Sales Productivity Benchmark
What is it?

**Environmental Scan of Sales**

- Reveals strength and weakness areas
- Identifies best return for sales effort
- Provides sales benchmarks against relevant peers
- Generates improvement recommendations
- Uses diagnostic techniques and empirical data to improve accuracy of assessment
- Relies on best practices for means to close sales gaps
Sales Force Assessment Framework

1. Develop Sales Strategy
   - Account Segmentation
     - Segment accounts by Ideal Customer Profile
   - Lead Management
     - Generate MQL/SQL/SAL

2. Develop Go-to-Market Plan
   - Channels
     - Determine optimal route to market

3. Design Sales Force
   - Sales Force Structure
     - Organizational model effectiveness vs. efficiency
   - Sales Force Size
     - Match selling capacity to market demand

4. Build Infrastructure
   - Sales Infrastructure
     - Create performance conditions for optimal results
Phase 1

Conduct Discovery

Means
- Executive Interviews
- Documentation Review
- Expert Panel
- Metric Data
- Customer Survey
- Sales Rep Surveys
- Day in the Life (DILO) Sales Rep assessment
- Mystery Shopping

Phase 2

Assess Sales Force

Conduct Sales Benchmark

Assess Sales Performance Drivers

Determine Sales Force Maturity

Prioritize possible remediation actions

Identify key Drivers to Improve

Phase 3

Present Findings

Results
- Capture Current state
- Show End State possibilities
- Make Recommendations
- Quantify Impact

Performance Drivers

1. Channel Management
2. Compensation Planning
3. Key Account Management
4. Lead Generation
5. Quota Setting
6. Sales Force Structure
7. Sales Force Size
8. Sales Management
9. Sales Performance Management
10. Sales Process
11. Sales Strategy
12. Talent Management
13. Territory Design
Phase 1
### Exec Interviews
**CEO / CFO / CSO / CMO**

#### DILO Assessment:
**Sales Productivity Benchmark**

<table>
<thead>
<tr>
<th>Rep Name</th>
<th>John Smith</th>
<th>Date of call</th>
<th>Jan 13, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rep Tenure (years)</td>
<td>4+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Acme, Inc</th>
<th>Person Met?</th>
<th>Betty Barnes</th>
<th>Role of Person</th>
<th>Economic Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospect or Client?</td>
<td>Client</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity Size</td>
<td>$45,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting Number</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Pre Call Planning (Did the rep...?)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use/create a documented Call Plan?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Prepare a Call Plan with specific objectives and outcomes?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Review the Call Plan with their manager beforehand?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Prepare questions for the meeting and develop a compelling agenda?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Possess insightful information on the key decision maker and the business?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Capture/articulate the customer’s value proposition and/or business challenge?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

#### Call Execution (did the rep....?)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use the approved sales process relative to the sales campaign stage?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Set a tight agenda for the meeting and how time would be spent?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Ask the prospect what they would like to accomplish?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Prepare the economic buyer for the meeting?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Ask situational questions for information missing from the Call Plan?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Recap current problems identified from prior calls?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Identify current problems with current method?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Explore the impact of problems with or challenges to the client’s business?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Use open-ended questions throughout the discovery process?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Identify the pain for multiple stakeholders?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Move from implicit to explicit needs?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Quantify future potential impact to the business?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Convey credibility throughout the call?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Close for next steps?</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

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**Day in the Life of (DILO) reviews**
<table>
<thead>
<tr>
<th>Metric</th>
<th>Client</th>
<th>World Class</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth Rate</td>
<td>-16.2%</td>
<td>6.7%</td>
<td>-341%</td>
</tr>
<tr>
<td>Sales Expense Rate</td>
<td>14.7%</td>
<td>11.9%</td>
<td>-19%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>31.0%</td>
<td>23.2%</td>
<td>34%</td>
</tr>
<tr>
<td>Revenue per Sales Professional ($K)</td>
<td>$1,225.3</td>
<td>$1,902.6</td>
<td>-36%</td>
</tr>
<tr>
<td>Quota Attainment</td>
<td>56.0%</td>
<td>76.5%</td>
<td>-27%</td>
</tr>
<tr>
<td>Sales Turnover Rate</td>
<td>11.3%</td>
<td>12.5%</td>
<td>11%</td>
</tr>
<tr>
<td>Average Annual Quota ($K)</td>
<td>$1,773.0</td>
<td>$2,351.5</td>
<td>-25%</td>
</tr>
<tr>
<td>Pipeline to Quota Ratio</td>
<td>1.5</td>
<td>5.1</td>
<td>-71%</td>
</tr>
<tr>
<td>Sales Cycle Length (days)</td>
<td>132.0</td>
<td>145.1</td>
<td>10%</td>
</tr>
<tr>
<td>Average Deal Size ($K)</td>
<td>$50.0</td>
<td>$112.7</td>
<td>-56%</td>
</tr>
<tr>
<td>Expense per Sales Professional ($K)</td>
<td>$179.9</td>
<td>$169.0</td>
<td>-6%</td>
</tr>
<tr>
<td>Customer Churn Rate</td>
<td>12.6%</td>
<td>3.9%</td>
<td>-69%</td>
</tr>
<tr>
<td>Customer Value ($K)</td>
<td>$274.6</td>
<td>$361.2</td>
<td>-24%</td>
</tr>
<tr>
<td>Ramp Failure Rate</td>
<td>97.1%</td>
<td>12.6%</td>
<td>-87%</td>
</tr>
<tr>
<td>Ramp Time To Full Sales Productivity (months)</td>
<td>9.0</td>
<td>6.1</td>
<td>-32%</td>
</tr>
<tr>
<td>Customers per Sales Rep</td>
<td>35.5</td>
<td>34.3</td>
<td>-3%</td>
</tr>
<tr>
<td>Variable Compensation Per Sales Rep ($K)</td>
<td>$65.0</td>
<td>$91.3</td>
<td>-29%</td>
</tr>
<tr>
<td>Sales Reps to Sales Manager Ratio</td>
<td>9.3</td>
<td>7.3</td>
<td>28%</td>
</tr>
<tr>
<td>Breakeven Point ($K)</td>
<td>$143.4</td>
<td>$112.7</td>
<td>-21%</td>
</tr>
<tr>
<td>Lead to Close Cycle Length (Days)</td>
<td>135.0</td>
<td>169.2</td>
<td>25%</td>
</tr>
</tbody>
</table>
Customer Survey Findings (Trust)

Q#10: When you buy these types of services, where do you place your trust?

Takeaway

- MORE economic buyers place their trust in the rep
- The company itself is of little importance to the decision maker or user
- Services (offering + maintenance) are what user buyers primarily trust
Q#17: How often do you communicate with your sales representative?

Takeaway

- The communication frequency is surprisingly low for a community of buyers who desire F2F interaction with their vendor
- Over 50% of EBs communicated with their reps quarterly or LESS frequently
Customer Survey Findings (Mode)

Q#16: Which method of engagement do you prefer with your sales rep?

Takeaway
- Established customers prefer F2F interaction, even for follow-on procurements
#3: Within your existing accounts how many accounts have bought from you within the last 18 months?

Takeaway

- Increased acct mgmt activity supports increased customer value; closing the gap of 24% between Acme Inc. & WC.
Sales Rep Time Study

Average Hours Spent in Selling Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hours per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospecting</td>
<td>2.0</td>
</tr>
<tr>
<td>Cold calling</td>
<td>5.7</td>
</tr>
<tr>
<td>Account-specific Research</td>
<td>9.3</td>
</tr>
<tr>
<td>Developing Needs</td>
<td>12.7</td>
</tr>
<tr>
<td>Writing and sending e-mails</td>
<td>18.7</td>
</tr>
<tr>
<td>Preparing for and delivering Initial...</td>
<td>5.7</td>
</tr>
<tr>
<td>Preparing for and delivering Demos</td>
<td>9.3</td>
</tr>
<tr>
<td>Overcoming Objections</td>
<td>7.3</td>
</tr>
<tr>
<td>Closing</td>
<td>2.2</td>
</tr>
</tbody>
</table>
Phase 2
Sales Management Maturity Model

Level 1: Chaos
- Ad Hoc Efforts
- Ill-defined processes
- Unpredictable result

Level 2: Defined
- Documented Process
- Not fully adopted
- Some Repeatability
- Varied Success
- Limited Perf Tracking

Level 3: Reportable
- Adopted Processes
- Behavior changing
- Limited Predictability
- Lagging Indicators

Level 4: Managed
- Leading Indicators
- Early Problem Detection
- Best Practices
- Continuous Improvement begins

Level 5: Predictable
- Predictable Results
- Change tolerant
- Exceed World-Class
- External Benchmark

Capability vs. Maturity
Phase 2
Best Practices Artifacts

- Robert Jackson
- Tom Johnson
- Richard Miller
- Brian Davis
- Joe Garcia
- John Smith
- Mary Thompson
- Linda Clark
Phase 3
Recommendation: 4 focus areas

Phase 1
- Lead Management
- Org Change Management
- Sales Manager Assessment
- Sales Process
- Sales Mgr and Sales Rep Talent Dev
- Compensation
- Sales Performance Management
- Key Account Management
- Sales Force Sizing
- Channel Optimization

Phase 2
- Phase 3

Degree of Difficulty
- Very High
- High
- Moderate
- Low

Value
- High
- Medium
- Low

Focus Area
Action Plan:  
Key Account Management

Tasking

Phase 1: Program Design
Objective: Develop a Key Account Management program that protects, grows and rewards ACME's most valuable customers.

Tasks:
- Define and calculate Customer Lifetime Value for ACME
- Assess ACME's customer community with focus on key account possibilities
- Conduct competitive intelligence on other key account programs in ACME's industry
- Define Key Account Organization (Structure, Role definitions, Org Chart, Reporting and matrix relationships)
- Assess need for possible Account Plan Elements to include Account fundamentals, Strategic account analysis, Competition review, Customer value, Buying analysis, Market segment analysis, Opportunity analysis, Strategic response, tactical actions, accountability methods
- Develop Key Account Plan (include Template and Guidance, Automation needs, Completed samples from top, bottom and mediocre performing reps, Peer review)
- Design Key Account sales methodology (Process, Tools, and Measures)
- Define Key Account Rep Role (includes Competency Assessment, Accountabilities, and Compensation Plan)
- Define Key Account Recruitment package
  - ACME services delivered to Key Account (Product Dev, Executive Access, Higher Customer Satisfaction, Flexible Payment Terms, pricing, delivery terms, etc.)
  - Key Account services delivered to ACME
- Define Key Account Sales Performance Management (SPM) framework (includes reporting, dashboard, and Connection to decision making)
- Define Key Account Selection criteria
  - Account Attractiveness (10 company firmographic criteria used to assess candidate companies for inclusion in the Major Account program)
  - Account Opportunity Assessment (determines the financial opportunity ACME can capture from the account if it is included in the Major Account program)
  - Account de-selection and Program removal
- Anticipate and provide recommendations for managing possible disruption

Deliverable: Key Account Recruitment package, Key Account Plan, Key Account Dashboard, and other Key Account Program artifacts
Assessment Summary

- **Diagnosis:**
  - 24 metric benchmark
  - 3 Day in the Life of (DILO) sales rep ride-alongs
  - Sales rep survey
  - Customer Survey
  - 6 face-to-face executive interviews
  - Mystery Shop sales team and (3) competitors
  - Documentation review
  - Expert panel

- **Output:**
  - Capture current state
  - Show end state possibilities
  - Make Recommendations
  - Quantify impact

- **Duration:** 6-10 weeks