

Return on Engagement: Getting Salespeople into the Game Increases Revenue

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Executive Summary

Corporate sales executives are looking for an edge to drive productivity in today's challenging business climate. Global economies and business results have suffered significantly, and at the same time, a radical transformation of the selling environment has occurred. With history as a guide, we can expect the economy to recover and see a return to business prosperity. Yet the buyer-seller relationship and selling cycles have radically and permanently shifted. Today's selling environment has created a "new norm." The principal driver behind the shift is the Internet revolution and its direct impact on selling, commonly referred to as Sales 2.0. In short, access to information, collaborative tools and technologies, social networks, and embeddable technology-based sales productivity applications have altered the buyer-seller relationship. Selling is far more challenging and competitive than ever before.

As companies race to understand and embrace this Sales 2.0 world in an effort to optimize sales effectiveness and drive performance, many CSO's continue to overlook one critical success factor that has a proven direct link to the performance metrics that matter most – increased customer advocacy, productivity, and profitability – that directly impact revenue, regardless of the economic environment.

Most sales leaders are missing the significant opportunity right in front of them in their own organization – a well-aligned, highly engaged sales force is often the differentiator to achieve measureable growth. This paper explores:

- ▶▶ What can CSO's do to ensure sales force engagement in this new selling environment?
- ▶▶ The critical role of proactive sales coaching, and in particular at the top of the funnel, which increases employee engagement, resulting in an emotional, personal commitment to each sales initiative and increased performance and results!

A recent study published by the Gallup organization reveals that an engaged sales force delivers:

- ▶▶ 12% increase in customer advocacy
- ▶▶ 18% increase in productivity
- ▶▶ 12% increase in profitability

Overview

In an effort to gain and/or maintain a competitive advantage in this “new norm” of selling, sales leaders have had to strategically address all areas of their sales organization – from people to process to technology – as they drive towards the goal of optimizing their sales effectiveness.

While many companies focus on the decisions which affect the most tangible areas of their sales organization, such as process, tools, and automation, many are overlooking the one critical success factor which research shows has a direct link to the performance metrics that make a measureable impact on a company’s growth rate – an engaged sales force!

Most sales managers are well aware that the ongoing development and support of their sales force plays an important role in reaching their revenue goals, yet research has proven coaching is the least developed of all managerial skills. It is often standard operating procedure to react to sales situations by “telling” or “directing” rather than “asking” and “coaching.” This approach, combined with a barrage of bad economic news and this “new norm” of selling, has salespeople losing confidence and disengaging from their organization and its goals.

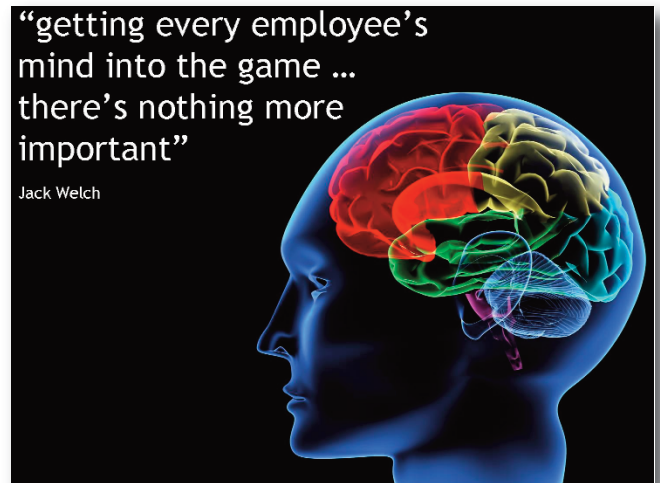
This paper will explore how proactive sales coaching, in particular at the top of the sales funnel, is critical for increasing employee engagement so that salespeople remain emotionally committed to each sales initiative and organizations are positioned to realize a measureable increase in customer advocacy, productivity, and profitability.

The Power of Engagement

The term engagement is defined as being “emotionally involved and committed.” If we translate and narrow the focus to the sales organization level, employee engagement means that every salesperson is emotionally involved and committed to each sales initiative they undertake.

Recent research from the Gallup organization reveals that employee engagement is directly related to the business metrics that matter most to sales executives (customer advocacy, productivity, and profitability), yet only approximately 17% of employees are “actively engaged.”

Further, Gallup noted a direct link between engagement and profitability – companies with highly engaged employees saw their earnings per share (EPS) grow 2.6 times greater than companies with below average engagement.





While organizations appropriately expend significant funds on sales training, post-learning metrics suggest that up to 87% of the training impact will be lost within 30 days if not reinforced. It is critical for sales managers to engage and empower their salespeople in order to positively effect behavior change. The end goal for sales managers is to “get each sales person’s head in the game.”

By shifting the *coaching focus* from the more typical transactional perspective to a more strategic perspective (i.e. throughout the entire selling process from top of the funnel) sales managers have a greater likelihood to achieve engagement and commitment to the strategic sales initiatives.

The New Sales Environment

According to CSO Insights (2009), the time frame for executing all steps in the sales cycle to close the deal has increased for the fourth consecutive year, with 27% of all sell cycles extending beyond seven months.

With over a quarter of deals on the table taking the better part of a year to close, sales managers need to navigate this “new norm” sales environment and spend more time analyzing the feasibility of each opportunity much earlier in the sales cycle. CSO’s research also revealed that 69% of all opportunities >\$500k required more than five calls. The combination of longer sales cycles and more complex deals indicates that sales success will not be achieved by making more sales calls, but rather by making *great* sales calls and maximizing customer touch points. Great sales calls move the process forward and accomplish one or more of the following objectives:

- » Motivate buyers to meet
- » Establish sense of urgency
- » Differentiate you against the competition
- » Demonstrate value
- » Provide a compelling business case

Therefore, organizations must ensure that their salespeople are equipped and motivated to make *great* sales calls and ensure the salesperson provides value at every available touch point. In this “new norm” environment, the role of the sales manager is more vital than ever before.

Proactive Coaching

In Thomas Gilbert’s study of human performance, he discovered that formal learning programs often only brought about a change in knowledge, not a change in behavior; other variables were needed to bring about a lasting change in behavior. These six variables were identified to improve human performance: information, resources, incentives, knowledge, capacity, and motives. Gilbert believed that absence of performance support at work, not an individual’s lack of knowledge or



skill, was the greatest barrier to exemplary performance. Information and knowledge variables are typically addressed by most training programs. The capacity, resources, motives, and incentive variables are met primarily through role definition, effective sales management, and coaching. It is therefore critical for sales managers to invest time in a process that resonates by creating that personal, emotional connection and empowers salespeople to make great calls every time – that process is “coaching for engagement.” It is the role of the sales manager to equip and motivate salespeople to consistently strive for optimal performance through *great* calls.

The catalyst to creating engagement rests in the practice of proactive coaching. By definition, proactive coaching is defined as developing awareness in anticipation of each salesperson’s needs, drivers, and obstacles before these are encountered. You just can’t rehearse and practice enough to deal with everything that happens in real time, especially in this “new norm” environment.

The challenge for organizations is that the majority of sales coaching that takes place typically does not achieve the level of proactive coaching. Instead, it resembles:

- ▶▶ Reactive
- ▶▶ Directive
- ▶▶ Transactional or deal-based
- ▶▶ Managerial dialogue

When polled, managers widely report that the reason they coach on a reactive basis is due to competing priorities, their own inexperience in this “new norm” environment, and their lack of personal skills/ability to proactively coach. In other words, today’s sales managers remain ill-equipped to perform the most critical aspect of their role. Organizations must realize that their sales managers are the force multipliers to the sales force and pivotal to ensuring the behavior change critical for achieving success in a challenging new sales environment.

Therefore, the dilemma for organizations is simple – create and sustain the shift from a reactive coaching culture to one of proactive coaching. How can senior management accomplish this culture shift on the fly? The answer is to require its sales managers to embed a formal process of proactive coaching into the work stream and ensure that it is treated like other critical sales performance processes and measure it!

*“What’s in the work stream
is what gets used”*

— McKinsey & Co.

*“What gets measured
gets managed.”*

— Peter Drucker

Sales managers themselves can drive the culture shift and champion the effort of embedding the coaching processes into the “work stream” by committing to be available, providing regular and developmental feedback as part of their ongoing dialogues with their salespeople. The coaching feedback should focus on the anticipation of future needs, changes, or problems, to incrementally increase sales effectiveness, and be framed in a way that is:

- » Accurate
- » Relevant
- » Objective/consistent
- » Timely
- » Individualized

When owning the process of proactive coaching, sales managers must remain mindful of their own skill development needs and biases. To illustrate the importance of this need for self-awareness, sales managers must think of themselves as mirrors to their salespeople and strive to reflect back to salespeople accurate feedback and appropriate behavior. It is vital that sales managers avoid becoming a funhouse mirror by reflecting distorted views as a result of their own skills or biases. There is much to be said about the cliché, “Practice what you preach,” especially when the goal is to proactively coach to engage salespeople so that there is a measureable impact on sales effectiveness.

Legendary UCLA coach John Wooden’s quote says it best – “It’s what you learn after you know it all that counts.” Sales managers should never lose sight of this wisdom.

Engaging Your Salespeople

Sales managers can ensure that they are reflecting the image that they want their salespeople to emulate by remaining committed to the following initiatives, which are critical in this new sales environment:

- » Spend time coaching earlier in the process
- » Spend more time motivating the sales team
- » Lead by example
- » Partner with salespeople at current clients, especially key accounts
- » Use your influence to ensure other departments support the sales team
- » Communicate the need for everyone to go beyond the status quo

When coaching is embedded into the work stream and occurs proactively at the top of the sales funnel rather than on a reactive basis at the deal stage, the platform is set for achieving sales force engagement. However, for total engagement to occur, sales managers have to understand and manage to the key areas that create engagement, nearly all of which are grounded in how the salesperson perceives his or her manager.



Sales managers can use proactive coaching during their ongoing dialogues with salespeople and create engagement by:

- ▶▶ Spending time to discuss how the salesperson's role and focus might have shifted in this turbulent time
- ▶▶ Ensuring company-wide sales enablement is a priority
- ▶▶ Encouraging salespeople's development
- ▶▶ Seeking and validating salespeople's opinions and thoughts in this changing selling environment
- ▶▶ Advocating the alignment between the company's objectives and what is expected of the salespeople today
- ▶▶ Identifying stretch opportunities for salespeople to grow
- ▶▶ Celebrating the accomplishments and successes of the salespeople

We at Richardson have helped our clients achieve the sales force active engagement through a variety of coaching training programs, processes and tools. From classroom-based developmental sales coaching (with modules for in-the-action, peer, HiPo, and problem performer coaching) to processes such as our StartCoaching™ reinforcement structure (series of one-on-one coaching calls) to our SalesCallPlanner™, a CRM-enabled planning application with real-time reinforcement. Visit us at www.richardson.com.

Summary: Return on Engagement

When salespeople are supported by proactive coaching and become actively engaged to their company, the result is a high-performing team of people who's heads are "in the game." When salespeople are in the game, they are aligned with organizational goals and exhibit behavior change, which creates high-quality sales calls and customer touch points and drives results.

As the Gallup study revealed, there is a direct link between active engagement and the performance metrics that matter most:

- ▶▶ 12% increase in customer advocacy to increase the quality of customer calls
- ▶▶ 18% increase in productivity to shorten sales cycle time and spend more time in front of customers
- ▶▶ 12% increase in profitability to directly impact company revenue