MDs, Sales VPs, Sales Directors or Operations Directors of many companies including Amdocs, AttainIT, Avaya, Bravura, Computer Associates, Comverse, DWS, Elcom, eWise, Greenplum, Iris Interactive, LoyaltyTech, Mincom, McAfee, MYOB, NCR, Novell, Oakton, Oracle, Pebble IT, Progress Software, Red Hat, SAP, SAS, Salesforce.com, UNISYS, and WebDesignExperts. Others who participated prefer to remain anonymous.

The author wishes to thank these companies and all those interviewed for their time and forthrightness.

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BusinessSPM works with you to transform your total organisational performance - sales, service, operational support and customer relationships. We boost revenue and profitability, market share, and customer and employee satisfaction.

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