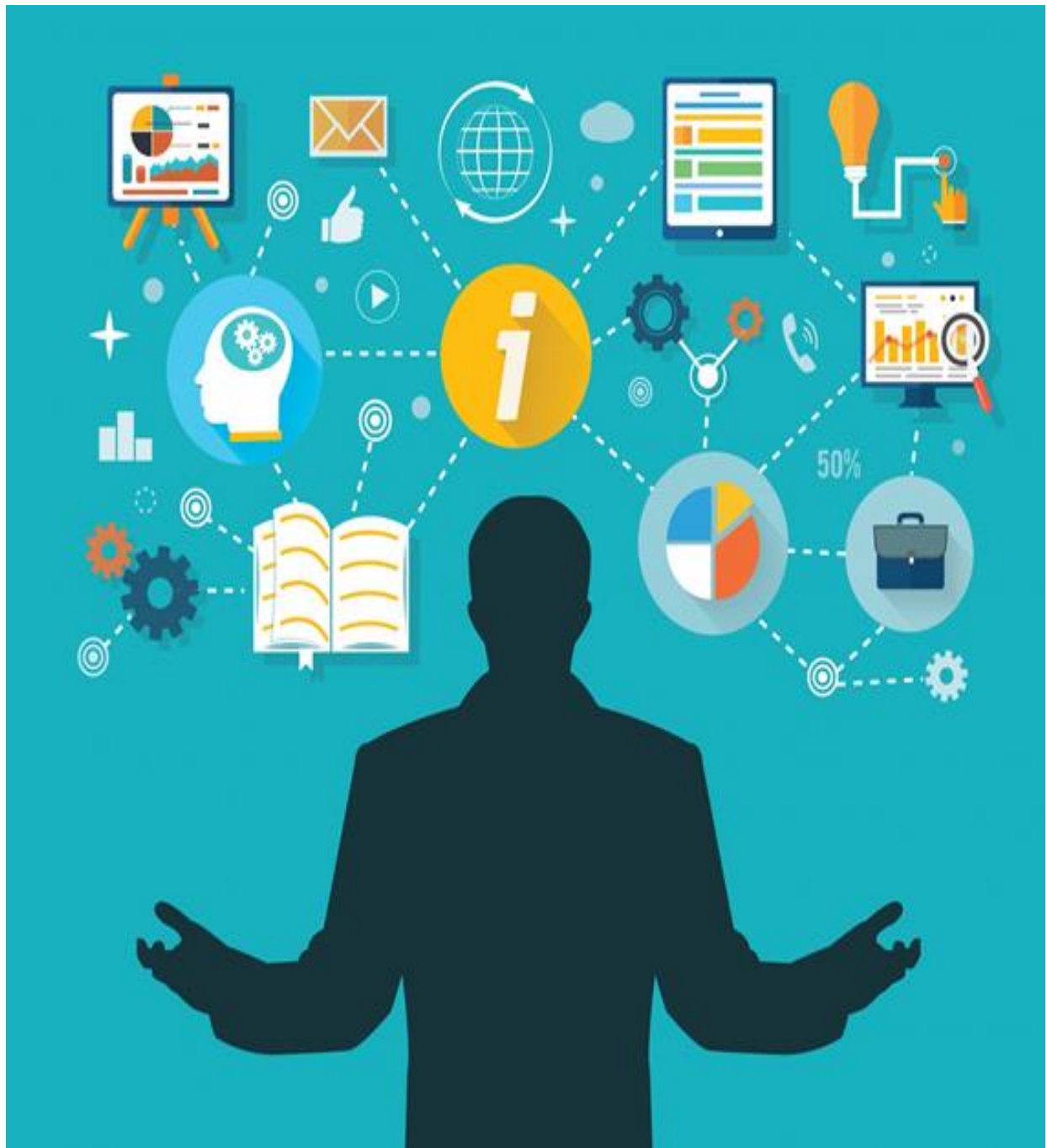


How sales managers can help their sales force succeed & increase sales using data analysis?



Executive Summary

There is common saying "What you can't measure you can't manage".

This applies very much to the sales management of field force sale people. Most sales heads we meet, express a common problem which is how to improve their field force productivity and how their sales managers can leverage technology to improve sales performance.

In other words, sales heads want to know,

1. How to ensure their field force spend their time on the highest potential customers so that revenue/salesperson increases year or year!
2. What is that sales managers must do differently to help field force work better
3. How to make their sales team adopt the technology to improve their productivity?

The reality is, most sales managers who manage the field force, are not trained to understand on how to use data to get insights, which in turn can help them drive sales force success.

This article is written to address these questions and explains why sales managers must start looking beyond sales results numbers and use effort and sales activities data to help sales force succeed. There is a framework provided to apply in the work area.

What drives sales force success?

Let us understand what drives sales performance or sales force success.

In any business, sales force success is due to combination of many factors. Some of the factors are within organization scope and some factors are outside the scope of organization. Even in factors which are within the organization scope, not all are in sales team control.

Some things as below are outside of sales people control,

- Customers buying process
- Too many competitors
- Market trends or market conditions
- Related to Product (Features, Price, Offers etc)
- Company policies

Despite of above factors not in control of the sales people, most sales people when asked what they think can improve sales, they say less competition or lesser price product, better market conditions! But these factors, one can only wish to be in their favor, but they cannot be acted upon.

The below chart gives an indicative picture (depending on business type & size the factors influencing sales results are also changed)

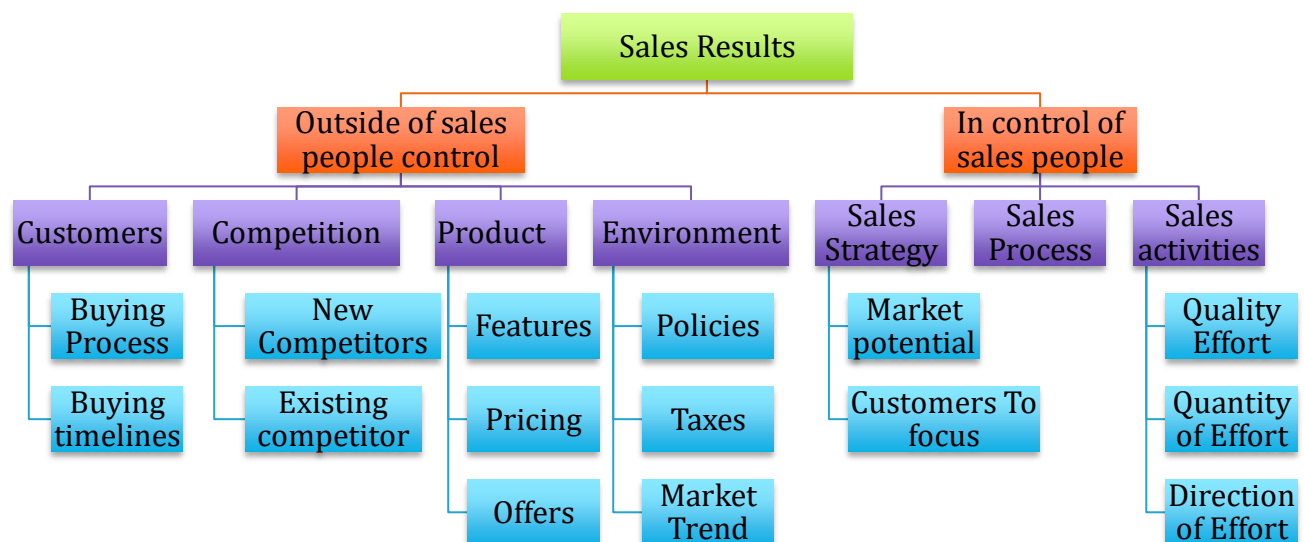


Figure 1: Common factors influencing sales results

If we see from above chart, sales managers and sales people have absolute control only on sales activities. Sales strategy and sales process though in control of sales team but mostly defined at organization level by sales & marketing heads.

Sales activities can be divided in to,

- Quantity of effort: Ex - Number of customers met, number of repeat visits, Number of proposals sent etc.
- Quality of Effort: Ex: How good in explaining product, handling objections, building new relations etc.
- Direction of effort: Focusing on right products, high potential customers, closing sales

So, to drive sales force success, what is required is develop a mechanism to measure the sales activities which contributes directly to sales results and continuously improve on those activities.

But when it comes to sales, a common objection occurs is, selling is difficult to predict and is limited to individual sales person skills. This is right, in a way sales results can be at times driven by individual sales people skills.

But as a sales manager it is important to understand how sales can be made more predictable so that consistent results can be achieved. And for this, developing skills to analyze sales activities data and derive insights is very critical.

Why measuring and analyzing of sales activities is key?

When we say that sales managers must focus on sales activities, it is important for sales managers to understand what sales activities are involved for each of the markets they are targeting.

How many sales managers in your organization have ready answers to questions as below,

- **What efforts of the sales team to be analyzed to acquire new customers?
(Are the new customers increased or decreased in the last six months?)**

- **What time is spent by sales people to sell new products or meet new customers?**
- **Where is the maximum effort the sales team spending? (Is the direction, right? Are they spending on easier customers or downtrend products?)**
- **What competency required to achieve the results? Do the team members have the right Product knowledge, Customer knowledge, selling skills?**
- **How to measure sales call effectiveness? (What our salespeople are saying, how long is conversation time? How good the visit was or how clearly managers can define and measure the outcomes of the meeting?)**
- **Where is the “sales funnel” breaking down? (What are the biggest “holes in the sales process” that need to be fixed?)**

The answers to the above questions are not available easily. They cannot be answered using weekly/monthly sales numbers. They don't come easily. And some cannot be captured or measured with technology. But it needs to be observed and made aware to sales reps.

But if, sales manager doesn't have answers to above questions, he cannot guide the salesperson on the field.

But if sales managers are ready to look beyond the results numbers and start analyzing what contributes results, then they are in a better position to guide the team to success to focus on right customers and right products

Why focusing on sales numbers is not enough?

In most organizations the current culture prevents people to spend time to measure activities data. Most sales teams culture across organizations is to focus on setting targets and measuring the achieved vs target numbers.

Incentives which are primary motivators for sales people are linked to sales results which makes sales team give more importance to sales results over sales activities.

For examples, most of targets are set such as,

- Grow product X revenue from 2 Cr to 2.5 Cr in next 3 months
- Increase market share from 3% to 5% by end of FY 19.
- Close 15 loan accounts by this quarter

Once these targets are set, in every sales meeting, sales call, sales managers and sales rep talk only about these targets and compare how well they are doing against the targets. But there are many other sales activities and sales effort related data parameters which never gets discussed.


By only focusing on results, the conversation will generally revolve around what has happened, but doesn't give any insights into what needs to be done moving forward to improve.

The issue about discussing on only the results is, it is a past data.

The conversation will revolve around post mortem of why things happened but won't provide insights what caused the results. Because of this lack of insights, most sales conversations end up in a similar note of pep talk on motivating for additional efforts or revising targets or blaming external conditions.

There is fundamental difference between measuring only results vs. measuring activities which cause those results.

Instead what is required is, to develop a culture to measure activities which leads to these results.



As a case, if sales numbers are below expected then more effort required from salesperson or targets to be pushed to the next quarter and if sales numbers are meeting expectations then revise the targets to a higher number. **This cycle continues**

For example, if the sales are going to come from adding new customers than what activities will give us new customers, spending on adding new customers becomes critical factor?

The measurement can be
Time sales force spending in
adding new customers?
Number of referrals being
added to customer database.

Usually the critical resource
which can measured against
any activity is TIME. It is always
difficult to know where sales
people spend time.

To ensure, sales force is not
spending time on low
potential activities, sales
managers can build
mechanism to measure where
the effort is being spent. A
dashboard of sales manager
must have both results data as well as numbers related to efforts.

Now it is a challenge to know, what all effort data to be measured which drives sales performance?

With markets being dynamic with new products, new competitors, customers changing buying pattern, new policies, market trends changing, there are no standard answers.



Rule for actions

All actions don't give equal results. Hence it is very key for sales managers to ensure that their field staff focuses on right actions which give maximum results.

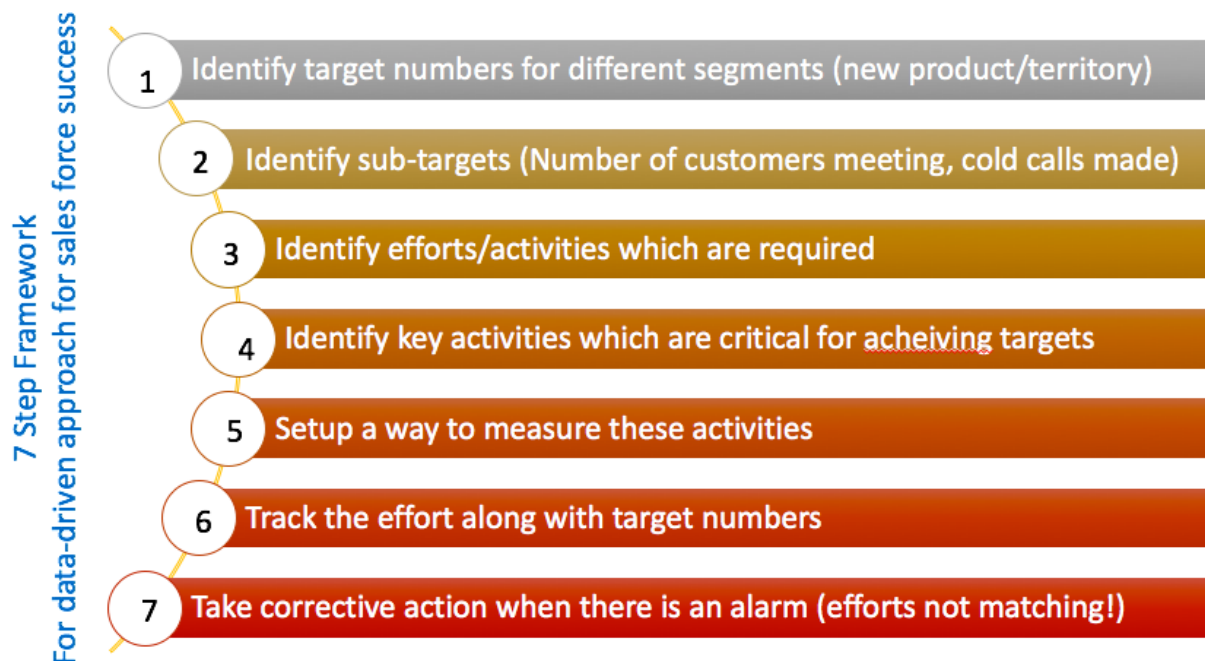
In general, sales managers in the name of data, focus on lag results which doesn't reveal what factors are causing sales results!

Most sales managers aren't equipped with the necessary skills, tools, techniques to analyze the efforts and sales activities which can provide insights on where the team should focus to get desired results in a changing environment.

From 4Dx Execution -

What is seen is, too often sales forces are not discriminating enough when choosing which customers to focus on and spend their effort on easy and less buying power customers: Power of Sales Analytics, Zoltners & Sinha

Hence this calls for sales managers to develop minimum analytical skill of knowing what to measure for various activities they have of new product launch, acquiring new customers, entering new market etc.



This is where the new technology such as Sales force automation or Sales CRM comes in to play. With these technology sales managers can have a dashboard measuring the activities and map against the results.

Adopting Technology Solutions for Sales Team

Since last 2 decades, Sales force automation software and Sales CRM has been the most sought-after technology solutions being deployed by sales teams across organizations worldwide.

By helping sales team analyze sales activities and sales force efforts, sales leaders are able to channel sales force efforts in right direction and increase sales team productivity, sales effectiveness, and decrease sales & marketing expenses.

Many Sales Force Automation (SFA) software providers claim organizations can see increases in sales team productivity by over 50% and minimizes sales & marketing expenses by over 30% transforming into higher sales revenue.

A leading sales force automation vendor claims as below,

300%

Improvement in lead conversion rates.

24%

Decreased sales cycles.

41%

Revenue increase per sales person.

27%

Improvement in customer retention

23%

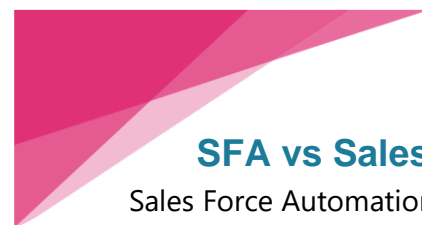
Decreased sales and marketing costs.

These claims are big and frankly, some companies have achieved it. That is what is making Sales CRM and SFA software solution sales grow by 50%~100% year on year.

But the reality is large % of companies are not getting the expected benefits! Forget about the 50%~100% increase, many companies are not even the realizing the ROI.

When it comes deploying technology for the field force sales staff such Sales Force Automation, the amount of time, money and overall management bandwidth it takes is very high and many companies struggle for years to see tangible improvements and ROI.

A study by Forrester has said,



SFA vs Sales CRM

Sales Force Automation is primarily used for the field sales force and looks at the entire sales process and tracks the efforts of salespeople internally,
Sales CRM is more about customer, capturing relations, interactions.

Between 25 and 60% of Sales CRM projects fail to meet expectations, according to studies conducted over the past decade.

Again, the numbers are from international studies and our anecdotal evidence shows from India businesses, more than 70% SFA's don't see the expected benefits.

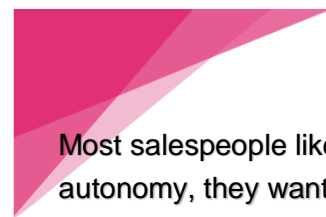
Why companies fail to realize SFA benefits?

Let us identify some of common reasons why companies are not benefiting from the sales force automation solution.

Firstly, most companies are not getting the expected benefits from SFA or the Sales CRM is due to staff not willing to use. In field sales, it is the sales person who has input the data and it is often the case, sales people find various reasons not to comply.

83% of senior executives explained that their biggest challenge was getting their staff to use the software

Why sales people don't comply has many reasons, but the key reason that holds is most salespeople like autonomy, they want to hold their customer info and don't want to be micro managed.



Most salespeople like autonomy, they want to hold their customer info and don't want to be micro managed.

Zoltners & Sinha,
Founders of ZS Associates &
Authors of Sales Analytics Book

Unfortunately, in many organizations technology solution which collect data are being seen by sales people as tools used by organizations to micro manage.

Secondly, most SFA or Sales CRM when launched are not communicated well enough to make people see the tool as something which helps sales people.

When sales people don't see the clear benefit of **"What is in it for me"**, they don't see a strong reason to comply.

Thirdly and most important one, most sales managers do not know how to take actionable insights from the data and guide sales people towards success.

A company which address the above issue can start to see the benefits of sales results improvement very quickly.

Conclusion

In today's competitive industry where each sales person must meet many customers and sell many different type of products, sales managers cannot afford to be not data driven.

For sales force success is a combination of many factors, it is important to identify actions which gives maximum results and use data to measure the driving factors for sales force success.

There is an urgent need at the organization level as well as at sales managers level to know where the field force is spending their effort and how to help them meet the high potential customers.

The very understanding that, one must focus on what drives sales force success will make sales managers start focus on activities and help sales team succeed.

New technology solutions such as sales CRM or Salesforce automation can definitely aid the sales team, but before adopting technology, the necessity for organizations to make sales managers aware of the importance of data. Using excel also teams can track sales activities.

Technology solutions makes it easy to collect real-time data of daily, weekly planning, daily reports, new opportunities, customer interactions etc. but for successful adoption at all levels of sales team, the benefit should be seen.

So, the question every sales leader must be asking is, how can they make their sales managers become more data proficient, so they start analyzing sales activities, sales effort to get more insights and help sales force succeed?

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To dive sales force success, GrowthAspire conducts 2-Day Workshop for
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