SalesandService Excellence ESSENTIALS

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Essentials of team leadership

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ARTICULATING A SALES COMPENSATION PHILOSOPHY

The direction you need to take

Joe DiMisa

Leadership Excellence

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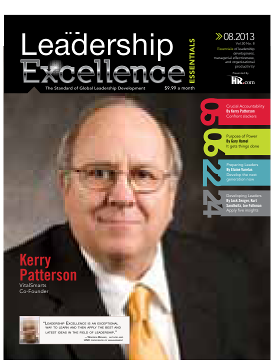

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Features

This month's, Sales and Service Excellence Essentials, features a collection of insightful and articulate articles based on the concepts of Sales Performance, Successful Selling, Sales Development, Marketing, Pricing, Overcoming Objections, etc. There were approximately 20 articles related to these subjects in last month's edition. I will highlight some of my favorite points. All of the articles have nailed many excellent points. I just feel there is something missing: "The Customer Experience". Regardless of the topic, *customer service* should never be excluded.

In *Drive Sales Performance*, Jeb Stewart speaks of the shortage of global talent and how leaders can boost their bottom line by using a scientifically validated behavioral assessment system, which includes screening candidates with a defined hiring process that includes a candidate's core personality. How well does this screening process define customer service? How will the screening process find the best talent and how they treat the customer?

In the article, *A Sale's Person's Mind*, author Steve Martine delves into the seven fascinating facts about a salesperson's mind. Of the seven characteristics not one includes the cultivating, maturing, and massaging of the relationship a sales person needs to build with a customer to be successful.

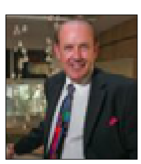
In the article, *Sales and Marketing*, author Ian Altman describes the challenges companies face regarding the disconnect between Marketing and Sales. He says that if you want to grow your business with incredible velocity, then you need to make it everyone's goal to attract those customers that are likely to deliver the greatest value. My question is: Why should the customer be adding value to the company? Why are we not adding value to the customer? This is the key. Making each customer feel as if they are so important that without their business we don't have a business.

In the article, *Sales Development Team*, author Greg Klingshirn speaks of how to develop a successful sales development team. Again, no mention of how the sales person is to learn the art of customer service, a quintessential tool for ALL salespeople to cultivate.

Out of all the articles I reviewed, only three mentioned the importance of building a rapport with the customer. In my 45 years of experience, I have noticed that sales people are interested in one thing, the sale. A vast majority of sales people are commission-based and want instantaneous money in their pocket. Once, the sale is done, the customer is forgotten. It is my experience that customers will run as fast as they can to any company that genuinely values their business.

Let's look at Apple. There is NO denying their product is superior, but let's look at their customer service. Every time I walk into an Apple store I am greeted with a smile, a handshake and an extremely knowledgeable employee. It isn't hit or miss, Apple employees are ALWAYS on top of the customer experience, and it has never failed, not once. Apple is aware that not only do they need a superior product; they need employees who are just as superior.

Every company, small or big, needs to be aware that sales is not what is going to keep them profitable. It is the people behind the sales and how well they treat the individual buying the product. The Ultimate Customer Experience is what consumers thrive and strive for. It's what keeps them coming back for more.



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Articulating a Sales Compensation Philosophy

The direction you need to take

By Joseph DiMisa

As the third quarter begins and most companies prepare for the fourth quarter sales compensation season, it is time to clarify and build consensus on the sales compensation philosophy.

The situation is all too common: the fourth quarter arrives, and individuals across the organization scramble to conduct this year's sales compensation design effort. This often results in less-than-ideal time for analysis, hurried decisions, and a rushed implementation. While some parts of a sales compensation program need to be discussed and determined each year, there are a number of more philosophical decisions that can be made in advance that can expedite the fourth quarter design process, and even serve as a foundation for a strategic design effort.

These critical decisions serve as a sales compensation philosophy, which clearly articulates the direction a business would like to take with its sales compensation plans. This article will highlight the nine key elements of a sales compensation philosophy, and provide some basic logic to get your organization started in articulating its own sales compensation philosophy.

The Case for a Sales Compensation Philosophy

Creating an explicit compensation philosophy has long been a tool employed by compensation practitioners outside of sales compensation. An executive compensation philosophy, in fact, plays a prominent role in every public company's proxy statement. Beyond just a document or paragraph in an SEC filing, however, leading companies use the compensation philosophy as an articulation of how the business intends to build and implement its rewards programs, which then focuses on compensation design decisions by establishing a set of boundary conditions. Moreover, the compensation philosophy is more static than plan designs, typically being revisited every three years or when one of the following occurs:

- Leadership transition
- Change in business strategy
- Significant in change in the nature of competition (new entrants, consolidations, etc.)

A sales compensation philosophy can serve the same purpose, being the foundation upon which specific compensation design decisions are based. As a statement of the sales compensation strategy for an organization, the compensation philosophy can provide the framework for a successful compensation design effort. The elements of a sales compensation philosophy define some key parameters of a sales compensation program:

Figure 1: Elements of a Sales Compensation Philosophy

Plan Governance	Defines ownership of plan strategy and design Identifies stakeholders and accountabilities
Design Consistency	Extent to which plan design can/should be customized by job role/business unit/ geography
Non-Sales Alignment	Desired variance or alignment between sales roles and similar statue non-sales roles
Alignment to Business Goals	Extent to which individual compensation should be based on explicit links to business objectives
Pay Prominence	Extent to which pay should influence sales rep actions and decisions Degree of importance of pay in attacting and retaining talent
Compensation Level Positioning	Where base salary and target incentive levels are positioned relative to the competitive market (e.g., 50th percentile versus the 40th percentile)
Pay Mix	Proportion of total target compensation to be placed at risk or to be performance-based
Upside Opportunity	Extent to which sales reps can earn above target compensation Performance level at which superior levels of compensation are earned
Sales Rep Differentiation	Degree of difference between top performers/earners and average performers/earners Degree of difference between average performers/earners and bottom performers/earners
Performance Management	Timing, nature, and prominence of performance reporting and related information Frequency of formal performance interventions, and the related rewards/consequences

Defining a Sales Compensation Philosophy

The sales compensation philosophy will certainly be unique for every business. Differences in sales strategy and operating models dictate very different approaches to pay decisions, and the compensation philosophy will reflect those differences. That being said, the following sections highlight some guiding principles for each element of the sales compensation philosophy.

Plan Governance

There is no single right answer to the question of who owns sales compensation. Sales compensation strategy and design issues typically involve a number of corporate functions and business unit teams, but the ownership of such efforts typically falls into sales operations, the sales organization itself, human resources, or occasionally finance. As a link between sales and compensation, however, it is very common for sales compensation to have shared ownership between one or more of the listed functions.

Creating explicit ownership for sales compensation outside of a design effort is a strategic decision, rather than a "who has the manpower for sales comp this year" discussion. Creating a decision rights matrix like the one below can clearly articulate plan governance accountabilities:

Figure 2: Illustrative Decision Rights Matrix

	Sales	Sales Ops	Finance	HR	IT
1. Compensation Philosophy	Input	Input	Input	Input	
2. Target Pay Levels	Input		Input, Review	Suggest, Approve	
3. Pay Mix	Suggest	Input	Input, Review	Approve	
4. Upside and Pay-for-Performance Relationship	Suggest		Review		
5. Plan Communication	Review	Support		Draft, Administer	Support
6. Systems Implementation		Support	Support		Administer
7. Ongoing Payout Administration		Support	Support	Administer	Support
8. Periodic Reporting	Review, Support	Administer	Support	Support	Administer

Design Consistency

Sales compensation designs need to be customized to fit each individual selling role. That being said, some degree of alignment across sales roles may be desirable. Having similar measures, for example, clearly communicates that a few performance measures are important to the organization, regardless of job roles. The sales compensation philosophy should articulate the business' objectives for alignment across roles in terms of measurement and mechanics.

Similarly, different geographies and/or business units may face different talent markets or may have different selling strategies that warrant customized sales compensation programs. The need for customization needs to be balanced against the obvious efficiencies that come from a single, standard compensation program. Accordingly, the sales compensation philosophy should provide guidelines for when local and/or business unit customization is appropriate.

Non-Sales Alignment

The degree to which compensation strategy (and particularly total target compensation levels) should be aligned with similarly leveled non-sales jobs is an important one. The relationship between sales and non-sales compensation unambiguously communicates the relative importance of sales to the success of the business. If the organization is not driven by sales, but rather by new product development or operational excellence, then the sales compensation philosophy and approach needs to be adjusted accordingly.

Alignment to Business Goals

Certainly a sales compensation program needs to be aligned with key business objectives. What is less universally agreed upon, though, is the extent to which the attainment of individual and corporate goals explicitly impact representative earnings levels. In the most direct fashion, this will have an impact on plan mechanic decisions: true alignment between representative earnings and business goals is best achieved via a quota-based compensation plan.

However, organizations use this alignment philosophy beyond the commissions versus quota decision. Business leaders often only want sales reps earning the highest levels of compensation if the business can afford them. This commonly results in plan mechanics that "cap" representative earnings until certain business financial goals have been met. Alternatively, many believe that sales representative performance is the means that drives overall business performance, and as such prefer that a sales representative's earnings be determined based on their own individual goals only.

Pay Prominence

The stereotype of a sales person is the commission-based representative who really pushes for the sale. However, not all sales organizations want compensation to play a strong role in influencing representative behavior. Clearly stating the intended prominence of sales compensation defines upfront how much of a sales representative's day-to-day actions should be tied to the compensation plan. Furthermore, compensation is only one element of the overall relationship between the sales representative and the company. There may be other, more compelling or important elements (e.g. benefits, career progression, work content, or company affiliation) than can be more effective talent management tools, and as a result compensation need not be as prominent.

Compensation Level Positioning

Not all organizations can pay at the market midpoint. There are a number of business-based factors that can impact where target compensation levels should be positioned relative to some external benchmark. Applying this logic results in a target compensation level that accurately reflects the needs of the business, rather than simply the pay levels of your competitors.

Figure 3: Determining Target Compensation Levels

1. General Corporate Market Match Point	Below Median	Slightly Below Median	Slightly Above Median	Above Median
2. Degree of Company Stability	Rock Solid	High	Moderate	Low
3. Desired Business Results	Very Likely	Probable	Difficult	Unlikely
4. Expected Employee Performance (at Target)	Low	Average	Stretch	
5. Productivity Level	Low	Average	Above Average	Very High
6. Supply of Talent	Abundant	Adequate	Limited	Scarce
7. Mobility of Employees	Low	Modest	Some Hiring Away by	Frequent Hiring Away by
8. Staffing	Excessive	Adequate	Light	
Typical Relationship to Benchmark Pay Pay Mix	Significantly Below	Slightly Below	Slightly Above	Significantly Above

The proportion of compensation that is performance-based, whether it is via commissions bonus, or some other mechanic, can vary significantly across sales jobs and industries. Recently, a number of consumer products and packaged foods companies have significantly reduced the amount of compensation at risk, citing more power from retailers in the sales and distribution process as well as difficulties in setting accurate performance targets. The first concern, related to the role of the sales representative in the sales process, is the textbook driver of pay mix. The prominence of a sales representative, or the degree of control a representative exhibits over the sale, suggests an appropriate amount of compensation to be placed at risk.

Figure 4: Evaluating Pay Mix

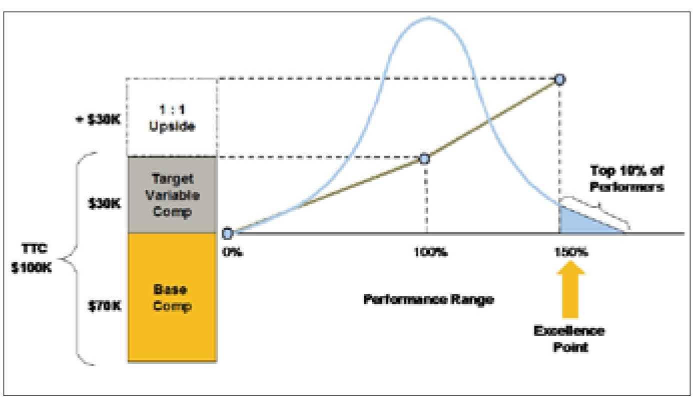
Low Prominence		High Prominence
High	Market Share	Low
Finite	Market Size	Infinite
High	Customer Acceptance of Product	Low
Repetitive and Predictable	Buying Pattern	Few/One-of-a-Kind
High	Sales Support	Low
High	Non-selling Activities	Low
Frequent	Team Selling	Never
Known	Customer Profile	Unknown
Farmers	Job Definition	Hunters
Low	Control Over the Sale	High
Low	Control Over the Sales Volume	High
High	Close Rate	Low
Low Incentive Mix (less pay at risk)		High Incentive Mix (more pay at risk)

Pay mix decisions are typically made for individual jobs. However, many of the criteria in the above framework can be applied to an organization as a whole. As such, an organization-level pay mix philosophy can be developed.

Upside Opportunity

The term upside is used to describe the opportunity to earn compensation in excess of targeted compensation. To place some terminology and mechanics behind this concept, upside is commonly quantified based on the expected earnings for performance at an "excellence point" which is typically achieved by the top 10% of performers.

Figure 5: Defining Upside Opportunity



Upside opportunity tends to correlate highly with pay at risk to create an appropriate risk/reward relationship; the more pay at risk, the more upside opportunity needs to be provided to offset the portion of compensation at risk. In addition to the factors identified previously to determine pay mix, a few other factors tend to impact upside opportunity:

Sales Cycle Length: Shorter sales cycles are more conducive to higher upside opportunity, since multiple transactions are included in each performance period. Longer sales cycles can result in a number of sales closing in the same period just due to timing, which can create an artificial performance high and thus payout disproportionately high levels of incentive.

Sales Culture: The more performance-oriented the sales culture, the more likely that high upside opportunity is available. The most driven sales cultures really want to reward the top performers, and as such need to provide high (often 3:1 or greater) upside.

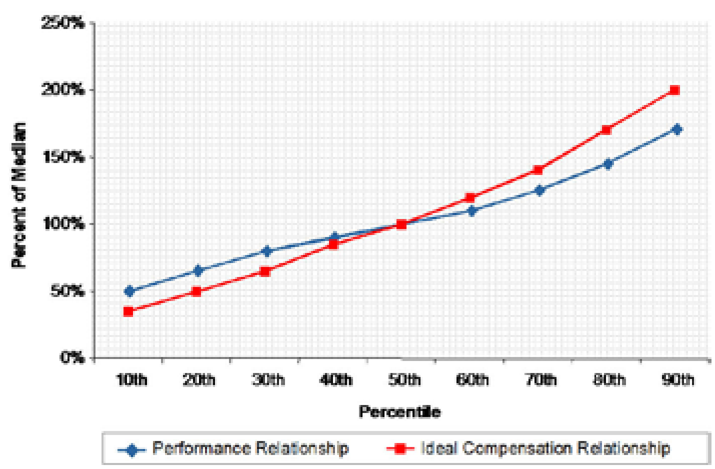
Pay Differentiation

Closely tied to the concept of plan upside is that of pay differentiation. The difference between upside and differentiation is that upside is set in advance as a target earnings level for top performers, while differentiation is the desired actual relationship between representatives at all different earnings levels. While it is generally accepted that top performers should earn more than bottom performers, the obvious question is always how much more should they earn.

One way to begin to develop a pay differentiation philosophy is to look at the historical relationship between top and bottom earners and top and bottom performers. Start by calculating the earnings levels at each decile of earnings, and divide that value by the median earnings level.

By definition, deciles representing lower earners (below median) will have a value less than 100%, while the deciles above median will be greater than 100%. Repeat this calculation for performance levels, and then plot the two on the same chart. An example is shown below:

Figure 6: Pay Differentiation Analysis



We typically expect to see the pay and performance curves to be similarly shaped, with a more aggressive slope on the compensation curve. The higher slope on the compensation curve indicates a reward for higher levels of achievement, and a penalty for underperformance. The 90th percentile point should roughly correlate to your target upside (differences in actual performance relative to expected performance can create some distortion). The 10th percentile point is also a critical element of the differentiation philosophy. If low earners are not adequately differentiated from average and high performers, sales representatives can settle into an earnings comfort zone that only requires mediocre levels of performance.

Performance Management

Sales organizations have very different philosophies on structured performance management. Some sales leaders believe that the compensation plan should be the primary performance indicator. As a result, very little management intervention and ongoing performance

reporting is required other than a check stub. On the other hand, others feel that the frequent and directed performance management can have a tremendous impact on sales performance.

An organization's point of view on ongoing performance coaching, performance reporting, and formal feedback delivery should be tightly integrated with the compensation program, and as such must be included in the sales compensation philosophy.

Conclusion

The decisions comprising the sales compensation philosophy are generally more static than other more tactical design decisions. As such, the sales compensation philosophy needs to be refreshed less frequently than the details of the incentive plans. Many business leaders are happy to contribute to such efforts knowing that it will simplify the annual design process. By gathering all the key executive stakeholders up front to make these strategic and philosophical decisions, the organization creates the foundation upon which ongoing plan design and administration decisions can be based. **SSE**

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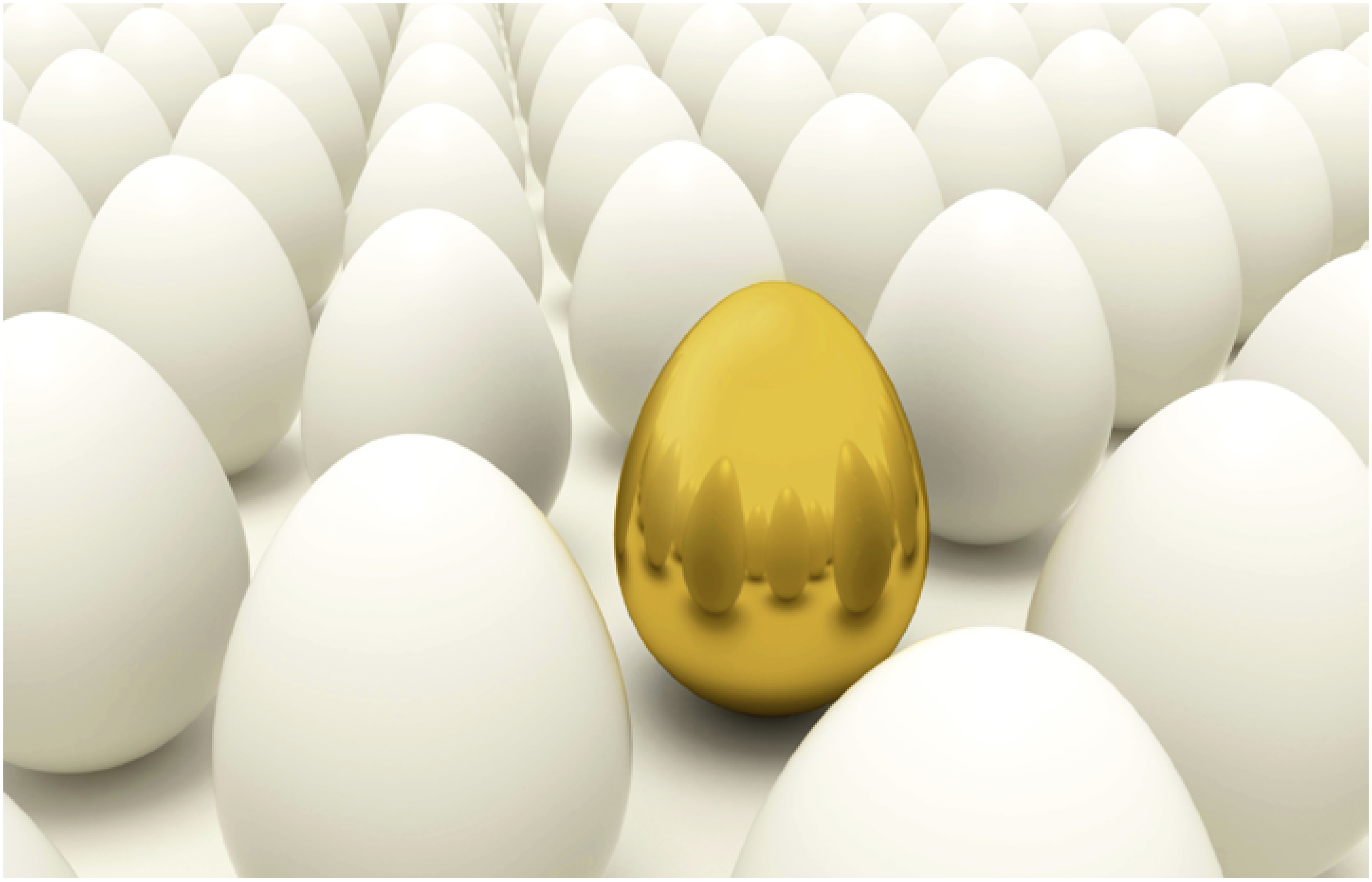
Field Service as a Profit Center

Dollars and sense

By Aviram Hinenzon



Do you see your service organization as a cost center or a profit center? Your answer has a big impact.

In many organizations, field service is shifting from a cost center to a profit center. However, because service organization goals are different by industry, the shift is based on your industry.

For example, in industries where there's less competition, but more regulation (e.g., utilities) the service organization is still seen as a cost center. For utilities, delivering service efficiently is the most significant business goal.

In some industries, customer satisfaction has become more and more important (e.g., telecommunications). These organizations can see the connection between customer satisfaction and the financial benefits received as a result. So they've started to think about their service organization in a different way.

For these industries, service isn't just about efficiency, but the effectiveness of service delivery. If customers are happier, these industries can connect customer satisfaction to retention and service to the acquisition of new customers which increases revenue. There are specific metrics that can increase customer satisfaction (and financial benefits), including:

- Time to initiation of service
- Time to wait for service
- Time to resolution
- First-time resolution

Communication – as part of the customer experience – also has a big impact. For example, if you can't meet your commitment, but you communicate that in the right way, you can improve the customer experience.

A Faster Shift

In other industries, the shift is happening even faster because service is a key business model for the organization as a whole.

For example, manufacturers that service their equipment think about service as their biggest opportunity. And as a business model, service is as important, if not more important, than the manufacturing process itself. When service is part of a new business model, then, of course, service is related to revenues.

Manufacturers can utilize ideas from the 'Internet of Things' and create a connection between the sophistication of the equipment and the delivery of service. If you constantly collect information from the equipment that you manufacture, then you can be much smarter about how to service the equipment. You'll know when equipment needs to be maintained, moving from preventive maintenance to predictive maintenance.

An example is the smart trash bin which tells you when it's full. It completely changes the planning for emptying trash bins. You don't waste time traveling to half-empty bins. It's one example of how service is changing.

Also, you can use the information you collect to give technicians more knowledge before they arrive on-site. Sometimes, this information can be used to fix things remotely. Then, if necessary, do a truck roll. However, now your technicians know much more before they get to the site.

Let's Make Some Money

Because technicians spend more time with customers than anyone else in the organization, you can take advantage of this quality time for follow-up sales. However, in service, there's an inherent tension between customer satisfaction and effectiveness. It could be that those technicians – that you're encouraging to sell on-site – might spend too much time with customers. Technicians trying to close a deal might be late to the next job. Whenever you have an initiative, it's important to understand the potential impact on other things. So you must communicate the balance that you expect.

One of our customers decided that technicians should engage in follow-up sales when they're on-site as a way to increase revenue. However, the internal compensation plan wasn't clear. The internal processes weren't structured properly. The measurement points weren't clear.

The field technicians contributed to closing the sale, but only the sales staff enjoyed the outcomes of these transactions. When technicians realized they wouldn't receive any benefits from selling, they stopped participating. So this program failed to reach its potential.

Creating the Connections

In shifting to field service as a profit center, there are some challenges. Sometimes, it's hard to create a clear connection between quality of service and revenues because it's difficult to justify the business model around this connection. There are similar challenges for ideas related to the 'Internet of Things'. Overall, it may make business sense. However, there's a lot of information needed to justify investing in more sophisticated and more expensive equipment. The fragmentation of information makes it hard to justify the business model.To pull together the different fragments of information, you need a strong performance management practice. You need to understand that you're going through an iterative process in which collecting and analyzing information and measurements is the key to making progress and taking the next steps. And this performance management practice is what drives the process.

Sometimes, when you focus on an initiative, you may forget that this initiative by itself isn't the end-all, be-all for the organization. You need to understand how this goal might impact other metrics that are important to your organization. There needs to be a clear translation from overarching goals to more specific targets, using communication and process to more easily translate your objectives to targets.

You need to connect the tools you're using to the objectives that drive revenue growth. If you're talking about customer satisfaction, there are planning tools that can be aligned with your business objectives (e.g., shortening the time window; doing priority jobs first etc.). These planning tools can better align the execution of the work with your business goals.

Any benefits gained from the tools you have in place are closely tied to your business objectives. When shifting field service to a profit center, you must close the loop on the business model.

A good example is from one of our customers who wanted to reduce the downtime of critical equipment in their retail stores. Reducing equipment downtime is closely connected with the customer experience at the store and profits. So this customer conducted an analysis that closed the loop:

* What is the customer experience at the store?

* What needs to be done in order to improve the customer experience?

*How can our service organization be organized differently in order to improve that metric?

This customer decided that there are cases when it makes sense for in-house technicians to fix critical equipment at the store. The in-house technicians were deemed 'better' because the company had more direct control, which meant these technicians could arrive more quickly to fix critical equipment.

Achieving Success

Organizations that can focus on the right metrics are the ones that can implement change and improve. Unfortunately, more often than not, organizations don't focus on the right metrics. They reach some plateau of success. But they're stuck there. Their workforce is the same size. They achieved a certain level of efficiency. They attained a certain number for customer satisfaction. But they have no idea how to make it to the next level.

It's not likely that these organizations set goals to reach that first plateau of success. It's more likely they invested in better tools. And those tools helped them get to a certain point. That's not the same as setting goals and conducting a deeper analysis of what's preventing your service organization from achieving its goals.

Improvement processes are all about closing the loop and doing things better and better. As with any improvement processes, what needs to be clear is:

* What are we measuring?

* And how are we measuring it?

With performance management, you can see what's working and what's not. Moreover, you can identify the root cause of problems to determine what could be executed better. Conducting a root cause analysis, putting improvement processes in place, and measuring again is what takes your service organization to the next level.

Think about the shift to a profit center as a change process. To be successful in a change process, you need to have the right mindset for iteration. You set a goal. You start small. You measure. You adjust. And once you achieve success, you leverage and build on your success. **SSE**

*This article first appeared **here**.*

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Sales Development Team

10 essentials

By Greg Klingshirn

What can I do to build a successful sales development team?

It's certainly not easy to build a team of Sales Development legends overnight.

When revenue is on the line, even one false start can be a recipe for disaster. It is absolutely crucial to focus on the right strategies early on. That's where these 10 ideas can help. Implement them into your process and watch your numbers skyrocket:

1. Specialize Sales Roles

Specialization is the heart of the 21st-century sales development process.

It pumps life into the rest of the process by providing a framework around your sales team.

The concept is simple: create at least two roles.

Your Sales Development Representatives (SDRs) will prospect and schedule demos and qualified appointments. Your Account Executives will close deals, only.

Some businesses specialize even more, developing roles for geography, inbound, outbound, and other categories. Insidesales.com has 14 specific roles.

Using this strategy allows each role to be extremely good (and fast) at what they do — because it is their primary focus and objective.

2. Build a Playbook

With the mindset of specialization in place, build specific proceses for your representatives to follow. It helps onboard representatives to quickly and effectively define best practices for your team.

The playbook you build will be a soup-to-nuts guide that includes your hiring strategy to the cadence you use to reach out to prospects.

You'll be better off building a playbook with as many specifics as possible and updating it as you discover best practices for completing individual tasks. You eventually want your representatives to be creative and come up with ideas on their own, but it starts when you can hand over a tried-and-true manual.

3. Hire Hungry up-and-comers who can Punch above their Weight Class

Your hiring strategy must be focused on recruiting representatives who are highly motivated and hungry to succeed.

They should have the ambition to talk to executives and prove themselves as not only competent, but incredibly skilled. Because sales is a game of confidence where two people come together, the person with the most confidence influences the other.

4. Provide Adequate Tools

Your sales development team will be completing repetitive tasks by nature.

Removing as much manual labor from these tasks will make them not only happier, but also more productive.

Try using list building tools like Data.com or SalesLoft Prospector coupled with a CRM and dialer (Insidesales.com or Velocify) to speed up your representatives' days and reduce manual labor.

On top of the necessities, there are great tools that can help reporting, training, and coaching. Leaderboards help spur competition and maintain a strong sales culture. Identify what your team needs and use technology to supplement a streamlined process.

5. Compensate the Team on Performance Incentives

Your sales development representatives schedule qualified appointments and demos, and that's how they should be compensated.

While closed deals are great for your business, your SDRs don't have control over the final conversation. If a struggling Account Executive blows it, it shouldn't be reflected on the paycheck of your best Sales Development Representative.

6. Source Accurate and Targeted Prospect Data

Calling incorrect numbers and emailing addresses that don't exist are sinkholes for your Sales Development team.

Do everything you can to get your representatives clean data.

Prospect on LinkedIn for accurate information on the people you're interested in. It is the best source for up-to-date information because individuals are responsible for updating it themselves.

More accurate contact information yields more meaningful calls and emails, translating to more demos, and ultimately more revenue.

7. Use Qualification Criteria to pass over Appointments

It is key that the appointments and demos your Sales Development team is setting are qualified opportunities.

While not every demo will result in revenue for your business, you want to weed out the completely unqualified prospects at the onset.

Ken Krogue popularized the ANUM strategy in inside sales.

Rather than the traditional BANT concept, ANUM (Authority, Need, Urgency, Money) shifts the focus from budget to authority and need. It is fueled by the concept that finding a decision maker and demonstrating value is more effective than honing in on a prospect's wallet.

In the simplest terms: Generate enough interest, and a prospect will find a way to pay for it.

Make sure the Sales Development team focuses on the right people at the right companies. If you can do this (and what you're selling is valuable), you're golden.

8. Train the Team on Top-Of-Funnel Objection Handling

Your Sales Development team will hear completely different objections than your closers.

Instead of opposition to your product, prospects will be opposed to giving you their time, tell you they don't have a need, or be confused about why you're calling in the first place.

People are busy. They're not objecting to you, they're objecting to the experience of being cold called. — *Steve Richard.*

Speak from the perspective of a prospect's peers. If you're selling to VPs of Marketing, start a conversation with, "I've been speaking with other VPs of Marketing and most of them seem to have trouble generating inbound leads. Does that sound familiar?"

Empathize rather than pitch. You need to earn the right to every conversation and that starts with acting like an advisor.

9. Provide a Career Path

Sales Development is often an entry-level role filled with young talent who are at their first or second job.

Their ambition translates into eventually wanting to become an Account Executive or a team lead, but they lack the necessary experience. Joining a sales development team is a great place to start. By detailing a plan that shows each representative exactly what he/she will have to do in order to be promoted, you're likely to find better talent.

10. Foster a Great Culture

Our number one priority is company culture. Our whole belief is that if you get the culture right, most of the other stuff like delivering great customer service or building a long-term enduring brand will just happen naturally on its own. — *Tony Hsieh.*

At SalesLoft, we hire the top 1% of individuals in their fields who are positive, supportive, and self-starting.

By hiring around core values, employees are not only motivated, but get along well with one another. Keep culture at the forefront of your hiring process and you'll build a great team.

Once these ideas are implemented, there is a huge opportunity to tweak smaller processes to fit your team. Stay committed to these 10 strategies, and your team will be able to hit their quota without batting an eye. **SSE**

Previously published on Salesforce.com's Sales Blog. And Forbes.com.

Greg Klingshirn is Content Manager at SalesLoft. Greg's goal is to make your job as a sales professional more productive and enjoyable.
Connect **Greg Klingshirn**
Visit **salesloft.com**

Value Pricing

Avoid making these mistakes

By Darrin Flemming

"Can I use a value calculator to set my price for my customer?"

I hear this question a little bit less frequently than I used to. However, at times people still come to me and say, "I want a value calculator so I can figure out how much to charge the customer." I then ask, "Why?" and they say, "Well, because we are implementing a value pricing strategy and we want to know how much value the customer receives so that we can charge as close to that value as we can." Because I know this isn't going to end well for them, and despite the fact that I am in the business of selling value calculators and ROI tools, we never do these deals.

Here's what's wrong with that mindset. Customers will see through the ruse and resent you for not being forthcoming. And even if it worked one time with one customer, it's not going to work a second time with that same customer. So now you have customers who don't trust you and won't spend another penny with you. (By the way, this ugliness then gets reflected back on us and is why we don't do these deals.)

How to Set Your Price

We all want to maximize our pricing. However, pricing has to be done within the constraints of marketplace competition and competing alternatives, which include the customer doing nothing. Ideally, before you go to market you would perform a strategic analysis of your offering's value and take into account the constraints just mentioned. However, you can conduct this exercise at any point during the product's lifecycle. What you are trying to uncover is 1) where your offering's value is unique, and 2) at what point your offering's net value exceeds the net value delivered by your competition and competing alternatives.

When a Value Calculator Can Help You Set Price

If the customer answered my "Why?" question above with, "Well, we want to implement gain-sharing contracts and share the risk and reward with our customers," that's a different story. In this case, a value calculator or ROI tool can be very helpful in establishing the value of the shared risk and pricing. A gain-sharing contract can't even get off the ground if the value dimensions and measurements can't even be agreed upon. This is where a value calculator can come in handy – to define what's being measured and how it's being measured. An ROI calculator can be used to model various pricing scenarios. In general, the greater the price agreed to by both parties, the less the vendor's upside is.

How do you set your price? What challenges do you face? Are you using gain-sharing agreements? **SSE**

This article first appeared ***here.***

Darrin Fleming is Managing Director at Stratavant. His ROI selling tools have helped B2B technology and industrial organizations including Honeywell and Avaya quantify their value.
Follow **@dwflemin**

Case Study
Helping Prospects Visualize the Need for Change: The Halogen Story

The Price Objection is Never Valid

Use 'P.L.U.S.H.' methodology

By Chuck Reaves

"In the history of recorded time, no customer has ever said, 'Your price is too high,' and meant it."

Even though it is the most frequent objection that salespeople hear, the price objection is never valid. So, when the customer mouths the words, "Your price is too high," what are they really trying to say? It can be one of a number of things, such as:

- "I don't perceive the value to be higher than the cost"
- "I don't see any difference in your offering and your competitor's"
- "I don't think my problem is as expensive as your solution"

You will notice that the word price does not appear in any of these responses.

There are two ways to sell: value-added selling and commodity selling. With commodity selling, the customer assumes all offerings are the same and so the sale defaults to the vendor with the lowest price. In value-added selling, the customer perceives there is a difference between the offerings and makes their buying decision on cost, not price.

They will perceive this differentiation when the sales professional has done their job.

The only relationship that exists between cost and price is an inverse relationship. The item with the lowest price tag typically costs the most. As an example, you can purchase a shirt for $40 or for $8 – which costs the most? The *price* difference is obvious, but which one will last longer, look better, feel better, etc.?

Sales is a science, not an art. As such, successful selling follows a process. In quality terminology, this is known as standard work. Even though every salesperson is different and every customer is different, there are still measurable steps your salespeople can follow that will drive the sales process away from price and towards value.

There are five principles behind a successful value-added sale. As a memory aid, these steps follow the letters in the word PLUSH. When used effectively, you can overcome or even eliminate the price objection. What would it be worth to you to never hear the price objection again?

P – POSITIONING

Begin by talking to the right person. Many purchasing agents use price as the primary differentiation so who else could you sell to in the client's organization? Identify the person or department that will benefit most from what you are selling and sell to them. The purchasing agent may have been given the buying criteria from someone in another department. In that case, the buyer may not understand what they are buying well enough to alter the criteria – even if when what you bring to the table is better.

Find the right person and then ask the right questions.

L – LISTEN

It is amazing what people will tell you, it is amazing what people will give you if you just ask. The secret to successful selling is the ability to ask the right questions the right way in order to determine the customer's real buying criteria.

Most customers do not know what they want. They will buy something that is not the best solution for them and they do so based on their limited understanding of what they are buying. Can you keep up with all of the changes that are happening in your market, industry, competitor's organization or technology? What makes you think your customer is keeping up?

It's virtually impossible for the human mind to ignore a question. When you use questions, you will engage your customer's subconscious mind and make an impression. Stop talking, ask questions and listen.

U – UNIQUE

What really makes your product, service or organization unique? If someone asked you what made your product or service different, what would you say? If you were to use words like quality, service, people, etc. you would actually be commoditizing yourself. How many of your competitors are using those same words? Even though your service or quality levels are measurably higher than those of your competitors, using the same words they are using dilutes the value of the differentiation.

What really makes you different? Ask your existing customers.

S- SOLUTION

Every trained salesperson has learned some aspect of solution selling. It is the backbone of most sales processes. In value-added selling, sales professionals take it to the next level. They begin by asking some version of a common question: "What are the top three problems facing your business right now?" Seasoned salespeople have learned that the customer will rarely tell them what the problems are, even when they try. They will answer, with something like, "Our sales are down," "Our attrition is too high," and "Our manufacturing costs are up". None of those are problems.

They are all symptoms. Something is driving their sales down and their attrition and costs up. The value-added sales professional understands this. Rather than arguing with the customer – "Isn't that really a symptom, Mr. Customer?" – and rather than offering a solution, the professional takes two more steps.

The next step is to qualify the problem by asking the customer how and when the problem manifests itself. Then, the sales professional asks what the cost is for each manifestation. By the time this line of interest (not inquiry!) is complete, the salesperson and the customer will have a clear understanding of what the real problem is, and what it is costing. When the salesperson quotes their price, it is in comparison with the real cost of the problem it will solve.

H – HELP

Helping means doing everything the customer asks, and then some – and getting credit for it. Known as the "extra mile", it is probably something your organization is already doing. Your customer may not appreciate your extra efforts because they do not know you are doing it. Brag about yourself.

To overcome or eliminate the price objection, make sure you are talking to the right person, asking the right questions in order to show which of your specific differentiations are most viable for them. Then justify your higher price by quantifying your value. Keep your customer and earn referrals by going the extra mile. **SSE**

Chuck Reaves, CSP, CPAE, CSO helps companies raise their prices and volumes simultaneously through innovative processes, tools and training. With his innovative presentations on sales and motivation he has inspired hundreds of people to pursue and achieve their impossible dreams. Along with pioneering many advanced sales tools and processes, Chuck's achievements include Vistage's 'Impact Speaker of the Year' honors and being named the top salesperson for AT&T. Visit www.chuckreaves.com

Five Customer Service Tactics

Incorporate them to increase sales

By Shep Hyken

To be truly effective, customer service must permeate the culture of a company. It is everyone's job. As such, this article, although it focuses on sales tactics, actually falls under the heading of customer service.

It is more about the way you engage your customers and how you make them feel comfortable about doing business with you now, and in the future. These tactics work for B2B as well as B2C, though the examples discussed here are based on a retail setting. Incorporate these five customer service strategies into your sales tactics and watch sales grow.

1. Be engaging – First impressions are always important. Put your best foot forward with the customer greeting, whether it be in person or on the phone. This sets the tone for the entire interaction.

2. Ask a question – Make it an open-ended question, not just one that requires a yes-or-no answer. The standard "Can I help you?" is too vague and doesn't invite a definitive answer. Better would be, "What can I help you find today?" or something that will draw out a specific reason the customer is shopping in your store.

3. Ask another – Once you have ascertained *what* the customer needs, ask *why*. Knowing why the customer needs a specific product or service will give you a better understanding and possibly other opportunities to help by upselling related products.

4. Upsell – Once you understand why the customer is purchasing a particular item and why he or she needs it, upsell if appropriate. For example, if an Ace Hardware customer has come to the store to buy a can of paint, it is logical to assume and ask if the customer is also in need of other supplies such as paint brushes, rollers, drop cloths, buckets or trays… you get the idea. If you are reluctant because you believe that upselling is a pushy form of customer service, just imagine how that customer will feel if he returns home and realizes he forgot to buy brushes.

5. One more question – Don't assume that the customer has only come to your place of business for one reason alone. Ask if there is anything else that the customer needs – it could be related to the purchase(s) you have already discussed or something completely different. If the answer is 'yes', begin the steps again to make sure the customer goes home with all needed items.

And I'd like to add No. 5½, Say thanks – Offer a sincere "Thank You!" This expression of gratitude will leave the customer with a lasting, positive final impression. It is at least as important, if not more so, than the first impression.

Ultimately, though we are discussing selling tactics, the message here is about engagement. Specifically, how to use customer service strategies to actively engage with the customer during the actual selling process. Hire the right people for the job – selling and serving the customer – and train and motivate them to engage with each customer to provide an amazing customer service experience. SSE

Shep Hyken is a customer experience expert and the Chief Amazement Officer of Shepard Presentations. He is a New York Times and Wall Street Journal bestselling author and has been inducted into the National Speakers Association Hall of Fame for lifetime achievement in the speaking profession.
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Sales and Marketing

How to solve the disconnect

By Ian Altman

I had the honor of conducting a workshop at Content Marketing World in Cleveland recently. Joe Pulizzi and his team at Content Marketing Institute put on a wonderful event. Joe trusted my good friend and content marketing guru, Marcus Sheridan, enough to allow Marcus to invite me to co-present with him.

Marcus and I have been working closely together on an approach to break through the barriers between sales and marketing. Our goal is to help organizations solve the disconnect between Sales and Marketing.

Though I typically speak to groups of senior executives or sales professionals, the entire room in this workshop identified themselves as marketing professionals representing a wide range of companies, from small companies to the largest organizations on the planet. Each attendee confirmed that they would see even more dramatic results if their sales counterparts were also in the room.

Why Sales and Marketing Must Work Together

Marketing has the job of crafting messages that are most likely to resonate with your ideal customers. In essence, you want to craft a message that will get the customer to think "Yep – that's me. We face that same challenge." However, who has the most interaction with potential customers? Who is most-likely to be in tune with the types of questions customers are asking? That's right, it's the customer-facing sales and project professionals. See the problem?

Marketing works to create a message that would resonate for customers. However, the sales organization spends the most time with customers. Without tight integration between sales and marketing, your marketing organization may as well be battling with one hand tied behind their back. If properly engaged, salespeople have the most to contribute to creating valuable marketing content.

In most cases, however, companies miss the opportunity to engage their sales and customer-facing teams in the marketing effort. In fact, the metrics that many companies use to measure their sales and marketing people is misguided, outdated, or both. As managers, we know that our teams tend to perform the tasks that we measure. So, when we track meaningless data points, then we get less than stellar results.

Keep in mind that in most cases, the problem is that managers do not know which data points to collect, or how to make sense of the information. So, they collect simple stuff that might not translate to results.

When Quality is Tough to Measure, Quantity is not Misleading

One of the workshop participants shared that their sales organization measures and holds the sales force accountable for the number of outbound calls they make. I responded by saying, "1984 is calling and wants their useless metrics back." When executives and sales team leaders don't know what to measure for quality, they defer to quantity – such as number of calls, number of website page views, clicks, in-person meetings, or proposals. Similarly, sales organizations often complain that marketing is not generating enough leads for the sales team. The answer is not more leads, more calls, or more meetings. The goal is for marketing to create content to attract more of the RIGHT opportunities, and for sales to have the right types of conversations that might uncover whether or not that opportunity is a good fit for your company.

Recognize that determining a potential customer is NOT a good fit is as valuable as determining that they ARE a good fit. The only way to determine if marketing is producing results is if you are growing your business. When sales and marketing are aligned, then you can start to determine if marketing is attracting the right people to your business.

The Only Time Pure Numbers Matter

If you sell consumer products, then casting a wide net might make sense. Otherwise, marketing and sales within an organization need to focus on quality over quantity. The first step is for marketing and sales to develop a clear strategy that identifies the problems your organization is best at solving for your potential customers. Create a list of the reasons your potential customer could use to justify an investment in what you are selling. Then, task your team with uncovering which of those reasons your ideal customer is likely to be facing.

If you struggle to define that message, then you have probably not engaged your sales and customer-facing people in developing your content and messaging. B2B customers make changes when they see a problem or opportunity that is worth the pain of changing.

Why It's so Important

If you want to grow your business with incredible velocity, then make it everyone's goal to attract those customers you are likely to deliver the greatest value. If sales and marketing work together to attract ideal customers to your business, then you'll waste less time chasing rainbows, and spend more time counting revenue. Companies that truly commit to solving the disconnect between sales and marketing will stand out from the competition, better meet the needs of their customers, and significantly grow their business.

This the fundamental reason why in January 2014 we launched the first Remarkable Growth Experience built for company 'teams' and not individual departments. Not surprisingly, the event quickly sold out and produced great results for the participants. Here's a three-minute video recap.

It's Your Turn

How aligned are your sales and marketing teams? How do you track progress? What have you done to focus on quality over quantity? SSE

Article as seen on Forbes.com.

*The article appeared **here**, as well.*

Ian Altman is the Amazon #1 Bestselling author of *Upside Down Selling*, and *Same Side Selling* (April 2014). Executives rely on Ian as a trusted advisor, speaker, and author on sales and business development (some people even think he's a good guy!). Each day, he helps his clients discover how to flip the buyer-seller dynamic on its head, regain control of the sales process, and earn the role of trusted advisor to dramatically grow revenue.
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Inbound Leads: Part 3

To Pre-qualify, or Not To Pre-qualify?

By Dan McDade

Is it necessary to pre-qualify inbound leads? That's the overarching question I recently presented to a panel of industry experts. Over the course of this three part series, you'll hear from 15 leading voices in the world of sales, marketing and lead generation, as they share their insight in response to the following questions:

Are companies wise to invest money and time to pre-qualify inbound leads from marketing automation systems that have been assigned a 'perfect' lead score?

Should CMOs feel confident that these leads from marketing automation are ready for sales to close.

Without additional qualification measures (such as tele-qualifying) will these leads inevitably clog and choke the sales pipeline?

We started the first series hearing from author and consultant Ardath Albee; entrepreneur Kyle Porter; author and consultant Joanne Black; and consultant and speaker Dave Brock.

In the second part of the series, we heard from The Funnelholic's Craig Rosenberg; Annuitas Group's Carlos Hidalgo; Sales Lead Management Association's Jim Obermayer; Direct Marketing News' Ginger Conlon; consultant and trainer Dave Stein; and agency founder Matt Heinz.

We are now at the third and final part of this series, where we will hear from Connect & Sell's Chad Burmeister; consultant and professor Ruth Stevens; sales guru Chris Tratar; Care.com's Chris Snell; and finally, cleaning up is 60-Second Marketer's founder and CEO, Jamie Turner.

Read PART 1 Here	Read PART 2 Here	PART 3
Ardath Albee	Craig Rosenberg	Chad Burmeister
Kyle Porter	Carlos Hidalgo	Ruth Stevens
Joanne Black	James Obermayer	Chris Tratar
Dave Brock	Ginger Conlon	Chris Snell
	Dave Stein	Jamie Turner
	Matt Heinz	

Now, to the experts:

Chad Burmeister – "Leads that come from online marketing may not be all that good."

It depends on several factors. If a company has a way to classify leads into buckets such as 'A', 'B', 'C' leads, then the A leads (AKA, the "website contact me now" leads) can be transferred directly to sales. The B & C leads (the bulk of the leads) should be pre-qualified by a Lead Qual team.

Some highly tuned sales teams such as WebEx, Act-On (ex-leaders from WebEx), and other world class companies that have identified 'A Leads' can absolutely pass them to sales. Caveat – the speed of follow-up and a sufficient number of touches (including the utilization of Advanced Sales Acceleration from Connect & Sell) are required to efficiently and effectively work leads.

Chad knows how to sell! I don't actually believe any leads (including what he refers to as the 'A' leads from marketing automation) should be sent directly to sales without pre-qualification. Chad does make the point, however, certain organizations can put a higher degree of trust in scoring, and offer some insight into how the process should work, as well.

Ruth Stevens – Author of *Maximizing Lead Generation*

It all comes down to math. If the so-called qualified leads turn out not to close at the desired rate, or produce the desired ROI, then setting up additional qualification processes should be tested. However, that approach does not factor in the potential fallout of asking sales counterparts to participate in such an experiment. If marketing leadership has concerns about wasting the time and good will of the sales team, then I'd suggest a pre-test of these auto-qualified leads, using a separate group to test their validity.

Ruth is, as usual, looking at outcomes and the bottom of the funnel — not just the top. I also like that Ruth is consistently a fan of testing. Testing is one of the most effective, efficient things marketers can do; unfortunately, it is largely ignored in most companies, including the biggest of companies.

Chris Tratar – Why Sales Enablement is NOT Content Management

When it comes to pre-qualifying leads, you should always hand sales leads that are as qualified as possible because your sales representatives need to be as efficient and effective as possible. More qualified leads also ensure that less pipeline will fall out. The key to passing any lead from marketing to sales is to ensure that your sales team gets the right coaching materials and enablement at the right time to have the next successful conversation.

Chris Tratar takes the process beyond lead generation. His recommendation about the sales team getting the right coaching, materials, and enablement at the right time is really great advice and very additive to this conversation:

Chris Snell – On PowerViews Video Blog

I believe that there always has been, and always will be, room for tele-qualification on any lead. I don't think we've reached SkyNet levels yet, where the machines are completely doing our jobs. I think all of the inbound tools that marketers and sellers have to use at their disposal are fantastic, and they have certainly changed the selling landscape. However, although inbound leads from marketing automation tools are great, I do not think that there is a substitute for actual conversations.

In his role, Chris Snell has a unique bird's eye view on inside sales and makes valuable points from that perspective.

Finally, my clean-up man, Jamie Turner, who has written books on this and other related subjects, provides the three stages (Flood, Science and Art) companies go through as they grow more sophisticated in using marketing automation. I think you will find his insight very helpful:

Jamie Turner – 30-page Mobile Marketing Report (two-question registration page)

I've found that there are three different stages companies go through when it comes to marketing automation.

The first is the Flood Stage where companies flood their database with too much information, too quickly. This, of course, generates less-than-stellar results. I'd guess about 50% of the companies stop at this stage because they think that's all there is to marketing automation.

The second stage is the Science Stage. That's when companies realize that they can use statistics to optimize and improve their results. About 40% of the companies that use marketing automation get stuck in the Science Stage. It's not a bad place to get stuck because the results are satisfactory, but it's not ideal.

The final stage is the Art Stage. I call it that because there's an art to pre-qualifying a sales ready lead. Only about 10% of the companies that start out in marketing automation get this far, but it's where the gold is. When someone pre-qualifies a lead before sending it along to the sales team, they can 1) keep the sales team engaged and motivated, and 2) improve the ROI of their campaigns.

The bottom line? Don't get stuck in the Flood or the Science stages. Keep going until you get to the Art stage. That's where you'll generate the best results.

To recap, here's a compilation of excerpts from each of the 15 experts, across the entire three-part series:

"Prequalifying leads that have reached a scoring threshold in marketing automation is critical" -- Ardath Albee.

"There is no such thing as a 'marketing automation lead" -- Kyle Porter.

"… most leads generated from a company's marketing automation system are not ready for sales" -- Joanne Black.

"…high quality lead scoring and possibly some level of tele-qualifying might be required to produce quality sales ready leads" -- Dave Brock.

"Do not 'set and forget' marketing automation scoring" -- Ginger Conlon.

"We would never ask a customer to trust any output from any of our solutions, without 'running parallel" -- Dave Stein.

"… unfortunately, messy lead scoring methodologies also typically lead to salespeople missing or ignoring the good leads that are hidden in the stack somewhere" -- Matt Heinz.

"I believe that 100% of leads should flow through a sales development engine" -- The Funnelholic – Craig Rosenberg.

"… a personal interaction that signifies when a buyer is ready to pull the lever and can only be garnered by a human talking to another human" -- Carlos Hidalgo.

"Everyone in the organization, especially marketing, must understand the difference between a sales lead and an inquiry" -- from Jim Obermayer's new book, *Managing Sales Leads*.

"Caveat: the speed of follow-up and a sufficient number of touches are required to efficiently and effectively work leads -- Chad Burmeister.

"If so-called qualified leads turn out not to close at the desired rate then additional qualification should be tested" -- Ruth Stevens.

"The key to passing any lead from marketing to sales is to ensure that the sales team gets the right coaching, materials and enablement at the right time" -- Chris Tratar.

"I believe there always has been, and always will be, room for tele-qualification on any lead" --Chris Snell.

"The Art Stage. Only about 10% of the companies that start out in marketing automation get this far… but it's where the gold is" -- Jamie Turner.

There you have it, folks. If you've been with us the whole way, you've heard the viewpoints of fifteen of the finest in B2B sales, marketing and lead generation. How have their views influenced yours? **SSE**

*This article first appeared **here**.*

Dan McDade is President and CEO of PointClear. Dan McDade founded PointClear in 1997 to help B2B companies with complex sales processes, and drive more revenue through effective prospect development. Over the past 16 years, his vision and innovative strategies have assured 100% of leads delivered to PointClear clients are sales-qualified… enabling them to close up to five-times more deals.

Visit **www.pointclear.com**

Connect **Dan McDade**

Rethinking Sales Incentive

Maximize results

By Tibor Shanto

The great thing about sales is there are as many undefined elements as there are opinions, and there is no shortage of opinions, on every aspect of the subject. Some, almost everyone agrees on, while many split sales professionals into many camps, each believing and evangelising their approach to achieving results. Visit any book store and you'll find numerous titles dealing with the facet of sales and selling; confirming that there are few definitives, but there are many valid and well thought out opinions, with varying results.

One important area that yields much debate and many opinions is the topic of incentive. People agree on the big concepts, but there is less consensus on how to deliver on those big concepts. When it comes to incentive, almost everyone seems comfortable that incentives (should) drive behaviors, and behaviors drive results, and in sales the big result is achieving quota, individually and collectively.

The evidence however would suggest that the concept does not work. Depending on the source, B2B representatives attaining quota seems to be hovering just under 60%. As low as 52% in 2009, the height of the economic downturn, rallying to 63% in 2012 (*Sales Performance Optimization: 2013 Key Trends Analysis* - CSO Insights). Factor in the realities of the black art of quota setting and a realistic number is probably in the middle, 57.5% of representatives. This leaves 42.5% of representatives who did not, or could not, adopt the behaviors the incentive was meant to drive.

Making it time to explore and explode some sacred beliefs. Let's start with what you actually pay out for, what are you buying with your incentive dollars. The knee jerk answer is 'results', and for most that is closed deal. Having worked with literally hundreds of sales organizations and their leaders, all but one, believed and defended the practice of paying incentives only for closed deals, delivered revenues. Whenever I challenge that in the way I am about to present, I have faced a wall of noise, and am branded a heretic or lunatic, or both.

If you look at a completed sale, it is very much a Lagging Indicator. By the time you know the result, win or lose, it is too late to do anything about it, you can no longer affect the outcome of that sale.

Sure, you can take lessons and try to apply them to the next sale, but the current cycle is done.

At the same time, the activities and behaviors that lead to the outcome over the course of the sales cycle are Leading Indicators. Given that the outcome of any given sale is not a result of one act at the very end, there should be a greater focus on Leading Indicators, the behaviors and actions from the start of the sales, as far back as lead generation, through to the close. This is where my troubles begin.

If we break a sale down to simple stages:

Lead Gen > Engage/Prospect > Discovery > Gaining Commitment > Close

We can understand and define what needs to happen in each stage to set the sale up for success in moving it to the next stage and ultimately to close. Each stage has defined objectives, activities, tasks and measures, helping better drive and change behaviour, to the point where organizations can more consistently sustain behavioral change. This leads to better execution of Leading Indicator activities, leading to more of the right outcomes at each stage, and ultimately the desired Lagging Indicators, i.e. more sales, more quota attainment; better bang for incentive dollars.

I want to be clear, what I am about to propose only works if you have a truly clear and validated definitions of the stages and activities required at each stage, a discipline many are reluctant to take on, even though the progress in tools and ability to measure have improved, and this is not as hard as it may have been 10 years ago; what hasn't changed is the lack of willingness to be accountable.

For the sake of the example, let's say we pay out 10% commission on a given deal. Traditionally, a balloon payment is made at the end of successful cycle. So here an alternate approach, what if we paid out as follows.

For every real appointment, again defined, based on a documented profile, properly and ***FULLY*** qualified, and not sort of qualified, "they were breathing at the time" type of thing; we pay out 1%.

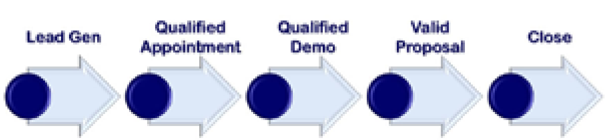
After further interaction and discovery, they ***qualify*** for a demo, again defined, documented and adhered to, we pay out another 1%.

Because it is based on collected data, (after all why did you buy that CRM, because your buddy had one?) you know that 70% of all ***QUALIFIED DEMOS*** lead to a valid proposal.

Once it gets to proposal, real and defined, validated, no spaghetti throwing, you pay out another 1%; again because you know from data, that 75% of ***QUALIFIED AND VALIDATED PROPOSALS*** close.

The remaining 70% of the incentive is paid out on close.

By re-portioning 30% of the available incentive dollars, you can focus the representatives on the right activities that need to be consistently executed if they are going to win sales. It also ensures they focus on qualified opportunities, and develops the behavior of disqualifying opportunities that, again based on data, are not likely to close. The 'right activities' are your Leading Indicators.



	Incentive Pay Out				
Traditional	0%	0%	0%	0%	100%
Behavioural	0%	10%	10%	10%	70%

There is no disagreement that incentive drives behavior, it is just a question of which behaviors. If all we pay for is the 'close', that will be the focus. If we paid for proper prospecting and qualifying, you would get that; pay for qualified demos rather than "hope this demo sells this for me", and your demos will be qualified; pay for proper proposals built in collaboration with the buyer, and that is what you will get, much better than some of the "Hail Mary" passes that sometimes pass for proposals.

In the same way that I encourage sales manager to ask representatives, "which opportunities are you opening?" every time they ask about what the representative is closing, communicating that the steps that precede the close are as crucial to success.

This incentive model also introduces and develops an active coaching and managing culture which delivers more benefits. Lessons that would be lost by focusing only on one outcome, can now be leveraged, to improve all the activities across the cycle, the right Leading activities that lead to more closes. Team development does not have an on/off switch, it needs to be continuous and integrated in to everyday and every stage of the sale. Rather than just looking back at the end of the deal, you can adjust early, and have a willing representative because they can make money for doing the right thing from start to finish.

The notion that the sale is the only thing that counts could be correct in an absolutist vacuum, but the smart money should be on enabling the close from the get go, meaning spreading the financial rewards in a way that reflects the effort required. And precisely because I want you to close more deals, I encourage you to consider whether you want to be 'right' or you want to close more revenue? **SSE**

Tibor Shanto is the co-author of an award winning book on Trigger Event Selling, and Principal of Renbor Sales Solutions Inc. His blog The Pipeline won the Gold Medal for Top Sales & Marketing blog 2013 - Top Sales World Awards, and he was Ranked 8th on the Top 30 Social Salespeople In the World - Forbes.com 2014. Called a brilliant sales tactician, Tibor works with companies to improve execution of their process by helping translate sales strategy to tactical success.
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LMS for Training

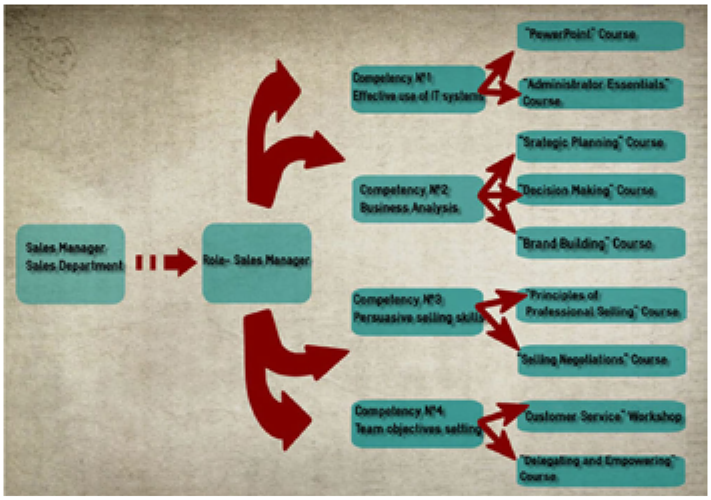
Roles and competencies approach

By Ilona Hetsevich

Today's extremely competitive business environment forces employers to invest a considerable amount of money in staff training. However, traditional training, with employees wearing out the seats of their pants at lectures or thoughtlessly clicking the 'NEXT' button on their computers doesn't bring great results.

Instead your managerial team should look at alternative training options including the use of roles and competencies.

Today's article is devoted to this approach and explains how a Learning Management System (LMS) can help effectively organize a system of personnel development.



To start with, let's explain what competencies mean. The term is commonly used in the training world, but for newbies it can be obscure.

Competencies – skills, knowledge, and abilities required to perform effectively at a position held in a certain industry or field.

A competency-based training approach gives employees an understanding of what skills and knowledge are needed for their job and where exactly they are on a training track.

Competencies can be divided into two groups -- core and job competencies. While core competencies are skills required for all staff members regardless of position, job ones are based on specific roles in the organization. The higher the job position, the wider range of skills and abilities expected. Examples of core competencies include:

- Planning and analyzing
- Collaboration
- Support
- Problem solving
- Creativity etc.

To explain job competencies, let's look at a competencies profile for a hypothetical Sales Manager:

This image shows the role of a Sales Manager and the competencies he/she is required to have to perform effectively. Revealed competencies are connected with learning activities (courses, workshops etc.) that have been uploaded into your LMS and assigned to the specific employee.

For example, the Sales Manager is expected to develop a competency in 'Persuasive Selling' and so they are assigned to take the "Principles of Professional Selling" and 'Selling Negotiations' courses.

The next step in the competency-based training approach is to develop an 'employee professional development plan.' This should be complete with a curriculum, progress monitoring, and results evaluation by means of specific performance indicators.

One of the major benefits of a training program designed like this is if an employee aspires to be promoted to a different position in the company they can initiate the competencies-based training by themselves. For example, the employee is tested and then receives feedback from your LMS in the form of a development plan (in some Learning Management Systems this is compiled by the LMS administrator). The plan specifies the particular training activities they must fulfill and the results they need to achieve to be promoted.

A competencies-based training approach, applied within an LMS framework, not only manages employee's knowledge but brings it in line with the actual needs of the business, thereby increasing job efficiency and ensuring overall company success. Using an LMS is key here, because it allows for:

- A chance to monitor and measure results.
- A detailed reporting system.
- Trouble-free training materials delivery.
- Training process automation.
- Training cost reduction.
- Retention of qualified personnel. **SSE**

The article first appeared ***here.***

Ilona Hetsevich works for JoomlaLMS and focuses on eLearning software development. She writes based on her company's experience in the eLearning field.
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Drive Sales Performance

Using predictive analytics

By Jeb Stewart

As the global talent shortage continues, how can today's sales leaders compete for the best people, strengthen their pipelines and still boost their bottom line? Beyond the standard list of KPIs measuring activity and sales ratios, more and more organizations are turning to science and workforce analytics to better assess their sales teams and improve performance in a strategic and sustainable way.

The shift to this data driven strategy has made scientifically-validated assessments essential for organizations looking to accelerate the sales performance of individuals, teams and the organization as a whole.

Across industries, the use of assessments is becoming more widespread for several reasons. According to Aberdeen Research, behavioral assessments that measure motivating needs and drives are the most commonly cited assessment type in use by best-in-class companies.

In fact, 94% of these organizations use a behavioral assessment as part of their talent initiatives, and most commonly to support hiring and selection by replacing 'gut'-feel decisions with scientific rigor. As an accurate predictor of human behavior, assessment data gives managers insight into how a person will function in the job over the long haul, thereby increasing hiring accuracy and strengthening job fit. In turn, these organizations benefit from higher retention rates and stronger performance levels.

Best practices for using a robust and scientifically-validated behavioral assessment system include:

* Creating a well-constructed job description that accurately reflects what is expected of the position.

* Building a companion assessment, typically referred to as a job analytic, to help quantify the behavioral requirements of the job and create a job 'target'.

* Screening candidates with a defined hiring process that includes determining, without bias, how well the candidate's core personality matches the job requirements for the position, and the environment.

* Conducting a fit/gap analysis between the role and the candidates and crafting behavioral interview questions that will help the hiring manager confirm the 'fits' and determine if the candidate can bridge their 'gaps'.

* Beyond strong job fit, top performing organizations have recognized that assessment tools and the data they yield can deliver even greater value when leveraged at each subsequent phase of the employee life-cycle, from onboarding and development to coaching and training. For sales managers in particular, using behavioral data can make the latter more effective when combined with skill data — a concept to be discussed a bit later in this article.

Analytics PowerPack: Skill and Behavioral Assessment

While behavioral assessment primarily measures innate characteristics that remain consistent and predictable over time, skills assessment data adds a critical dimension to driving performance because it measures something that can be developed and improved. A sales skill assessment will reveal an individual's strengths and weaknesses in the sales process, which today is focused around building trust, asking the right questions and positioning. It quantifies the effectiveness of each sales behavior, providing representatives and managers a skills baseline and insight into what that rep needs in terms of coaching and training to impact performance. After about 6-12 months, you can re-test the individual and measure the change. This provides a solid method for quantifying training effectiveness.

Through skills assessment you can help your employees identify what they need to do to improve performance. The next challenge for you as a manager is to help them execute on this knowledge. This is where behavioral data can once again play an important role. Too often sales representatives may have strong skills, but can't quite deliver. Other times, they have the drive to succeed but lack the skills to close the deal. For a manager, analytics provides you with the data and tools to bridge the chasm.

Delivering Informed Coaching

Skill and behavioral assessment data, considered in parallel, give managers insight into what a representative knows, what they can do as well as their motivating needs, communication style, decision-making approach, etc. – powerful information that informs effective coaching.

With concrete data to guide the process, a manager's coaching time increases in efficiency and effectiveness because it creates a mutual understanding around what is needed to improve performance. However, this cannot be done through a "one size fits all" approach. Armed with several data points a manager will know exactly how to motivate his/her representatives and where to invest time and energy to get the desired sales results. In addition to information about the person you are coaching, managers can benefit from assessment data to understand their own needs and coaching style. This form of coaching, informed by analytics, helps bridge the knowing-doing gap with ease. The result is a highly targeted and consistent coaching experience that drives predictable results faster and over the long term.

Using Workforce Analytics to Tackle the Talent Shortage

At a large Global 100 company, the availability of talent in a specific region of the world was non-existent. They had always used resume screening as a strategy. They were losing potential candidates to other large organizations due to more lucrative compensation and benefit packages.

With the resumes not available, they had to make a fundamental change to their thought process and in turn the way they acquired talent. The company turned to workforce analytics to transform its hiring process and increase performance. Using the Skinny Resume strategy of selecting people based on their genetic talent as it related to the requirements of the job, it allowed them to find talent they would have never found by resume screening. The company chose a group of 100 sales associates that were placed in an accelerated learning program to develop the skills necessary for success in the position. The outcome of the strategy using behavioral analytics showed a significant increase in performance after just three months in the position. This strategy that was started in January of 2013 has now become a global initiative for the organization.

The Bottom Line

Workforce analytics used with sales representatives helps keep the human element in the forefront of exceptional sales. The more competitive your market and the more your product becomes a commodity, the more critical the human element becomes. Fortunately, science ties the two together. As such, when data is acquired and used responsibly, to inform and guide development, managers, employees and customers will benefit. In 2014 and beyond, successful companies will be those that leverage workforce analytics with their teams to enhance skills, embed the right behaviors, eliminate errors and coach representatives to win in this transformational global economy. **SSE**

Jeb Stewart is the Chief Operating Officer of the Predictive Group, Inc., a PI Worldwide Member Firm. Jeb's focus is on developing and implementing workforce analytics strategies to help accelerate the performance of individuals, teams and organizations at Predictive Group's clients around the world.

Connect **Jeb Stewart**

Local to Global

Managing a remote sales team

By Eric Quanstrom

When applied to a company, the term multinational used to mean a big corporation with physical branches in numerous countries. With the advent of the Internet, however, the term's definition has radically changed; it can now encompass any company — even a small one with a few employees — that has the capability of selling anywhere in the world.

With the incredible advantage provided by instant communication of both audio and visual nature, it would seem that managing remote sales teams would be pretty easy. However, just ask anyone who has tried it; it's anything but easy, and if not fully understood can result in a sales manager gone bald from pulling hair over missed sales targets and sagging revenues.

Local to Global

From a selling standpoint, sales teams are much more effective covering local territories than trying to sell over distances. Customers and prospects can relate much more easily to a salesperson who comes from the region; they speak the language, know the local idioms, are intimately familiar with local business customs, know all about local economic issues, and much more. Perhaps most importantly, they're right there in person with the customer — the 'personal touch' doesn't get any more personal than that.

However, impose hundreds to thousands of miles between salesperson and prospect, and there's almost a ratio of challenges to distance. Each of the points mentioned above become barriers to remote selling, especially when not addressed -- and when salespeople are ignorant of them, they're likely to fail.

Sales Management

A sales manager will run into the exact same barriers when dealing with remote salespeople or sales teams. The salesperson on the ground is familiar with the local 'beat' and also operates within the same local and business customs. When a sales manager isn't familiar with these, they'll run into trouble dealing with the remote sales team.

This can have exaggerated ramifications if the sales manager is in one country and the sales team is in another. For example, there are a myriad of customs involved with making a business deal in Japan, as well as a rigid set of expectations in the employer-employee (sales manager-sales representative) relationship. An American sales manager unaware of these customs will find himself or herself getting absolutely nowhere. But interestingly, customs and social behavior can vary widely even within borders. A sales manager in Arkansas dealing with a sales representative or potential prospect in Philadelphia, not having a clue as to their local social customs, is in for a shock. In Philadelphia people are often blunt — they actually mean nothing by it — and they expect someone to get right to the point. In the South, light banter before business is usually the order of the day.

Learn About the Locality

While there's no substitute for traveling in-person to a remote territory, there are ways a sales manager without a travel budget can get an inside line. They can begin the relationship with a remote sales team by getting to know them, asking detailed questions about the area and how it works, and discuss out how sales are normally conducted. The sales manager could contact other locals in the area, such as business associations or tourist bureaus to get a handle on how things work. This should all be done before formal management starts.

Nuts and Bolts

Now the real work begins. The key to any management position is service -- and in effect you are serving your sales teams by leading them successfully. Spend time with them, look for their strong points and bolster them.

Spot their weak points and help them overcome them. Be a mentor and a coach.

Then comes measurement — you must accurately monitor the progress of the team. There are many methods out there for measuring sales — the best are evolved through a complete understanding of your sales process and finding accurate measures of each step of that process. Note that a sales process may vary from territory to territory, depending on business practices.

As distance becomes greater, times to connect become more important. Remote sales meetings schedule, across time zones, should be as convenient as possible for both of you. Schedule calls, or online conferences well in advance.

Organization

In any sales organization, getting everyone on the same page is vitally important. Everyone must be operating off the same sales process, using the same analytics, and making use of a common CRM solution (as opposed to a mashup of spreadsheets and personal systems).

Such organization becomes exponentially important when remote management is involved. There must be tight agreement on procedures and analytics, so that you as sales managers are aware at any time of the priorities of any sales team, and ideally the status of any in-progress sale. This also makes it possible for you to analyze and report on your sales organization and picture without having to slog through the time-consuming task of assembling multiple bits of disparate information.

If a sales rep or local sales manager deviates from this structure, you might not find out until it's too late. Correct problems as quickly as possible — and be ready to change the structure if salespeople have found flaws in it that impede sales. Part of being a good manager is learning from those on the ground, especially over long distances.

Managing remote sales teams can be successful — but it does take some extra sensitivity and organization. Skilled sales managers only will familiarize themselves with the locality, understand regional practices, and measure with vigor. **SSE**

Eric Quanstrom is Chief Marketing Officer at Pipeliner CRM. Formerly he was COO at Sorenson Media, and VP of Marketing & Business Development at Logitech.
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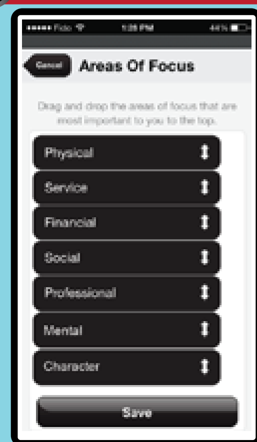
***Available Q2.**

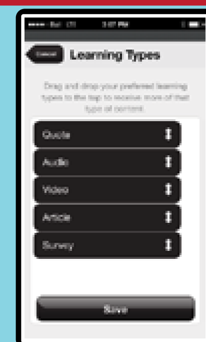
Employees choose the areas of focus they want to work on.

1 Choose area of focus

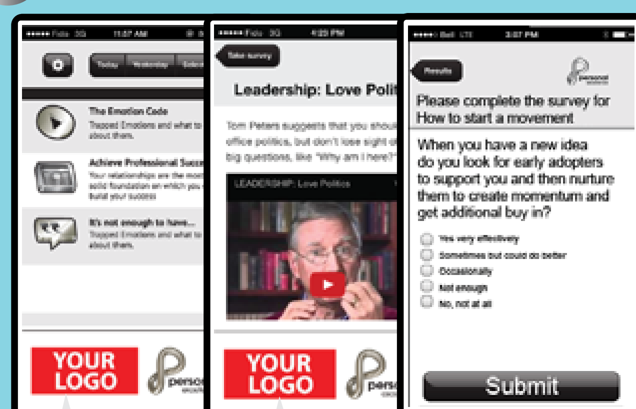


Employees choose how they learn.

2 How employees learn



3 Spend 3-5 minutes of the day



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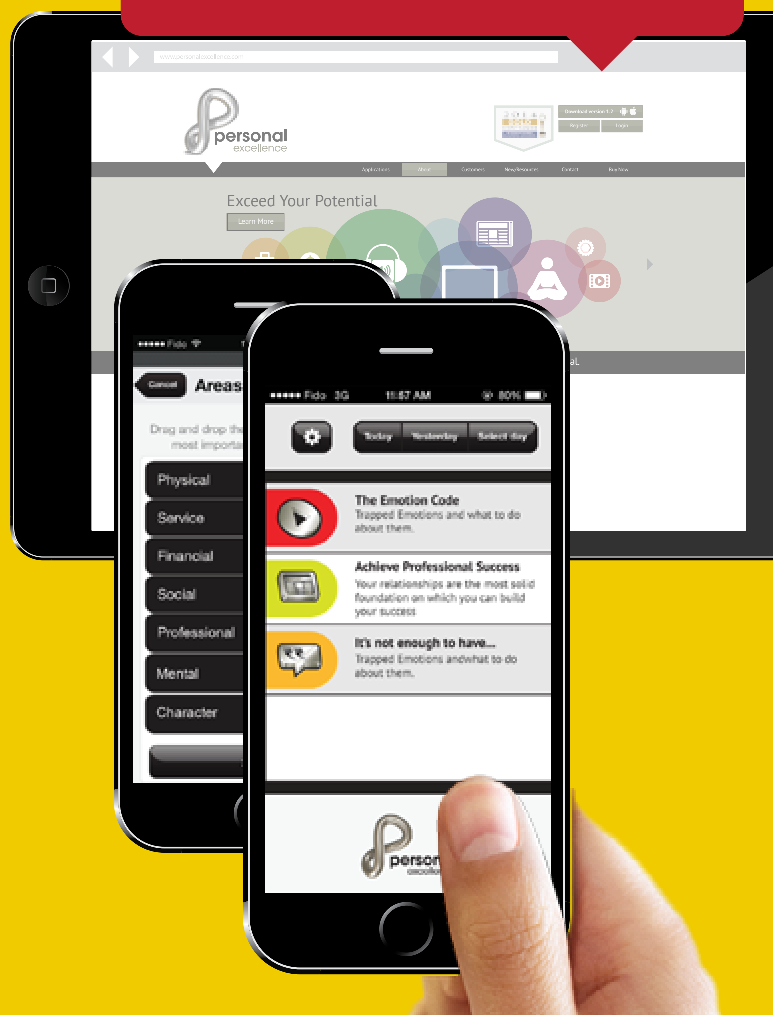

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A Salesperson's Mind

A Salesperson's Mind

By Steve W. Martin

During the first four years of your life, 90 percent of your brain's growth and development occur. Your mind evolved as it interacted with the world around you and recorded strange and exciting new experiences. Now, it has been accumulating these experiences for decades. I've written extensively about how the successful salesperson's mind thinks and processes language in my recent books *Heavy Hitter Sales Psychology* and *Heavy Hitter Sales Linguistics*. Below, are seven fascinating facts about a salesperson's mind.

Doodles from Presidents Eisenhower, Kennedy, Johnson, and Reagan

1. Do You Never Forget a Face? Some people can easily recognize a face they have seen only once before. Obviously, this important social skill is beneficial for salespeople who must meet with many different customers. However, an MIT study found that this ability is an inherited specialized trait that is not linked to a person's IQ in general. In other words, you either have facial recognition genes and the recognition ability or you don't.

2. Does Rejection Really Hurt? Okay, you have just been told by the prospective customer that you lost that big deal you were counting on. Obviously, you are mentally and emotionally frustrated but you are also in physical pain according to a recent Columbia study. They studied MRI brain scans of people, who experienced emotional rejection, and they actually showed that the person was in physical pain thus proving that losing really hurts!

3. Do You Like to Doodle? What do past Presidents Eisenhower, Kennedy, Johnson, and Reagan have in common? Well, they all liked to doodle during important phone calls and meetings. Research published in the journal *Applied Cognitive Psychology* suggests that doodling actually aids memory retention, and doodlers have an average of 29% better event recall than non-doodlers.

4. Are You Optimistic? According to a study at University College London, 80% of people are optimists by nature. Their research suggests that optimistic people selectivity receive negative news. When hearing bad news, the brain scans of optimists showed very low activity in their frontal lobes as opposed to pessimists who had higher activity levels. So, if you are an optimist your brain is actually wired that way because you don't 'hear' bad news. In addition, optimists live longer according to one study of 100,000 participants.

5. Why Are You So Nice? A study published in the journal *Psychological Science* explained that 'niceness' is tied to hormone receptor genes that emit oxytocin and vasopressin. These hormones in turn trigger the sensations of love and generosity within the mind. It turns out your innate nature to help people is really the result of a chemical reaction.

6. Why You Don't Like to Read? Most salespeople don't like to read. You see, your brain was built to talk. It was not designed to read. While speaking comes automatically and is a natural part of the brain's development, reading is a skill that must be learned. It requires three different areas of your brain to work together in close coordination in order to read. All marketing departments should pay attention to this fact when creating sales training collateral!

7. Are You Humble? Contrary to conventional stereotypes that successful salespeople are pushy and egotistical, 91 percent of top salespeople have medium to high scores of modesty and humility according to a personality study of 1,000 top sales performers I have conducted. Furthermore, the results suggest that ostentatious salespeople who are full of bravado alienate far more customers than they win over. **SSE**

*This article first appeared **here**.*

Steve W. Martin is an expert on the human nature of complex sales. His "Heavy Hitter" series of books for senior salespeople has helped over 100,000 salespeople become top revenue producers. His new book is titled Heavy Hitter I.T. Sales Strategy: Competitive Insights from Interviews with 1,000+ Key Information Technology Decision Makers and Top Technology Salespeople. Steve is a regular contributor to the Harvard Business Review and teaches at the University of Southern California Marshall School of Business MBA Program.
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Successful Selling

The 4 tenets

By Laurence Abrams

Let's be honest, first things first – when we talk about selling, the essence is producing revenue for the company or organization we work for. Customers need a product or a service, sellers need to sell their product or a service, and that's how business works, roughly speaking.

However, to get to that part of being a successful salesperson and what it actually means, first you have to adhere to some rules:

1. **Maintain a relationship with you customers.** Building and nurturing a relationship with your past, current, and new customers is the essence when talking about successful selling. Relationships are incredibly important in selling. In fact, you can say it is the most important thing. People buy from people they like and trust. Being a trusted partner and building customer confidence is a key to being a successful seller.

2. **Who is your product/service aimed at?** Evaluating and defining your precise target market is a must if you want your business to prosper. Whether you sell dish washers or tractor tires, you need to know the profile of your potential customers if you want to maximize your sales. Start off by asking yourself: What problems do my products or services solve and who do they solve these problems for? Who suffers the most pain from this problem we are able to solve? Once you have the answer to that question, you can make a profile of your target customers.

3. **Be a good listener.** Be all eyes and ears. Give your full attention to your customers. If you're meeting a customer for the first time, keep your mouth shut and your eyes and ears wide open. Remember that we have two ears and one mouth. Therefore, you should listen twice as much as you talk. Ask the right questions and don't talk too much about your product, your service, or your company. After all, what can you possibly offer to someone you just met without knowing their exact issues they face? Only after you've assessed your potential customer should you offer them a product/service. Even then, don't deliver a 30 plus minute boring sales pitch; it will probably drive your customers away. Instead, if you ask asked a question, answer it briefly, assess the situation and respect their time.

4. **Be natural**. Don't give your customers that standard "one-size-fits-all" boilerplate sales pitch, here it sounds like you are a robot. It's boring and it's annoying, and people tend to switch off when they hear a boring sales presentation. Instead, speak normally, without being over-persuasive to sell your product or a service. People will appreciate it, and being natural may be very well the thing that sets you apart from your competitors. **SSE**

*This article first appeared **here**.*

Laurence Abrams is President/CEO at Paperless Proposal. Laurence is a successful serial entrepreneur, passionate mentor about the use of technology and innovation within organizations to differentiate, streamline, and automate the organization's sales processes and solutions to create explosive growth. Laurence developed Paperless Proposal for GMI out of the need to differentiate his company in the sales and marketing process from his competition.

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Social Media

How REAL B2B decision makers reveal themselves

By Josiane Feigon

Social media is definitely the new reality in inside sales. The big questions aren't about *whether* to spend time and money on social, but *how* to maximize its sales effectiveness. What, exactly, is the value of a salesperson's social media presence? Where is your social ROI going to come flooding in from?

Of course, the answer lies in how your customers are using social to influence their purchase decisions. And a new study from International Data Corporation and LinkedIn, surveying 760 B2B buyers across eight countries, has taken a hard look at just that. The study reveals just how important your sales teams' social media profiles are at a crucial moment in the sales cycle: the close.

Before your buyers say 'Yes', they are checking your salespeople's and your company's profiles.

A solid majority of B2B decision makers — 75% — were found to use social media in the latter stages of the sales cycle to support their purchase decisions. At the C-Level, the rate was even higher, with 84% of CXOs reporting they used social to justify purchase decisions.

Fascinatingly, social media use during the buying process was also strongly correlated with an individual's influence and purchase power within the organization. The buyers that were most active in using social media in support of the buying process also tended to:

* Be more senior within the company,
* Have bigger budgets (84% bigger overall),
* Make more purchasing decisions (61% more), and
* Tended to carry influence over a greater variety of purchase decisions.

The message is clear: if your sales team doesn't have a polished, professional presence on the major social networks (especially, LinkedIn), then your sales organization is shooting itself in the foot at the closest moment to the sale. If your competition has better social profiles with more resources, then you could easily lose out at the last, crucial moment.

PS: The study also has something interesting to say about the NoPo problem — you know, those prospects with no real power or influence, but who keep salespeople coming back for more through empty promises and requests for information. These time-wasters often can muster impressive-looking social profiles with large numbers of connections, fooling social media scorers into bestowing a high 'influence' rating, but belying their actual lack of purchase-influence within their organizations.

Salespeople who monitor their LinkedIn profile views will be able to tell when a potential buyer is checking up on them. As this study reveals, if that's happening regularly at key moments in the sales cycle, then those are more likely to be influential decision-makers that are worth your time.

Remember, requests for more information, analyses, data, and endless questions are NOT a sign of an influential prospect. Someone with influence won't need to be inundated with data. They'll make decisions based on their intuition and experience. However, these people *will* want to see if you and your company are equally experienced, well positioned, and experts in the problem they're trying to solve. **SSE**

*This article first appeared **here**.*

Josiane Feigon is a pioneer, maverick, and visionary in the inside sales community. She is the founder of TeleSmart Communications and the author of *Smart Sales Manager* and *Smart Selling on the Phone and Online*.
Connect **Josiane Feigon**

The Orange Cat

A brand advocacy fable

By Eric Jacobson

My family has two cats. One is an orange cat. One is a black cat. And we have this weird thing that happens in our house -- my nine year-old son and his buddies like to have Nerf Gun battles, and they shoot these fluorescent orange foam bullets at each other.

The bullets end up behind curtains, under sofas - everywhere. The weird thing I mentioned, is that a couple hours after they finish a fight, our orange cat walks mechanically around the house, collects the orange bullets, and deposits them in a specific location - just outside our kitchen. Then he meows repeatedly, at a very specific pitch, sort of like a submarine sonar. My daughter pets the orange cat and tells him he is a good kitty while she picks up the bullets. The black cat watches all of this without helping in any way. The black cat has never retrieved even a single foam bullet.

Having looked at data across many of our clients here at Amplifinity, I can tell you that these cats are a lot like your customers, and my daughter has the right idea. Be good to the black cat, but don't spend too much time trying to get him to do stuff he isn't going to do. Likewise, don't waste too much money chasing customers who will never advocate for you.

We consistently observe that there will always be a segment of your customers who take on the role of serial brand advocate. These customers will dutifully and tirelessly serve your brand whenever you ask. And like my daughter rewards the orange cat for gathering up the bullets, you need to reward these customers every time they refer a new prospect or advocate for your brand. In fact, once this group gets going, they will become upset if you don't give them an extra pat on the back. Our orange cat now meows loudly until someone thanks him for retrieving each individual Nerf bullet. Trust me, you don't want to get a call from an angry customer like him! He might sharpen his claws on your sofa if you forget to show him your appreciation.

At Amplifinity, our data shows that escalating rewards is an excellent means to nurture serial brand advocacy. Our software platform makes these types of programs possible, even if it is across thousands or even millions of customers. And, our detailed process flows and integrations make sure that the orange cats get rewarded every time. **SSE**

This article first appeared ***here***.

Eric Jacobson serves as President and CFO of venture-backed start-up Amplifinity, makers of brand advocacy and customer referral software for major brands. Eric resides in Ann Arbor, Michgan. He is not a cat person, actually.
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The Impenetrable Account

Two proven techniques to penetrate

By Dave Kahle

How do I sell to an account that is firmly in the hands of a competitor?

In one form or another, I hear that question at almost every sales seminar I teach. It's a great question, reflecting one of the most perplexing and frustrating situations every sales person faces. If you haven't yet been faced with this problem, be patient, you will be soon.

Here's how this usually develops: You've called on a large, high-potential account a number of times, but can't seem to get anywhere. The more time you spend in the account, the more apparent it is that one or more of your competitors is deeply ingrained in that account. You may even have had someone say to you, "We do all our business with XYZ competitor."

And that leaves you on the outside looking in. If the account has some real potential, you want to be seriously considered as a supplier. However, it looks like this account is not really interested in you – not because of you or your company, but because of a previously established strong relationship with a competitor.

So, how do you manage this account? What should you do? **Let's start with what not to do.**

Don't vent your frustration by speaking poorly about the competition. And don't attack the competitor's products, company, practices or sales people. Someone who works for this customer – or more likely, several people who work there – chose to do business with that competitor. They have chosen to buy the competitor's products, have developed a close working relationship, and may be good friends outside of work. When you speak badly about the competition, you insult all those decisions made by the customer to work with that particular competitor. Trying to penetrate an account by insulting your customer's judgment is a bad idea.

Realize, also, that you have only a tiny glimpse of what your competitor is really like. You may have found some evidence in another account of their ineptness, or what you perceive as unethical behavior. And on the basis of this tiny experience, you're ready to launch a holy crusade to reveal their deep flaws and expose the risks of doing business with them.

That is almost never the truth. Almost always, your competitor is a company with products, ethics, business systems, people and goals that are very similar to yours. Very few companies survive in this highly competitive market place if they have shoddy products, lax business morals, incompetent people, and poor operating systems. When you criticize these things in your competitor, you show yourself to be ignorant and inexperienced.

But what should you do?

Here are two proven techniques to penetrate these kinds of accounts.

1. Go Around the Competition, not Through them.

This customer is probably not buying 'everything' from your primary competitor. There likely is a handful of other suppliers selling items that you could supply. Focus on those. Find items that are being purchased from someone other than the main vendor, and present your company's options on those. Often these could be small quantities of relatively inconspicuous items that don't appear on the radar screen of your competitor.

When you put together attractive programs and proposals for those kinds of items, you don't threaten your customer's relationship with your competitor, and you begin to show them the value of a relationship with you.

Be careful to keep a relatively low profile in the account. You don't want to draw your competitor's attention. At first, as you try to pick off some of these miscellaneous items, you are very vulnerable to your primary competitor finding and squashing you. As time goes by and you're successful at becoming the supplier of a number of miscellaneous items, you'll gain power and position within the account, and in so doing, build some defenses against the ire of your competitor. You're always safer if your competitor underestimates your activity and success within an account. So, at least until you're well established, be as discreet and inconspicuous as possible.

Here's a number of ways to implement this strategy of "going around the competition."

Find some area within the customer's business where the competition is very weak. For example, when I was selling hospital supplies, discovered that one of my major competitors was very strong in the operating room. The competitor had a wide range of products, well-respected lines, a history of being active and interested in that area of the hospital, and significant expertise in operating room procedures and problems. So, I didn't bother with the operating room, and spent my time in respiratory therapy and ICU. The competition never bothered to visit those departments. I went around my competition by finding a department on which to focus where the competition was weak.

Find someone who doesn't like dealing with your competitor. This may take longer. In a large organization, there are often dozens of decision-makers and influencers. It's likely that one or more of them may not like dealing with your competitor. Maybe personalities clashed sometime in the past, or someone felt slighted or treated rudely. Regardless, someone inside that organization may not be your competitor's biggest fan. Find that person(s).

Here's the second major strategy for penetrating the impenetrable account.

2. Make a Persistent, Strong Appeal to be the Secondary Supplier for that Account.

Here's one important thing you know about this customer: They are loyal to their key supplier. That indicates a philosophical position this customer holds – these are people who believe in loyalty to suppliers who do a good job in their account. That's why they continue to buy from your competitor.

I was faced with this exact situation on more than one occasion. As I was venting my frustration over a particularly difficult account, my manager counseled me like this:

"The only thing you can count on," he said, "is that things will change. We don't know how, and we don't know when, but we do know that things will change. Your job is to stay in front of the customer and position yourself to be the customer's easiest, lowest risk choice when things finally do change with the competition."

What great advice that turned out to be.

Almost always, those accounts that protect a relationship with your competitor will just as fervently protect the relationship with you when you become their primary supplier. The payoff is well worth the investment. **SSE**

*This article is available in an expanded version **here**.*

Dave Kahle is one of the world's leading sales authorities. He's written ten books, presented in 47 states and ten countries, and has helped enrich tens of thousands of sales people and transform hundreds of sales organizations.
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Sales Resource Center

Want Executive Access?

Enter the Statusphere

By Britton Manasco

Want more conversations with decision makers and influencers at senior levels? Want to engage the people who have the authority to sign your agreements and accelerate your sales cycles? Then you'll have to enter the Statusphere.

Consider the perspective of celebrated author and journalist Tom Wolfe, a keen observer of the status anxieties and ambitions that motivate human behavior.

In his book *The Right Stuff*, he wrote about the status hierarchies associated with military pilots, suggesting that astronauts were by no means at the apex of this highly competitive pyramid.

In *Bonfire of the Vanities*, he addressed the challenges facing social strivers in 1980s Manhattan.

In *Back to Blood*, Wolfe's latest novel set in Miami, he addresses the status struggles of Cuban-Americans, Russian plutocrats, Haitian immigrants, wealthy patrons of modern art, a psychiatrist focused on porn addiction, a Yale-educated editor of the *Miami Herald*, a mayor and a police chief.

"I think every living moment of a human being's life, unless the person is starving or in immediate danger of death in some other way, is controlled by a concern for status," says Wolfe.

While he's exaggerating a bit, I think he's essentially right. In fact, I'll never forget the time, rushing to catch my flight, I asked an airline staff member which security line I should enter. Her response: "Do you have status?" I was stunned. Good question. One I've heard many times since in airports.

It's a question that senior decision makers ask themselves when someone requests a sales meeting. *Should I take this meeting? Does this person rise to my altitude?*

Of course, sales managers are always telling salespeople to call higher. Underperformers are likely to get an earful in this regard. They are pressured to get senior-level access.

However, it's not an easy accomplishment. After all, senior decision makers and influencers seek a status match. They are typically unwilling to meet, or take calls from, someone perceived to be of lower status. To do so is to diminish their own perceived sense of status.

And, to be fair, it may be a waste of time anyway. According to Forrester Research, 85% of executives say sales meetings don't live-up to their expectations.

It may not be politically correct to acknowledge this reality, but it's the truth nevertheless. You don't get executive access unless you are perceived as a peer or a valued advisor. Territorial sales representatives need not waste their time.

So, what's the solution? How do you get access?

One possibility is leveraging the status of your most senior executives. That means setting-up meetings by deploying C- level leaders – whether it's your CEO, CFO, or CMO. Start-ups often heavily rely on their founders to get access and make their initial deals possible.

If you are looking to make a peer match, you can put together people who speak the same language and are experiencing the same sorts of challenges.

The problem? This approach doesn't really scale. Your executive leaders have a responsibility to lead. While they can spend a lot more time engaged in client conversations than they probably do, there is a limit to how much you can deploy them. Their time and availability is constrained.

That's why you want to build an array of thought leaders and trusted authorities within your organization. You can deploy them upfront in the decision cycle to get access to senior people.

As thought leaders, they can be perceived as high status figures if you build them up as such. You can use assorted subject matter experts, market strategists, and solution architects to establish this kind of credibility and convey valuable insight in a decision cycle.

Executive leaders are often quite interested in meetings that promise to make them smarter or clarify issues that are critical to their success. However, they don't expect sales representatives to have this level of expertise – and, to a great extent, they are right.

That said, sales representatives can continue to play a critical role in the process by facilitating the decision as it moves forward. They will merely rely on their C-level executives, thought leaders, and subject matter experts to open doors and move the decision forward at key points in the process.

By selling at a higher level, you can accelerate the decision-making cycle. You can overcome the no decision problem and close more deals. However, to get that opportunity you need access. You need to enter the Statusphere. Your thought leaders can get you to the right altitude. **SSE**

Britton Manasco is Co-founder and principal with **Visible Impact**, and is author of a forthcoming book ***exploring talent trends in the field of selling***. He specializes in strategic message development and training to build business credibility, generate demand, and sharpen sales conversations. Follow **@brittonmanasco**

Improve Your Health

Incorporate 12 small lifestyle changes

By Jeff Davidson

In pursuit of high commissions, sales professionals sometimes short change their health and then find, too late, that the road back is incredibly challenging. Why not rack up big sales and maintain your health? Here are twelve small changes you can put in to practice now to maintain and/or improve your health:

1. Sleep 8 hours per night.

2. Plan vacations for the next three years. A study at the State University of New York found that men who vacation every year reduce their risk of dying from cardiovascular disease. So start dreaming about where you'd like to go – and in the meantime, take time off now and then to do cool things with your kids.

3. Clean your desk. Too much paper and clutter can contribute to stress. If you keep your desk organized, it will be easier to focus on the task at hand and avoid feeling overwhelmed. With the hectic lives most of us lead today, even a little bit of de-stressing can make a big difference.

4. Turn off the TV. Studies show that men who watch less than two hours of TV per day have, on average, lower blood pressure and a lower BMI than those who watch more than two hours daily. Sure, watch the Panthers play in the Super Bowl or enjoy your favorite weekly sitcom, but watching less TV leaves you time for other things – like working out, exploring new hobbies, or teaching your kids how to play football.

5. Discover which medical problems run in your family, and assess your own risk. If you know that illnesses such as diabetes, high blood pressure, or heart attacks have killed family members, get tested to be safe or help prevent greater problems. Genetic tendencies are simply tendencies. Often, the right diet and lifestyle can prevent medical problems that caused early deaths for your relatives.

6. Take your kids on a bike ride. This offers positive health benefits for you, and encourages fun and healthy exercise for your children. It also allows you to have some non-stressful time to just enjoy being with your family.

7. Dry brush your teeth. It has been demonstrated to reduce tartar, which can lead to plaque, by at least 50%. Make sure you have a soft brush, and brush gently, scrubbing both the top and bottom of your teeth. Don't forget the backsides! This will help considerably reduce the risk of bleeding gums.

8. Check your contact lenses. A diet full of fat, protein, and alcohol weakens your tears' ability to block cholesterol from sticking to your contacts. Get a cholesterol screening if you experience cloudy deposits on your contact lenses to determine if you are at risk for serious problems, like clogged arteries.

9. Exercise while you sit. Sit up straight with your spine away from the back of the chair. Use your abdominal muscles to keep your back in alignment. Flex and release various muscle groups, like your arms, thighs, and calves.

10. Volunteer. Studies have shown that men who do volunteer work at least once a week experience far less tension than those who don't.

11. Visualize a pleasant scene from your past, such as a meadow, a brook, and a magnificent tree.

12. If you can get out of a restaurant without having dessert, you're ahead for several reasons. First, it costs you less. Second, the portions will tend to be larger than you might otherwise serve yourself. And third, you really have no control over the amount of sugars and fats that comprise your dessert. You may not much have control at home or elsewhere either, but you have absolutely no control in the restaurant, in most cases. Unless, of course, you ask for a no-sugar or non-fat dessert. **SSE**

Jeff Davidson, MBA, CMC, aka "The Work-life Balance expert" offers keynote presentations and workshops on creating work life balance, managing the pace with grace, and thriving in a hyper-accelerated world. Jeff is the leading personal brand in speaking, writing, and reflecting on work-life balance issues, and he has a passion for speaking to organizations who want to help their employees make rapid progress in this arena.
Visit **breathingspace.com**
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The Secret to Prospecting Success

Don't sell

By Keith Rosen

Think about the initial objective of your prospecting efforts. If you think the goal is to close a sale, deliver a presentation, submit a proposal or schedule an appointment, think again.

Ask anyone who has to prospect or cold call in order to generate new business what their initial objective is when making that first personal contact and you will hear many of the following responses or some type of measurable action step they hope to take as a result of making that call:

* Schedule an appointment
* Close a sale
* Pitch the benefits of my product or service
* Provide a demonstration
* Get the Request For Proposal
* Submit a quote
* Have the prospect take some action (complete a survey, sign up for a free trail, make a donation, visit your website, etc.)
* Find the decision maker(s)
* Deliver a presentation

If your initial objective is focused on achieving any of these next steps, think again. Actually, concentrating your efforts on accomplishing any of these outcomes is actually the very thing that contributes to call reluctance, wastes your time and sabotages your selling efforts.

To even the playing field and build off some common ground, here's my definition of prospecting we can refer to.

Prospecting is defined as any activity or conversation you engage in to position yourself in front of a potential customer with the intention to inquire, assess, discover and educate so that you can determine whether there's a fit and a relationship that's worth pursuing which can then lead *to an opportunity to deliver value and earn their business.*

Now, think about your cold calling and prospecting efforts. Does your approach mirror this definition and accomplish this primary objective?

Consider this. Rather than focusing all of your energy on making the sale or working towards any of the outcomes I described, first determine if there's a good fit between you, your prospect, and what you are selling.

Find the Fit – Or Miss Your Sales Targets

Instead of feeling that the initial goal of prospecting is to pitch features and benefits, close a sale, provide a demonstration, submit a proposal or schedule an appointment, the initial objective of that *first conversation* is to determine if there's a fit worth pursuing.

Take a moment and think about how this change in your attitude and mindset would change your prospecting strategy or cold calling approach, as well as your experience.

While your traditional approach may be to produce a measurable result, now your primary objective is to discover whether you and your prospect are a good match and if this relationship is worth moving to the next stage of your selling process.

If you feel that you constantly have to push your sales process forward, you're not taking into consideration that the prospect may simply not be ready, let alone may not be a good fit for what you are selling. Pushing the sales process forward before a prospect is ready only creates pressure for the both of you, fostering an unhealthy relationship from the start.

The Better Sale

While many salespeople and solution providers feel their solution can benefit anyone, it doesn't mean that everyone is a fit. After all, think about the people you speak with on a daily or weekly basis. Can you honestly say that you want *every* potential prospect to become one of your customers? The fact is, some people and companies aren't a good fit.

And a good fit isn't limited to whether or not they can afford your solution and can benefit from it. To authentically determine a good fit, you need to look beyond this myopic definition and consider these additional factors that would create or destroy the win-win relationship.

* Will they be a good customer? Do they possess the attributes of your ideal customer?
* Are you aligned with them ethically?
* Do you share the same values and priorities?
* Are they easy to work with?
* Are their expectations of your product or service realistic?
* Will they become advocates or adversaries?
* Is how they like to buy a fit with how you sell?
* How do they typically treat and engage with outside venders/service providers?
* Are they willing to allocate the proper funding/budget, time and resources to realize the full benefit of your offering?

While a great salesperson can close business, you don't want to waste time calling on, following up with and closing prospects who simply aren't a good fit. If you're calling on and following up with the wrong prospects, that means you're not leveraging your limited time calling on the right ones. The exponential cost; missed sales targets and lost opportunities.

So, instead of asking yourself, "How can I sell this person?" change this question to, "Do I even want this person/company as a customer?"

Notice that the second question shifts the balance of your power back to you. Now, you're the one making the choice about pursuing the relationship rather than surrendering all of the decision making power to the prospect regarding whether or not they will buy from you, let alone listen to you!

Seek to Understand – Then Disqualify!

Think about how this shift in your mindset will also change your approach. Instead of feeling as if you have to convince or push the prospect into the sale (appointment, demo, proposal, free trial, etc.) by regurgitating your pitch all over them, now you're going to want to learn as much as you can about this particular prospect.

How do you determine if there's a fit worth pursuing? Typically, you would conduct a process of inquiry or an investigation. Woven into the fabric of any investigation are questions. Instead of the prospect interviewing or qualifying you, this brings new meaning to the phrase, "Qualify your prospects!" Now, you're the one who's truly assessing the fit. The fact is, the qualifying process goes both ways.

Of course; the ultimate objective of your prospecting efforts is to sell more, sell deeper and boost your performance or income. However, to achieve this goal, it's just not where you are going to focus your initial efforts, energy and thoughts.

Realize that when you're prospecting or cold calling, one of your objectives is to open up your prospect's thinking to the possibility of working with you in order to provide them with a better solution or eliminate a recurring problem.

As such, if you are looking to change the perception or mindset of your prospects, whose mindset do you think needs to be changed first? Yours, of course!

By identifying and embracing this common misconception around prospecting and shifting your focus to assess the fit, you will develop a strong foundation for prospecting success. Now, you can think like a top producer and subsequently, respond to each prospect in a healthier, more productive and more enjoyable way in order to attract better customers – and more sales. **SSE**

*The article first appeared **here**.*

Keith Rosen is the CEO of Profit Builders, named one of the Best Sales Training and Coaching Companies worldwide over the last four consecutive years. Keith Rosen is fanatical about your success. Over the last three decades, Keith has delivered his courses to hundreds of thousands of managers and salespeople in practically every industry; on five continents and in over 50 countries.
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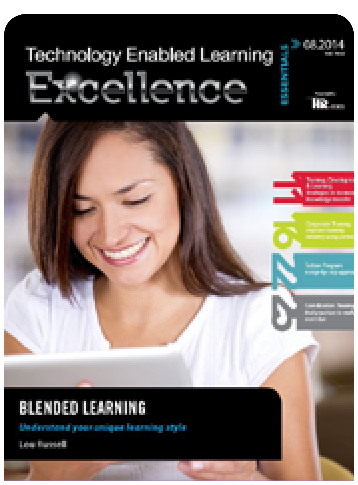

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