

WHITE PAPER

How to Build a Highly-Efficient Sales Structure

Part 1: Foundations for Success



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Summary

Building a highly-efficient sales structure is a complex but essential undertaking for the successful sales organization.

Such a structure is rooted in a clear vision of success, concrete and achievable goals, and strategic plans and tactics that drive sales and sustainable growth.

Vision is both the foundation of success and the launching pad to help your sales team reach that destination. The visionary leader not only has a clear picture of what success looks like, but is able to get the rest of the team to see it and embrace it.

Meaningful goals will make that vision more tangible. They must be specific, measurable, attainable, realistic and timely. They should be based on relevant data, answers to key questions, and a statistical model that enables the creation of individual sales quotas.

With a clear vision and solid goals in place, strategic planning can then begin to develop the necessary sales strategy and tactical sales processes that drive sales and fuel corporate growth.



*This White Paper is the first of four in this series from Sales Xceleration. For more information about how Sales Xceleration Advisors can help your company with sales strategy, process, and execution, contact us today at **1.844.VP4SALES**.*



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Efficient Equals Effective

In most sales environments – and in an otherwise healthy company – an *efficient* sales structure can be an *effective* sales structure. And an effective sales structure is one that leads to more sales, more customers, and a continuously positive impact on the company's bottom line.

An efficient sales structure creates a foundation for sales success. Without such a foundation, the company itself will likely fail. So the stakes are high with the livelihoods of dozens, hundreds, or even thousands of persons at risk.

So, yes, structure matters.

Structure creates understanding. It creates a baseline for measuring performance and results. It makes data meaningful. It reduces confusion. It can minimize internal discord. It can make it easier to strategize a sales plan, implement sales processes and, of course, make sales.

Without a solid sales structure in place, however, the opposite is true. Confusion reigns. Dissatisfaction runs rampant. Goals and quotas are harder to set and meet. Results are more difficult to measure. Success remains elusive.

So if we agree that efficiency and effectiveness go hand-in-hand, how can you build a *highly-efficient* sales structure? Naturally, it is a multi-faceted process. It starts with having a vision, setting goals, and crafting a strategic plan to reach those goals.

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Vision is the foundation of success, and the launching pad to reach that destination.

Vision, Goals and Your Strategic Plan

That "Vision Thing"

Perhaps Jonathan Swift, Irish writer, poet and author of Gulliver's Travels, said it best:

"Vision is the art of seeing things invisible."

Vision, however, is not the same as a dream; dreams are fanciful things that have no clear path to becoming real. Vision, on the other hand, is the foundation of achievable success, and the launching pad for the goals, plans and processes it takes to reach that destination.

Successful businesspeople have the ability not only to envision success, but to help others see it – and reach it – too. That's where goal setting comes in.

Setting Meaningful Goals

It has been said that *you are much more likely to reach your goal if you have one*. And yet it is surprising how many individuals and companies don't set goals. At first, because there are so many ways to be successful, your goals can be somewhat general in nature. You might, for instance, simply seek to increase market share, retain more key clients, generate additional revenue with existing clients, and so forth.

But meaningful goals should be more specific. In fact, if you don't get specific you could end up far away from your intended (even if unspoken) destination. With that in mind, you can still define one key (but more specific) corporate goal into which all supporting goals feed. For example, your overall goal might be to increase annual revenue by 10%. To achieve that objective, however, you can have many subordinate goals, such as increasing prospecting by 25%, along with working to increase revenue from existing customers by another 25%. Any numbers you assign to these objectives should be based on past sales performance and relevant, current and market-specific data.

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Vision, Goals and Your Strategic Plan

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Before settling on tangible goals, ask yourself key questions, such as:

- Does your product or service mix matter to goal attainment?
- Does it matter how much revenue will come from existing vs. new customers?
- Will margins hold steady with increased revenue, or will added expenses eat into the margins so that your goal should actually be higher than first thought?
- Are there significant factors on the horizon that make single-year performance less representative of success than a multi-year sales forecasting model?

Achieving more cannot always be accomplished with current resources.

Build a statistical model for sales team member quotas. This can also help you set commission rates.



For your goals to become linchpins in achieving sales success, they need to be SMART:

- *Specific*
- *Measurable*
- *Achievable*
- *Realistic*
- *Timely*

SMART goals make the invisible visible. They make the intangible tangible. They turn a vision into a destination. They become an essential link between your initial vision of sales success and the methods to achieve that success.

As you begin to develop your overall corporate objectives, you will need to consider that achieving more cannot always be accomplished with current resources remaining static. To support growth initiatives, you will likely incur extra expense that will at least partly offset initial gains. For example, you might have to increase your sales team by 5 salespersons or invest in a new CRM and marketing collateral. If these expenses are good investments, however, they will yield sustainable ROI.

Setting Individual Sales Quotas

Armed with answers and information about all relevant factors, it is important to build a statistical model so you can develop individual sales team member quotas. Simply put, even the best sales methods cannot be truly effective unless individual objectives are identified and implemented. Clearly defined and understood quotas – for sales in dollars or volume, or even for sales activities like appointments set or calls made – can also help you determine commission rates and administer salesperson compensation. Statistical data should also indicate differences in expectations (quotas) for each person; an across-the-board increase over last year of 10% for each member of the team doesn't take into account geographic differences, loss of a customer, a larger pipeline carryover, etc.

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Vision, Goals and Your Strategic Plan

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Planning the Path to Success

So how can you create a strategic plan to maximize sales performance and success for your company?

- **Once a year set aside significant time** – at least a day or two – for strategic sales planning. Schedule this strategic planning session to fit the selling situation. For some, the end of the fiscal year works best; for others, it might be best to strategically plan right after the end of the busy season.
- **Find a space** where you can work virtually uninterrupted.
- **Gather the materials you will need:** account folders; account profiles; company goals for the year; information about key products, services, or categories; computer reports of prior years' sales; territory maps, and so on.
- **Immerse yourself in the process.** Throughout the planning session, maintain focus on your agenda. Don't do anything else that isn't an emergency. Recognize that any interruption will take you off course.
- **Incorporate shorter-term planning:** Beginning with larger annual goals, break them into smaller, more tangible objectives. Break your annual plan down into 6-month plans. Parse those into monthly plans, and the monthly plans into weekly and even daily goals, as appropriate. These shorter-term goals will provide mile markers for short-term measurement of progress.



A **STRATEGIC PLAN** is comprised of a set of measurable goals, coupled with a list of the most important, most effective things you or your sales team can do to reach those goals.

A strategic plan is not the same thing as a **SALES STRATEGY**. Sales strategy is the planning of sales activities and methods designed to reach clients and close sales. This, of course, demands awareness of your target market, your competitive differentiators and advantages, and key resources available.

The implementation of your sales strategy happens by way of your **SALES TACTICS**. These are the day-to-day activities of selling, including all parts of the sales process from prospecting to closing to following up.

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There is no “one-size-fits-all” path to closing the deal.

Plan accordingly.

Vision, Goals and Your Strategic Plan

Continued

What should your ultimate strategic sales plan include?

- **The destination.** What are your sales team's ultimate goals? More touches? More closes? More total sales revenue? Make sure your sales team sees and buys in first to the vision for success and next to the individual sales success goals. Making your goals SMART increases the likelihood your sales team will take ownership of them and be able to move confidently toward their achievement. Involving your sales team in the planning process will increase their buy-in even more.
- **Preferred paths.** The plan should dictate the paths (for example, which customers to focus on, and how much time to spend with each customer that will yield the greatest overall return from the time invested). Consider all relevant factors, market by market and customer by customer. For each targeted prospect, knowledge is power and will reveal the right path to achieve individual – and eventually, overall – goal attainment and sales success. Keep in mind that in most industries, there is no true “one-size-fits-all” path to closing the deal. Plan accordingly.
- **Likely roadblocks or obstacles.** Don't let your team fall into the narrative of another “big one that got away” because key factors were unknown or discovered too late. Do your homework -- proper strategic sales planning will reveal potential roadblocks and obstacles early enough so you can avoid distractions and stay on track.
- **Deadline and accountability.** Without them, your plan isn't really very SMART, strategic or meaningful, is it?

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Setting Your Sales Process GPS

On the road, a Global Positioning Satellite (GPS) unit can help you find the best path to reach your destination. Likewise, a well-defined and carefully crafted sales process can serve as your "Sales Process GPS" to help each member of your sales team navigate the most efficient path to their destination – successfully closing the sale.

With your Sales Process GPS in motion, your sales process:

- Becomes a predictable, repeatable and scalable sequence of events. It removes the guesswork and uncertainty from selling. There is no need to "wing it" and take unknown or unproven detours that might or might not enable you to reach your destination at the right time.
- Employs a common language (throughout the entire company) for the sales journey and each step along the way.
- Establishes the mile markers (milestones) by which your sales team can monitor progress throughout the sales journey. These mile markers are the questions that must be answered and the tasks that must be completed in order to continue advancing toward the sales goal. Your Sales Process GPS will make it clear how and when to navigate from one mile marker to the next. Your company's Sales Process GPS might even indicate a change of driver (that is, a hand-off to another member of the sales team) at defined intervals. In the long run, as tasks are completed, goals reached and mile markers passed, your entire sales team can be certain of progress toward the sale.
- Helps your sales organization forecast future sales activity and revenue based on past ability to reach sales destinations.
- Makes it easier for new sales team members to get quickly up to speed as they learn how to reach prospects and turn them into customers.

Your Sales Process GPS will make it clear how and when to navigate from one mile marker to the next. That way, your entire sales team can be certain of progress toward the sale.

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Sales Process definition will be the most obvious part of your highly-efficient sales structure.

Setting Your Sales Process GPS

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Unfortunately, the best and most reliable Sales Process GPS for your organization is not an off-the-shelf item. Your best sales process must be defined and built specifically by and for your company and your sales team. It should include a specific objective for each sales call (otherwise, why even make the call?) that helps frame the process for that situation. Sales process definition, including likely variations and contingencies, will happen at least in part during the strategic planning phase. These processes ultimately become perhaps the most obvious part of your highly-efficient sales structure.

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Conclusion

Establishing a highly-efficient sales structure is a complex undertaking, but one that can put your organization on firmer ground for sustainable success.

The experienced professional Advisors representing Sales Xceleration and our proven sales systems can help your company set up the sales structure best suited to your industry, your market, and your sales culture.

To learn more about how a Sales Xceleration Advisor can assist your organization, contact us at **1.844.VP4SALES** (1.844.874.7253). We look forward to discovering your needs and discussing how we can help you achieve your sales success goals.

Looking Ahead to Parts 2, 3 and 4 in This Series

Having a clear vision, concrete and SMART goals, and a strategic plan to achieve those goals are the foundations of a highly-efficient sales structure. But these facets are only the beginning.

We'll cover additional essential components of a highly-efficient sales structure in parts 2, 3 and 4 of this continuing White Paper series:

- **Part 2:** *Establishing Your Sales Territories and Sales Responsibilities*
- **Part 3:** *Defining Your Sales Team Requirements*
- **Part 4:** *Recruiting, Hiring and Onboarding Top Sales Performers*