

Synergy Insights - CSE2011

Sales Leadership – firmly on the Business Agenda

Sales leadership was a key theme at this year's CSE2011 conference. There was growing sentiment amongst delegates of the need to embrace a stronger and more focused approach to Sales Leadership development throughout Australia as well as the broader Asia Pacific region.

Many of the sales professionals who attended the conference were thirsty for the latest thinking in Sales Leadership, keen to understand more about Best Practice Sales Leadership benchmarking and most importantly interested in assessing their own organisation's current bench strength.

At an organisational level, the key questions for sales leaders to consider include:

- How differentiated is your organisation in the marketplace?
- How effectively and easily is your positioning and points of difference articulated and understood by customers and prospects?
- How sustainable is your market positioning?

It was noted that the rate of change in the market is phenomenal and Sales organisations need to be proactive in anticipating changes and implementing strategies ahead of their competitors to build and maintain market share. Sales Leaders play a critical role in this, making the development of sales leadership even more critical for today's modern organisation.

The changing role of the sales profession confirmed

It is anticipated that in the next 10 years, the number of direct salespeople will diminish by half with transactional sales being managed via electronic mediums and channel environments.

The internet has revolutionised information available to the customer and as such buyers are much more savvy and demanding of their sales counterparts. Social media tools such as Linked In are providing a personal window into potential sales organisations.

To that end, research presented at the conference disclosed that the 'highest value' customer profile was that of the 'Mobilizer' (Go Getter, Teacher and Skeptic) who is well informed and who welcomed the 'Challenger' salesperson to advance their own thinking. Further, customers valued Insight and innovation over ROI, service and the overall business relationship.

In fact, the research indicated market changes have resulted in far fewer customers being prepared to pay a premium with far greater distribution of customers recognising less differentiation and as a result more price sensitive.

Characteristics of top performing organisations

From the various studies presented at the conference, a number of characteristics of top performing organisations were identified that consistently resulted in revenue growth and increased EBITDA.

Leading organisations were found to generate twice the revenue and four times the customer growth over other organisations. Common characteristics identified included:

- Sell the way customers wish to buy
- Differentiation is key and must be concisely and consistently articulated
- Understand growth opportunities ahead of your competitors and mine growth
- Integrate sales and marketing functions
- Invest in channel partners and online sales mediums to increase market reach and penetration and reduce costs
- Sales process and technology must enhance the customer experience and support sales effectiveness
- Top down approach with effective sales leadership underpinned by strong change management
- Sales Coaching is critical - incorporate both coaching and domain expertise
- The 'Why' and 'How' just as important as the 'What'

The concepts of Partner, Trusted Advisor and Customer Coach were explored and debated extensively. While it was agreed that there is enormous value of all three, many conference delegates contended that it was hard to achieve and also somewhat mythical.

Coaching and execution key to sustainable sales excellence

In contrast, there was consensus that Execution and Coaching were critical success factors. Leading organisations were found to consistently execute across all five key areas of:

- Strategy
- Sales Management
- Sales process
- Sales people and skills
- Sales IT

On the topic of Coaching, research indicated that best practice organisations are coaching around 8 hours per month per rep however the majority of organisations are coaching far less and with less than ideal preparation and structure to sessions conducted.

World-class, best-practice insight

Conference delegates enjoyed the case studies presented, particularly connecting with the willingness of global players to share their individual journeys and take delegates under the hood with an honest and frank account.

McAfee VP of APAC, Steve Redman was a crowd favourite with his candid and entertaining account of the McAfee journey. Steve's passion for his team and their ongoing development was evident and spoke volumes of a 'top down' approach in action.

Redman cited Synergy's unique Development Centre as a key differentiator that has linked sales performance to quota achievement. McAfee has experienced significant business benefits as a result of their sales transformation journey including double digit quarter-on quarter growth, increased deal sizes, account penetration and improved staff engagement.

Another interesting and well received case study was presented by ANZ in concert with Dr. Rodski where they shared their success utilising a Neuroscience approach (regularly employed in sports psychology) to uplift sales performance.

Delegates recognised that there was much to do in assessing their current bench strength and their immediate challenge to effectively identify and execute the high value opportunities that will deliver the most notable returns.

Synergy's Observations

We are delighted that this year's conference focused on *Sales Leadership* and *Sales Excellence* – two key areas that our own research has identified as key to sustainable sales success.

Our extensive research of top performing sales organisations suggests that there are four critical components of a sales organisation that must be optimised in order to achieve Sustainable Sales Excellence (SSE) – a largely untapped opportunity that goes beyond sales best practice. These components are:

- Sales Culture
- Exceptional Sales Leadership
- A winning Sales force
- Strong sales effectiveness

The alignment of these components delivers substantial market differentiation and results in superior revenues, profit, customer growth and advocacy.

Closer examination of these components indicates that lack of effective Sales Leadership is frequently the greatest impediment to achieving Sustainable Sales Excellence and interestingly receives the least investment and attention. This is particularly concerning given that today's Sales Leader is under intense pressure to lift sales performance and exceed, if not at least, to meet sales targets.

Developing effective Sales Leadership ... the question is how?

To achieve high sales performance, the innovative and visionary sales leader who manages for the future is most likely to succeed. Our research suggests that effective Sales Leaders have a unique blend of characteristics which include:

- Intrinsic motivation and drive which realises outstanding sales results (sales motivation, will and energy)
- The ability to provide strong, clear direction and guidance, often from the heart (strategic thinking and tactical execution; Why, How and What)
- Any understanding of the importance of training and development and the capability to coach and shape sales teams. This creates sales heroes along the way, a strong competitive advantage for any company (Optimising team success through coaching, mentoring and developing).
- Cut-through commercial acumen which allows their team to best execute the business strategy according to the dynamics of the market (commercial execution, customer centricity, business savvy and trusted partnering)
- A strong personal presence and the experience and gravitas to exude great leadership and following, which in itself attracts the best talent in the market. They also have an innate ability to solve problems, providing creative and out-of-the-box solutions, which in turn creates confidence and motivation in their team.

So then, what are the barriers inhibiting innovative and visionary leaders who set the future state as well as coach and mentor?

- A lack of accountability of sales leadership development
- Ineffective coaching and mentoring capability
- A lack of strategic focus and a high deal focus
- Inability to execute sales strategies

In particular, the coaching and mentoring skills of sales leaders are consistently found to be sub-optimal in a majority of sales organisations. Many sales leaders lack the requisite coaching expertise and technical acumen to effectively improve sales force capability.

Lack of strategic focus and a high deal focus has also been found to negatively impact customer centricity, true business partnering and sustainable market growth and customer penetration.

Execution of sales strategies, processes, systems and skills have also been found to be inadequate due to poor change management practices, communication strategy, level of complexity and embedding support.

In today's complex business world, exceptional sales performance first starts with the sales leadership of the organisation. For any organisation that seeks to transform their sales performance and realise a significant uplift, Sales leadership cannot afford to be not be part of the plan.

Review your sales performance today ...

Here is a guideline of where to start and what to think about when you review your sales performance:

- 1. Start with your customers in mind and what are their key priorities?**
 - a. How do you provide value to your customers?
 - b. How differentiated are you really over your competitors?
 - c. How do customers describe the unique value you provide?
- 2. Conduct a SWOT analysis of your current Sales organisation in the context of your customers. What are the strengths, weaknesses, opportunities and threats for the following:**
 - a. Sales Culture
 - b. Sales Leadership
 - c. Sales Team
 - d. Sales Effectiveness
- 3. Identify your priorities and consider what will deliver the biggest bang for buck.**
- 4. Be specific about what success looks like and ensure it can be monitored and measured.**
- 5. Perform specific assessment and analysis on the identified priority, ie. research, interviewing, development centres to independently validate?**
- 6. Develop or refine sales strategy to address priorities.**
- 7. Communicate and implement with a top down strategy.**
- 8. Ensure ongoing observation, monitoring, measurement and coaching.**
- 9. Check customer experience.**