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Re-invent sales for
the 21st century

A close-up photograph of a green computer key with the word "Sell" embossed on it. The key is set against a background of other grey keys. Overlaid on the image are several white concentric circles of varying diameters, centered on the green key. The overall composition is clean and modern, with a focus on the word "Sell" and the circular graphic elements.

Sell

Re-invent sales for the 21st century

Selling is getting harder and the adage of sales being more of an art than a science has never been further from the truth.

Changes in market, customer, technological and competitive landscapes mean that traditional methods of selling and approaches of sales management do not suffice in increasingly complex, clued up and cost-conscious world. As we shape game changing initiatives for our clients the typical challenges we are helping them address include:

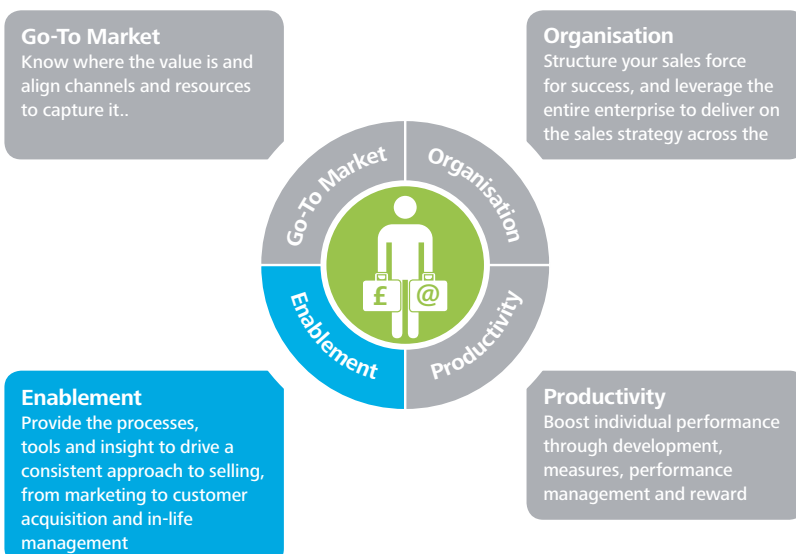
- **Savvier customers** – With more access to information customers have higher expectations, with pre-formed needs and are loyal to those who provide consistent, positive customer service.
- **Buyer sophistication** – Thrift is the norm as customers are more price-sensitive and deal-conscious, and specialist B2B buyers demand higher value at lower costs.
- **Channel proliferation** – Organisations are finding it difficult to manage sales interactions across various multi-channel vehicles (brick and mortar stores, e-commerce sites, catalogues, kiosks, etc.).

- **Social media** – Consumer opinion and expectations are increasingly driven by powerful social media tools which are proactively leveraged to enable the growth of sales opportunities.
- **Net margin and cost of sales focus** – Sales executives face more budget scrutiny, increasing the pressure to optimise return on investments and lower acquisition/bid costs.
- **Talent shortages** – Limited talent is available with the newly required technical skills, while more traditional relationship-based sales skills are being usurped by the need for analysis, insight, and negotiating talent.
- **Self-service opportunities** – New purchasing expectations are driving companies to build out their self-service infrastructure. Although this reduces costs, sales teams lose traditional face-to-face customer/market feedback.
- **Mobile platforms** – Mobile options for marketing and sales are extensive and growing rapidly and require a well-defined mobile strategy to avoid confusion.
- **New sales technology platforms** – Evolving tools such as price optimisation, configure/price/quote applications, mobile sales force automation and smart phone-based applications are transforming traditional sales techniques.

These challenges demand well thought through and well executed solutions, spanning all dimensions of selling, from strategic to operational and cultural.

Deloitte's sales transformation framework

At Deloitte our focus is not only on improving the effectiveness of sales reps and the sales function but also how well the *entire enterprise sells* in order to realise maximum benefit. In this paper we outline 12 essential strategies that will equip your organisation to achieve competitive immunity in your accounts, capture greater than your (fair) share of wallet and re-invent sales for the 21st century.



Go-To Market



1. Know where the value is

Too often key strategic sales decisions are based on historic performance and gut feel with a risk of effort being directed in the wrong place, opportunities being missed and return on your investment not maximised. In order to identify the demand for your products and services, you must take a forward, analytical and granular view.

Gather your big data

Gaining a true view of where the value lies in your market relies on accurate data from multiple sources. Not only does this data need to be comprehensive, it has to be granular. Analytical modelling combined with market intelligence and primary research then provides the basis for building deeper insight into customer needs and growth potential.

Create a micro segment view of your market

Too often organisations approach segmentation of markets at a macro level and while this may allow you to scale a sales force overall it provides little insight on targeting your resources. A micro segment view allows a granular understanding of the variations in your addressable market and identification of where the value lies. Segments should be based on criteria that drive the demand for your products and services across the addressable market (obvious examples include demographic, location and age for consumers; industry, turnover and employee numbers for business).

Map the opportunity

For each micro segment you need an ability to estimate the overall addressable wallet and growth potential. There are several approaches to achieving this, which include buying in external data, future projection based on past performance and front line sales.

With a good estimate of the available spend, matching and mapping the value derived from your customers in each of the segments will allow you to understand your current share of wallet and penetration of your portfolio. This allows clear identification of 'acquire', 'grow' and 'defend' accounts within each micro segment:

- **Acquire:** Attractive 'white space' accounts with no prior business but which have a high propensity to buy your products or services.
- **Grow:** Under-represented accounts where share-of-wallet is below average or your portfolio is under-penetrated – these become the focus for your cross-sell and up-sell efforts.
- **Defend:** Accounts with significant existing share-of-wallet, and particularly those at risk of being churned to focus your renewal and retention strategies.

This granular understanding of the value in your addressable market, combined with historic sales investment and competitive landscape, provides an informed basis for defining clear strategies for how you should Go To Market.

Consumers increasingly use multiple devices (PC, laptop, tablet, mobile) to access digital channels and expect a consistent, high-quality experience throughout the buying process.



2. Exploit the digital and mobile opportunity

As with any technological disruption, new channels bring fresh opportunities and threats. Device proliferation, high quality mobile connectivity and cloud services are now mature enough to allow you to extend your reach, enhance your value proposition and improve customer loyalty. But again, as with any other technological disruption, you need to correct your business and sales model.

- Not all types of sales and sales interactions are suitable for automation on-line or mobile support. Bespoke solutions via websites, from sales to multi-national enterprises are unlikely – **digital selling solutions must be designed around a combination of offering and customer need to deliver maximum value.**
- As the online channel becomes more valuable for business, it is vital that organisations ensure the customer journey is as pain-free and seamless as possible – **underlying sales processes must be stable and data needs to be accurate.**
- Consumers increasingly use multiple devices (PC, laptop, tablet, mobile) to access digital channels and expect a consistent, high-quality experience throughout the buying process – **a consistent, branded customer experience is required across all channels.**

- With the advent of multi-channel operations customers are now experiencing break-points in the buying/sales cycle which were previously invisible – **organisations must be multi-modal, or give an integrated multi-channel experience.**
- Sales reps are often at the bleeding edge in terms of technology adoption and application, as opportunities need to give them an advantage over the competition, improve life for their customer and make their own lives easier – **a successful digital and mobile strategy must accommodate and embrace innovation in the field without slowing it down.**
- New data-driven customer analytics and decision-making technologies provide opportunities to maximise the value of digital interactions at every stage of the customer lifecycle – **analytics strategies must provide intimate support and accommodate all channels.**

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3. Actively manage your customer portfolio

How many sales leaders ask themselves: do I have the right customers? Your customer portfolio

is more than just a collection of opportunities and accounts. Each organisation you do business with will have its own combination of products and services, price and commercials, behaviour, lifetime and associated risk. Combining these factors with 'cradle to grave' management costs determine the profitability of your customer base. Actively managing this portfolio will result in greater ROI from your sales organisation and a significantly improved contribution to the overall bottom line of your organisation.

Track costs as if they were revenue

Making informed decisions about customer, product and channel profitability requires more than tracking and managing costs at the headline level. Information about the costs to acquire, grow, retain, discount and serve is needed at individual proposition, channel and customer segment levels.

Determine the optimum customer portfolio

The combinations of product, price, usage, behaviour and risk will vary greatly across your customer base. To be able to effectively manage your portfolio, particularly with large customer numbers, you need to understand how these vary at a segment level along with the associated profitability.

Next you need to consider your addressable market and your current foothold within it. What is your penetration in the most profitable segments? Which segment do you want to acquire more of? Which segments are worth defending and growing and which do you not want to invest your limited resources in retaining?

Modelling these scenarios, along with the associated acquisition, discount and retention costs needed to achieve them, will allow you to build a picture of your optimum customer portfolio and the contribution it will deliver.

Optimise your channel mix

Identifying your optimum customer portfolio and acquisition/retention targets is one thing. Executing it is another. The channels you deploy to go to market directly impact the effectiveness of your sales strategies and the profitability of the business you win. Digital, social, direct, indirect, managed and un-managed – they all have unique characteristics, performance and costs depending on what you sell and who you are selling to. A channel that has the lowest 'cost to acquire' does not mean it is right for every opportunity. Leading sales organisations understand and manage their channel mix to achieve better customer, revenue and cost targets whilst delivering the experience customers feel they deserve.



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Structure



4. Build the integrated, multi-channel, selling organisation

The explosion in channels, availability of information and buyer sophistication means customers are progressively demanding in the ways they wish to do business. In short, you need to be able to sell the way the customer wants to buy. This means breaking down traditional sales channels and models, spotting opportunities in all your customer interactions and seamlessly consolidating across the lot.

Master the integrated multi-channel sales

Many sales organisations operate multiple sales channels however the ability to effectively orchestrate and close a single sale for a single customer across them is a challenging. Typically, a customer may wish to research your company's offer on-line before calling you in for a sales pitch and then closing some technical and commercial aspects with your telephone account team. Similarly once a large framework contract is signed your customer may not want to see unnecessary high touch on-going field sales reflected in the price of your products and services. Many organisations are either not ready or not willing to address the need to master this, although it improves customer experience, sale ownership, compensation, and technology challenges. Progressive sales organisations use deep customer behavioural insight and understanding of their unique buying processes to offer a flexible, smooth sales experience across all their channels. The trick is to continually maintain this malleability of shifting demands and expectation without losing the ability to track and manage the opportunity.

Make selling everyone's accountability

Selling is most effective and profitable when you mobilise your whole enterprise in developing, managing and retaining customers. You need to be able to spot the opportunity in all your customer interactions and act on it where appropriate.

This means your entire customer-facing functions must understand their role in the sales process and have the wherewithal to exploit it.

For example:

- Marketing and sales activities being fully aligned and driving actionable results for the sales force to follow up on.
- Customer service staff identifying a customer interaction that can lead to an upsell/cross-sell opportunity and being able to provide the most appropriate 'next best offer'.
- Field service based staff being able to spot and qualify a lead, capture it and allocate to the right sales channel for follow up.

Equally, it is hugely beneficial for sales reps have access to collaboration tools within effective CRM systems to tap in to collective intelligence and customer insights across the whole organisation in order to understand the opportunity.

Sell the value of the whole organisation

To create advantage in competitive environments, organisations need to extract maximum value out of their enterprises that can be focused on the customer. Sales forces need to consider the value the whole organisation can bring when building customer value propositions:

- **Customer service:** Differing service levels that map to your segments.
- **Finance:** Smart commercials and flexible Ts & Cs.
- **Logistics:** Variable distribution options and customer branding of packaging.
- **Product development:** White label and customer specific product/service flavours for re-sale.
- **Marketing:** Joint sponsorship opportunities.

Not only will this add more significance to your offering but it represents a fuller partnership relationship with your customer. This means you become more involved in their business and your competitive position is strengthened.



5. Allow sales staff to spend time selling

Your sales staff are generally the first point of contact with your customers.

They articulate and embody your brand and are your front-line in managing on-going relationships. Customers will naturally come to them if they are not getting the response they think they are entitled to from your organisations. Equally sales staff will often feel a duty of care to take ownership of customer requests in order to safeguard current and future revenue streams (and their commission payments!). Processing orders, chasing payments, dealing with billing queries and validating poor qualified leads all eat into the time available for what your sales force should be doing.

Sales leaders need to invest the right support to mobilise the rest of the organisation and take a zero-tolerance view of how their sales staff spend their time. This means:

- Clearly articulating levels of service to the customer to manage their expectation.
- Identifying and removing non-value-adding activities.
- Moving non selling activities from sales people with clear handoffs and accountabilities.
- Establishing dedicated resources focused on high quality lead generation, qualification and distribution.
- Rationalising reporting activity to what is critical, and stamping on shadow reporting.
- Making pay plans simple and transparent and providing a timely and accurate view of commission earned.

Implementing these steps may not make you popular with the wider organisation but it will ensure that your sales staff are doing what they should be: Earning money for themselves and your company in sales conversations with your customers.





6. Structure your sales organisation around delivering value

Knowing where and how to allocate precious sales resources to extract maximum value is arguably the most critical decision sales leaders have to make. Providing the right level of support to front line, and partner sales channels while maintaining commitments to the right of the organisation requires changing the way you think of some traditional roles.

Align channels and resource to customer value

Equipped with a data driven, granular view of where the addressable value lies in chosen markets, sales leaders are in a position to effectively allocate resources based on future value and ROI and not average historic performance.

- ‘Rainmaker’ hunters targeted at high value whitespace.
- Key account management to grow and defend the largest established accounts.
- Telesales and digital allocated to profitably acquire and grow mid range opportunities.
- Partners focused on attractive high growth potential markets where this is currently little direct sales coverage.

Understand the shape of complexity

Just as different customers require different sales models, the breadth and complexity of your offering portfolio will impact the way you sell, how long it takes and the capabilities required to close it. Clearly, lengthy sales of bespoke solutions to multi-nationals will have differing requirements in terms of numbers, roles and skills of sales resources to simple products sold to consumers – with the associated impact on cost of sales.

Defining a small number of key sales models (i.e. solution, volume, transactional) based on the complexity of both the customer and offering portfolios will bring clarity and structure to the shape of the sales pipeline and allow more informed planning. Governance, activities, roles and skills can then be aligned accordingly to each model. Forecasting, based on volume rather than revenue provides better understanding and allows the sales force to be sized appropriately.

Sales operations as a competitive advantage

Good sales operations teams provide a comprehensive range of services covering reporting, planning, bid management and order processing in a practical and productive manner. The best sales operations teams continually build capability in the sales force, reduce and manage risk, provide compelling insight and clearly deliver value to the customer, as well as the sales rep.

Just as different customers require different sales models, the breadth and complexity of your offering portfolio will impact how you sell, how long it takes and the capabilities required to close it.

Productivity



7. Insight based selling

Recent research has shown that customers typically complete most of the buying process before having any contact with sales staff.

For you, as a supplier, this means reduced win rate, less profitable business and less opportunity to build lasting, valuable relationships at the right level.

A new approach is needed to get you setting the agenda rather than reacting to it, which positions you as a top table adviser and not just supplier of commodity services. The selling process and the way you manage your relationships therefore needs to change:

- **Target the right customers** – organisations that have a burning (ideally unrecognised) reason and need to change require your time.
- **Provide unique and compelling insight** – provide a provocative point of view regarding a significant challenge or opportunity that has ideally gone unnoticed by the customer. This should have specific resonance to the stakeholder you are targeting.
- **Generate the need** – with the challenge/opportunity identified, work with your client to quantify the impact on their business which should allow you to scope out their need (suitably tailored towards your products and services clearly!).
- **Articulate specific business value** – with the need established you are in position to articulate how your product or service will address it, specifically. This needs to be in terms the customer will understand, be quantified based on data supplied and validated by your coach.

The insight based selling approach requires deep understanding of your client, their strategy and operations, their industry and the ability to craft a compelling message. This implies a transformation in the way most organisations sell, the capabilities the business needs to provide, and the skill and mindset of sales staff. This is a significant change, but one that positions you from commodity supplier to high value adviser.



8. Align pay with strategy

The days of using straight revenue as a valid measurement to base performance related pay for sales, are gone.

Organisations are using more sophisticated measures which are better indicators of financial health and reflect the 'quality of revenue' – profitability, margin and volume, among others. In some industries, we have seen a complete decoupling of financial metrics and a 100% swing towards subjective measures, because these are seen as a better match of the company objectives and strategy.

There is an increasing realisation in the marketplace that some existing sales force pay models are broken. Major institutions are experiencing significant and lasting reputational damage, fines and other direct costs as a result of transaction driven reward models.

There is building concern with some organisations that metrics and sales force behaviours are leading to poor performance which will harm growth targets and 'tomorrow's sale'. As part of this, organisations are reviewing their pay for performance practices – what is paid for and why.

Any organisation which takes steps to re-model its approach to reward, remove transaction bias and consider desired behaviours, will be taking proactive steps to protect and enhance its reputation; and thus brand value and profitability, over the longer term.



Some industries have seen a **100%** swing towards subjective measures



9. Build the high performance sales culture

A high performance sales culture is a serious source of competitive advantage and long term value for sales leadership. A sales force with the right motivation, mind-set and behaviour will drive better business; it will enable the business to achieve and sustain its long term ambitions. An agile organisation is vital to quickly adopt new behaviours and capabilities in response to technological, market and customer demands.

Although sales cultures vary and are exclusive to each individual organisation, great sales organisations share common characteristics that can be implemented and managed:

- **Mission** – a long term goal of where you are heading with a clear role for each member in achieving it.
- **Leadership** – sales leaders being visible at front line customer meetings and management being central to delivering and managing change.
- **Performance management** – improving the performance of the ‘middling’ sales reps upwards through better development programmes and on the job coaching, setting rainmakers free and managing out the laggards.
- **Organisation** – hierarchies, structures and accountabilities that are optimised to bring the right resources (and decision making) to the right opportunities at the right time.
- **Talent pool** – a sales team that is dynamic and restless, promoting on merit and ‘buying in’ new skills and behaviours where needed.
- **Measures** – planning and managing consistent KPIs across the full sales lifecycle (from campaign activity to sales against forecast) ensuring line of sight down to individual rep and account level.
- **Pay plans** – rewarding the right behaviours and clearly incentivising performance.

For sales leaders with eyes on the longer term view, defining, achieving and managing a high performing sales culture requires formal attention.

The days of using straight revenue as a valid measurement to base performance related pay for sales, are gone. Organisations are using more sophisticated measures which are better indicators of financial health and reflect the ‘quality of revenue’ – profitability, margin and volume, among others.

Enablement



10. Build the sales factory

Like any other function in your organisation your sales force will benefit from efficient processes, quality data and appropriate levels of automation. Unlike other functions in your organisation, sales has traditionally been slow to adopt 'lean' techniques either through the mistaken belief that sales is 'an art not a science' or that customer data in the CRM system results in loss of control over the relationship. The best sales organisations have reaped the benefits from building lean, mean sales machines that transform the way they sell. These includes:

- Sales strategies and actions are proactive and insight driven based on robust analytics capability.
- Prospects that are treasured, actively managed and include full contact history.
- Confidence in the volume and quality of leads across all sources coming into the sales force.
- Formalised and consistent qualification of opportunities and leads that ensure cost of sale is known and predictable.
- Appropriate governance safeguarding profitability, and managing risk but does not present a bottleneck.
- A comprehensive, accurate and consistent view of your pipeline where opportunities are actively managed and resources effectively allocated.
- Clear line of sight of sales performance from enterprise leadership down to individual sales rep and account level with consistent metrics covering the end to end sales cycle from campaign through to realised revenue and activity.
- A holistic view of the customer giving clear visibility of interaction history and all products currently taken.
- Automation of core sales process where appropriate and provision of tools to both the direct sales force and channel partners.

Taking a focused, appropriately automated and persistent approach from lead generation to order entry will lead to a reduction in operating costs, improve net margin, decrease time to revenue, improve customer retention and instil discipline in the sales force.





11. Turn big data into big insight

The variety, volume and richness of data coupled with the availability of powerful analytical tools provide a new world of opportunities to sales. Never before has so much information been available on markets, competitors, customers, their behaviours and their needs. Big data will allow you to do more than perform the micro segmentation of your markets from driving real time personalised offers to calculating account level profitability and lifetime value. The secret is seeing the wood for the trees and turning the forest of big data into actionable insight that leads to profitable sales.

- **Take a holistic approach to data** – in order to identify forward looking patterns in customer buying behaviour sales organisations need to leverage the full data landscape. This includes internal CRM, external market data from providers, social media feeds, and unstructured news stories. Enrich your big data sets through building deeper insight into customer needs through primary customer research, market intelligence and analytical modelling.
- **Be analytical and empirical** – big data driven theories remain just theories, until tested in the real world. Firms should invest time in trialling targeted campaigns, road-testing offers and focus grouping approaches to calibrate analyses and optimise their effectiveness. Equally intuition of seasoned sales professionals can be tested using your analytical and data resources before too much capital (monetary or customer trust) is expended.
- **Make big data operational** – invest in the tools that allow analytics to become business as usual and build an insight function within your sales operations team with the accountability to turn it into value.
- **Ensure insight is actionable** – provide insight driven information, guidance leads and support to sales staff in a language and format they understand and can use in order to enjoy the fruit of your analytical labours.

Taking a focused, appropriately automated and persistent approach from lead generation to order entry will lead to a reduction in operating costs, improve your net margin, decrease time to revenue, improve customer retention and instil discipline in the sales force.



12. Social selling – it's not a spectator sport

Your customers are more knowledgeable; moving from static on-line research to

social media to get candid views from their peers.

They are seeking advice on new initiatives, complaining about your competitors, wanting to be educated and asking for advice on your company, your products and your services. And where are you? Social media provides an exciting new opportunity for generating new business, interacting with clients and improving internal collaboration.

- **Prospecting** – social media provides real time visibility into the needs of a prospective customer as they emerge and can get you back into the very start of the buying cycle where you can influence rather than react. Similarly, (and depending on the quality of their experience!) customer advocacy on-line means the customer is doing your lead generation for you.
- **Building relationships** – social media allows you to both broaden and deepen client relationships through personal information available about them on social media sites such as LinkedIn (particularly if they have accepted an invitation). This rich source of research can be equally helpful when preparing for a pitch or research to make cold calls warmer and better targeted.
- **Collaboration** – large organisations and departments are typically structured into independent functional or product focused silos, often with little co-ordination between teams. When applied to an organisation's internal processes, social media can be used to break down departmental barriers and foster more collaborative, innovative practices.

To exploit the social media opportunity requires a new mindset from your sales reps coupled with new capabilities to support them.

- **Be present** – ensure your reps have consistent up-to-date presence and profiles on the social media sites that are relevant your clients, products and markets.
- **Be active** – be prepared to provide points of view, help and insight without immediately obvious return. Your organisation needs to be geared up to regularly provide valuable gems to your sales reps that they can share with their on-line communities i.e. common best practices and innovative ways for using your product to generate value.
- **Be aware** – you need to be able to sort the valuable wheat from the social chaff. Targeting high value terms and exploiting social media monitoring tools to keep constantly on top of what is hot and what is not.
- **Be professional** – there are risks associated with social media sales that do not apply in traditional channels. Transgressing either good business or, more challengingly, social media etiquette could result in the opposite outcome to the one you were seeking.



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