

# Signs of a failing sales process

## Why it happens and what to do about it

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**W**e've all heard stories of companies that have implemented sales process X or Y and reaped staggering returns on investments. Yet there's a far-too-common story that remains untold: the stories of companies that have invested tens of thousands, even hundreds of thousands, of dollars in a sales process but have little to show for it except a frustrated sales team, a boatload of training manuals, some fresh sales jargon and maybe a sales force automation tool that's now an overpriced desktop icon.

When it comes to placing blame for these high-cost failures, fingers automatically point to sales process X or Y or to the sales leadership who suggested said sales process. Given that behavior it's no surprise that columnist Dave Stein of *Sales & Marketing Management* magazine, in the blog S&MM SoundOff, recently said research indicates that the average tenure for sales vice presidents has dwindled to a mere 19 months. Yet why is it that a sales process can be a dismal failure for one organization while a smashing success for another?

The process probably isn't the problem.

When organizations decide to invest in a sales process, they acknowledge they're not operating as effectively as they could, so they bring in a process hoping it will magically cure the issue. However, more often than not, when a sales process isn't successful it means the sales organization hasn't properly diagnosed what's causing its problem. It's the equivalent of expecting to run a marathon with a broken leg because you have the world's best customized running shoe. You may have the finest equipment, but it isn't going to address

the real cause of what's holding you back.

Unfortunately we've witnessed many organizations limp along with undiagnosed sales issues hoping a sales process will instantly solve them. Here's what we've observed:

- An organization's sales professionals fill out paperwork without really knowing why.
- An organization is unable to make a solid sales forecast beyond 90 days.
- Twenty percent of an organization's sales teams make 80 percent of the revenues.
- An organization doesn't know why it wins or loses sales.
- An organization is being commoditized.
- Its executive-level leadership doesn't know how its sales process works.
- There's little understanding about how lateral departments such as marketing, operations, finance and legal impact sales.

If any of this is happening with your organization, it isn't the sales process that's the problem. It's the implementation of the sales process. And if you think implementation is merely two days of training with front-line staff and a new sales force automation tool, think again. Before imposing yet another process on your sales team, we advise you to consider the following:

- Only powerful leadership drives change.
- Organizational alignment is critical to effectively move forward.
- From the c-suite to the front line, expectations must be clearly and precisely communicated.
- A sales process should open customers' eyes to your value.



## Only powerful leadership drives change

"Executive leadership is critical to implementing sales process," says Jim Braselton, senior vice president of Sales and Marketing for Lafarge North America Inc., the largest diversified supplier of construction materials in the United States and Canada. "Implementing a sales process is a huge investment; you want to make sure executive leadership is on your side so the rug isn't pulled out halfway through."

Consolidation in the marketplace and escalating buyer sophistication caused Lafarge to re-examine how it sold and to whom. It has been deliberately balancing its sales process rollout to hold the excitement and attention of both its sales team executive leadership while not overwhelming either.

"The support of our top executives is equally important as the support of our sales management team," Braselton says. "As a district sales manager, when leadership three levels above you demonstrates commitment to such a change initiative, you're going to put it at the top of your priority list no matter what."

As the leader of both marketing and sales for Lafarge, Braselton is uniquely positioned to lead a sales process initiative. Why? The person driving change must have credibility within the organization. To have credibility this person must not only know his sales organization inside and out. He also must have a complete understanding of the organization's business operations and thoroughly understand the financial ramifications – across the organization – of anything he implements. With this knowledge he can easily attain the respect of two key audiences: the executive team and the sales team. This is especially true in a direct sales model such as Lafarge's.

"Powerful leadership bolstered by credibility creates the force that drives results," says Braselton, who points out that within 24 months of implementing its sales process related to segmentation and pricing, Lafarge saw a double-

digit percentage increase in revenues. "Powerful leadership can also help you avoid the 'flavor-of-the-day syndrome.'"

We witnessed that syndrome at another organization, a leader in providing tools to financial institutions. In five years it tried three different sales processes believing that each methodology would offer a few "pearls" for the sales team. The management team did not become expert in the processes and, of course, could not coach or reward around them. Because of this sales team

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members determined that the only real expectation was for them to fill out worksheets that accompanied the various processes. Sales results remained unmoved because the management team's lack of commitment undermined the methodologies. Five years later management ultimately dismissed just about everything it had invested in.

### Organizational alignment is critical to effectively move forward

There is no room for silos when implementing a sales process; everyone impacted by sales must be involved from the outset. Consider Qualcomm Inc., a leader in developing and delivering wireless communications products. As it revamped its sales process, it involved every department touching sales to find out precisely how the departments impacted sales, where there were bottlenecks and ways to quicken the sales cycle. The company was surprised by the feedback.

"We were able to give our salespeople better tools so they could close deals faster," says Jim Rodi, director of corporate accounts. "For instance, our legal department outlined exactly what our account managers needed to find out to develop a good contract from the outset. Our finance department provided financial guardrails for our sales team to negotiate around so (the team) stopped going to (the department) with deals that were impossible to close. We were able to serve ourselves and our customers more efficiently."

The process of aligning corporate systems to a sales methodology can reveal exciting avenues to impact margins and revenues through discovering opportunities to shorten sales cycles. Consider the experience of Mark Kennedy, vice president of sales and marketing for Crown Partners LLC, a leading provider of electronic content management software and services.

"We've shortened our sales cycle because we're able to get better technical proof of fit for our product," he says. "Before moving forward we make sure we are able to establish our business case. This has significantly streamlined our proposal generation."

Another bonus is that the process of aligning strategy with a sales process can give non-sales departments a fresh appreciation for sales' contribution to the organization. However, it's at this juncture that it may be wise to bring in someone from the outside to help diffuse potential internal politics by tearing down any attempts at constructing silos.

Alignment is especially critical when implementing sales force automation tools: They should encompass all aspects of the organization from marketing to the supply chain. If sales professionals fill out separate reports on separate systems for various departments to move the sales cycle ahead, there's a problem. Sales force automation should effectively combine everything each department needs to know with a simple-to-use tool that's easily accessible and understood by everyone who touches sales.

## Expectations must be clearly and precisely communicated

This may seem obvious, but it isn't. Consider the following two cases.

An international communications company established a well-known five-stage sales process to measure sales professionals' progress along the sales cycle. Unfortunately sales leadership never succinctly or clearly defined those five strategies or communicated them to the sales team. No one knew what activities needed to be completed to advance to the next stage. Consequently everyone had to guess where they were in the process. This guesswork was reflected in sales forecasts, which were usually off by at least 50 percent.

A manufacturing company had long embraced a single process. Upon closer examination it was determined that the methodology existed only as a worksheet whose completion was demanded strictly to support the forecast for deals on the bubble at the end of each quarter. Salespeople merely filled out the worksheets to escape the pressure of a forecast meltdown. No one actually worked the methodology. The process of selling was driven entirely by internal metrics – the number of calls, deals and demonstrations – and the methodology was never genuinely installed.

When expectations are clearly and precisely communicated it's easy to see where you are in the sales pipeline on any transaction. Everyone on your sales team will know exactly which steps to complete to produce the results that advance a sale to the next stage in the cycle. Along the way, there will be continual opportunities to speed up the cycle as you examine why some deals were won more efficiently. This provides chances to incorporate best practices. But the losses are just as important because they give opportunities to hone practices. Sales leadership – when coaching, conducting reviews and giving rewards – can speak strictly to the activities of each stage, the results activities produce and the outcomes,

thus lending critical objectivity to the review process.

"We balance rewarding behavioral change and results," says Braselton. "Behavioral change drives performance, so we linked bonuses to some of the activities that drive results while providing larger rewards for achieving those results."



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When activities and results are fully integrated and properly communicated, sales forecasting by intuition becomes ancient history. You'll know precisely what's coming down the sales funnel well into the future. Even better, you'll observe your mid-tier sales professionals rising to higher ranks as they begin to incorporate some of the practices your top tier has probably been intuitively using all along.


"We're able to capture the best and brightest practices around each stage of the sales process," says Kennedy. "As a rapidly growing company we're continuously expanding a specific blueprint on how to sell successfully."

### A well-implemented sales process opens customers' eyes to your value

If you want to avoid commoditization you must look at how you present value

to your customer. How does your sales process help the customer accomplish its goals? How does the way you sell impact the customer's business? What does the customer value about its relationship with you? A well-implemented sales process effectively packages and presents your value to the customer during every step of the sale. If your margins are continually pushed south, chances are your process isn't doing this. In fact an effectively implemented process will help you qualify customers more efficiently through the value you bring. A well-qualified customer will see your value, and price will be less of an issue.

"We bring added value by merely calling on our customer," says Kennedy. "We can say confidently we've helped others be successful before and can act as a consultant to potential customers throughout the sales cycle. Our qualification process teaches our customers what to look for in a potential service provider."

In essence there are no fast and easy solutions for improving sales. If there was a silver bullet or precious pearl of wisdom that instantly solved issues on contact, you would see that one process standing head and shoulders above the rest. Here's the key to effective process execution that achieves legendary margins and revenues: Properly diagnose where your sales organization hurts, then make sure it heals properly by investing the time and effort necessary to properly implement the process. 

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#### Additional resources

For more information on this subject in SAMAs library, the editors recommend: Tony Monterastelli, "Implementing strategic account management at Xerox Germany," *Velocity*®, Vol. 8, No. 4, Fall 2006, [www.strategicaccounts.org](http://www.strategicaccounts.org); and Nancy McKeon, "Four rules for making change stick—this time," *Focus: Teams*, Vol. 3, No. 1, Spring 2006, [www.strategicaccounts.org](http://www.strategicaccounts.org).