

# Sales Process White Paper



The objective of this white paper is to explain the value of implementing and managing consistent sales processes. The data included in the white paper has been taken from a variety of sources including Accenture, Gartner, Miller Heiman, IBM and publicly available information and statistics.



## SALES PROCESS VALUE

**Our research has shown that CEOs with little direct sales knowledge and experience believe in a variety of sales myths and as a result fail to deliver consistent revenue growth and accurate forecasting for their investors. According to the BVCA, approximately 75% of UK CEOs have either a financial or product background and the same research showed that 82% of UK based private equity investments fail to meet their organic growth targets. Therefore there is a correlation between the lack of growth and the lack of sales experience with certain CEOs. This inexperience manifests itself in their belief in the main myths about sales processes which are:**

### **Myth 1 - Companies buy from salespeople where they have the best personal relationships.**

Our research has shown that while companies value good personal relationships they put more value in the company's ability to deliver the solution and the measurable value they receive. Decisions tend to be made by numerous people in the organisation.. "In a typical firm with between 100 and 500 employees, an average of 7 people are involved with the buying process". Therefore one-to-one relationships rarely influence a successful sales.

### **Myth 2 - Salespeople hate process.**

Research conducted by Accenture has shown "that approximately 40% of salespeople achieved their quota, however 92% of salespeople who follow consistent processes achieve their quotas". This would lead us to believe that under-performing salespeople do not like to follow a sales process while successful sales people embrace and follow consistent sales processes.

### **Myth 3 - Process is bureaucratic and slows growth.**

"Implementing and managing a structured framework had no negative effects on morale or performance. However when top management were not involved or consistently did not measure the process, morale and performance declined". This leads us to believe that the issue is not the process but the management skills, leadership qualities and experience of sales management.

### **Myth 4 - Sales Process is too rigid and inflexible.**

According to salesforce.com - "The implementation of consistent sales process, if they are based on the companies experience in winning deals, increases win rates by at least 25%". This demonstrates that each company needs to create a process based on their specific market and competition and not to try to implement another companies process. Sales process must constantly evolve to react to the competition and changes in buying behaviour of their target markets.

**The Gartner Group defines a sales process as linking together the "Critical steps in selling, to provide the common framework, vocabulary and metrics for how sales organizations review and analyse territories, accounts, opportunities, individuals and sales cycles..."**



## SALES PROCESS BACKGROUND

**According to the Accenture analysis included in the 2012 Sales Performance Optimization Study sponsored with CSO Insights, in the last three years, between 36 to 47 percent of sales representatives have failed to reach their annual sales quota numbers. Whereas, 92 percent of representatives who consistently used a sales methodology achieved their quota.**

Many companies have informal sales processes, and others go through the exercise of documenting it, but not executing against it. The critical issue is whether or not the majority of the sales force is executing best practices consistently.

As most people attest to, selling is both art and science. Some people believe that top performers have an innate ability and execute intuitively and most sales people instinctively dislike structure and process. Our experience and research validates that top performers do follow a road map, a blueprint for success, and execute a repeatable process and methodology, often times at an unconscious level.

At an organizational level, structure and process are necessary to implement a successful growth strategy, replicate success and to scale the business. One approach is to take what's often an unconscious process and make it conscious, repeatable and replicable.

Our research has shown that there are 3 main reasons why companies implement a consistent sales process. They are:

- Create best practices so all salespeople can understand the best tactics to win deals
- Ensure the pipeline and forecast is accurate
- Increase internal efficiencies through more accurate communication from sales with regards to products, services and client and competitor behaviour

Gartner Group research revealed that only 35% of Senior Sales Executives had instituted a formal enterprise-wide sales process. According to "Sales Performance Optimisation Study" CSO Insights Feb 2014, "Of companies who have no sales process 62 percent stated their forecasts were incorrect". This correlation demonstrates that without a consistent sales process, sales pipelines and forecasts will not be accurate across the company.

***According to research conducted by the BVCA "the biggest issue which caused investors to change their terms during a deal were inaccurate pipelines and forecasts"***



## WHAT IS A SALES PROCESS?

**The Gartner Group defines a sales process as the “Critical steps in selling linked together ... [to] ... provide the common framework, vocabulary and metrics for how sales organizations review and analyse territories, accounts, opportunities, individuals and sales cycles...”**

The sales process is a framework or model that helps to improve pipeline visibility, to drive sales execution, to improve performance, and is the foundation for instilling selling discipline. If the sales process is aligned with the customer’s buying process and is integrated appropriately with sales methodologies and technologies, and reinforced by management, the process acts as the guiding framework to convert strategy into revenue, in a predictable, consistent and sustainable manner.

### **Benefits and payoff to implementing a sales process based on best practices:**

- Improved sales pipeline, visibility and forecast accuracy
- The ability to replicate and scale best practices across the organization
- Improved communication, cooperation, coordination, and resource allocation
- Improved win rates and sales velocity
- Lower cost of sales
- New hire training ramp up time and an accelerated ROI payback period
- Up to 40% increase in sales productivity and effectiveness

### **Key sales process objectives include:**

- Standardized sales stage definitions (e.g. interest to close). These stage definitions categorize all prospects and opportunities in a common and consistent manner. For example, a qualified opportunity means the same thing across the entire organization
- Standardized pipeline management and sales cycle progression, supported by customer evidence and the customer’s buying process
- Integration of best practice sales methodologies and activities, which drive the execution necessary to achieve the sales stage milestones and quickly progress through the sales process
- Clearly defined roles and responsibilities for executing against the best practice activities and the process
- Alignment of the sales tools/aides, skills and systems necessary to support the high leverage activities and execution at each stage
- Improve forecast accuracy by defining the guidelines based on not only where the sales person is in the sales cycle, but also how they are positioned or advantaged versus the competition
- Clear and prioritized leading and lagging performance metrics that can be coached and reinforced by the sales management process



## IS YOUR SALES PROCESS GOOD ENOUGH?

In a nutshell, sales process breakdowns or problems have symptoms. It is not difficult to tell that there is a breakdown by observing, and assessing a company's current situation. For example, some of the symptoms of a sales process breakdown include:

1. Forecast accuracy is poor and off-the-mark
2. Pipeline visibility is cloudy and speculative
3. Inability to pro-actively pin-point bottlenecks and barriers to success
4. Sales performance is inconsistent and unpredictable throughout the sales force
5. Win rates are declining
6. Longer sales cycles than forecast or anticipated
7. Coaching around sales opportunities is ambiguous and general
8. Inability to quickly leverage and replicate success across the organization
9. Ramp-up time for new sales people is long and frustrating

### EXCUSES - THEY ARE FOR PEOPLE WHO DON'T WANT IT BAD ENOUGH

- *We are too busy*
- *Our market is different and unique so this does not apply*
- *We already have a sales process but it is just not written down*
- *We are not in bad shape so why change*
- *We are hiring a new sales manager and he will sort this out*

### 10. Cost of sales is difficult to track and manage

In an Accenture/Economist Intelligence Unit survey, Senior Sales Executives who had implemented a structured sales methodology responded in the following way:

- 40% responded, "Our sales people do not follow our defined sales process"
- 44% responded, "Our people sell products (features and functions) not solutions (value and return on investment) to our customers"
- 43% responded, "Our sales managers do not leverage (new) sales processes and tools for managing their teams"

### Some of the biggest drags on execution that we've seen with our customers are:

- The lack of integration between various processes that link to, and enable, the sales process (e.g., forecasting), including sales methodologies, selling skills and sales tools or aides.
- The lack of clear roles and responsibilities definitions, including sales overlays (e.g., product, solutions technical, vertical), executives and sales support.
- The sales management process is often not aligned to reinforce the sales process, key metrics (leading and lagging), or collaborative behaviours (e.g., team selling), and does not act as the framework to pro-actively coach and improve performance in real time.
- Sales process implementations are only successful with the full support of senior management and the sales activities are measured and managed.



# HOW DO YOU IMPLEMENT CHANGE?

**Implementing any new process should be completed through a structured methodology which has been tried and tested and has clear and measurable results. It is crucial that the change process is effective quickly and cost effectively. For example, The CappcoPartners methodology has the potential to be successfully implemented within 1 and 3 weeks depending on the size of the company. The key stages in a sales process implementation are:**

## 1. Assessment - Current Situation

**Growth Assessment Model** - a Scorecard approach to measure the strengths and weakness of the current process and capabilities. The following areas of the company are assessed in detail:

- Sales Strategy
- Brand Awareness
- Lead Generation
- Sales Execution
- Client Management

## 2. Analysis - Value Discovery

A clear and measurable understanding of the value the prospect receives and by how much the investment reduces costs, increases revenue, reduces risk, creates a competitive advantage. The key steps are:

- Analysis - analyse won, lost and no decision deals
- Validate the sales messages “unique selling points” and agree the 5 key sales messages the sales team needs to consistently communicate
- Map the target market buying behaviour into measurable pipeline stages Competitive review and functional comparison
- Customer Workshops - gain data on the prospects decision and purchasing criteria and process

## 3. Process Creation

Implement a repeatable sales process which ensures the sales team:

- Align the company’s sales process with the customers buying process
- Create a consistent deal and account review process
- The creation and measurement of a CRM policy
- Create internal sales tools which assist the sales team move the prospect through their buying stages

## 4. Implementation

- Implementation of tools and collateral to assist in the sales cycle such as - Positioning/ Messaging statements, sales presentations, case studies, references , competitive analysis
- Creation of a set of Key Performance Indicators and agreed measurement criteria which is easily accessed and reported.
- Implementation of demand creation campaigns and processes to drive quality leads to the sales team.
  - SEO and website optimisation
  - Lead generation process and tools
  - CRM implementation and policy creation
- Implementation of a sales training program



## WHAT DOES SUCCESS LOOK LIKE?

**At the end of the project senior management should be able to clearly measure and manage the sales team with new processes in place and the key metrics being analysed on a regular basis.**

### **What the new process should look like:**

- Consistent pipeline process where each sales person fully understands the criteria for each stage and thus all pipeline entries are correct and consistent across the entire sales team
- Agreed and measurable sales activities and deliverables at each pipeline stage.
- The lead qualification process is agreed between sales and marketing and each group has measurable objectives and clear roles and responsibilities.
- A consistent deal review process
- An account planning process which enumerates and measures client management activities and objectives
- Internal agreement on sales and marketing metrics
- A formal CRM policy which has measurable activities and results

### **Key metrics to implement and measure success**

1. Discounting percentages - by industry and prospect size
2. Lead conversion ratios - the percentage of enquiries converted to leads and the percentage of qualified leads converted to sales
3. SEO - search and website traffic analysis
4. Stage velocity - the time prospect s spend on each stage of the sales pipeline
5. Sales conversions - competitive won and lost deal ratio
6. Commercial analysis - the measurement of payment terms and contract commitment
7. Service levels - client satisfaction survey results
8. ROI analysis- the measurement of the success of marketing activities, programs and campaigns

**Research shows that companies that integrate sales methodology and process into their CRM system improve qualified opportunity close rate by 20%, and sales proposal close rate by 155% (The TAS Group Global Sales Effectiveness Benchmark Study, 2007-2009).**

*The Author of this White Paper is Mark Cappell who is founder and Managing Partner of CappcoPartners*

## About CappcoPartners

CappcoPartners was formed in 2009 to provide sales and marketing services to private equity and venture capital backed firms, struggling to meet their growth plans. We are staffed with experienced professionals who have successfully implemented positive change for small and mid-sized firms across all major industries. Each partner has a successful track record in implementing change and extensive experience in growing revenue.

Since 2009 CappcoPartners has successfully grown revenue by £75m for the firms we have worked for. In addition we have added £300m in Enterprise Value to its investors. See our successes at [www.cappcopartners.com](http://www.cappcopartners.com)

CappcoPartners is a firm of experienced sales and marketing executives who specialise in improving sales and marketing performance and executing corporate turnarounds where revenue growth and creation is essential. The CappcoPartners team provide the following services:

### Investor Services

- Pre deal due diligence - our proprietary **“Growth Assessment Model™”** assesses and measures the sales and marketing capabilities and gives detailed information relating to the target firms ability to deliver their growth plan.
- Assist under-performing portfolio companies achieve revenue growth strategies, by implementing sales and lead generation improvement processes
- Post acquisition integration - we assist and project manage the integration of the sales and marketing departments and the creation of consistent sales processes across the company.
- Exit planning - we assist clients by fine-tuning their sales and marketing processes and capabilities in preparation for capital raising and potential acquisitions

### Sales Performance Improvement

- Sales and Brand Strategy implementation - our **“Sales Performance Improvement”** process is designed to identify and exploit your key differentiated factors. We take a hands on approach in validating and then implementing your unique sales messages throughout all demand creation campaigns and marketing communications.
- Lead Generation - the objective is to increase revenue by improving the lead generation processes which will deliver additional high quality leads to the sales teams
- Sales Process Implementation - we implement the **“Value Based Sales™”** methodology during our engagements which is an approach that aligns how you sell with how your target market buys and quantifies the value the solution delivers.



The CappcoPartners team are proud to be members of the two most prestigious turnaround organisations in the UK

### CappcoPartners

Green Park House  
15 Stratton Street  
London W1J 8LQ

[www.cappcopartners.com](http://www.cappcopartners.com)

