

Let's Go To The Videotape

Five Rules for Evaluating and Improving Sales & Marketing Performance

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As any athlete or coach will tell you, the video tape doesn't lie. One of the hardest things about being a competitor in a high profile sport, be it the Olympics or Monday Night Football, must be the repeated replaying of your every flaw and fumble for the whole world to see in high definition on the jumbotron. In business, fortunately or unfortunately, spectators don't pay admission to watch us do our jobs. No crowded arenas or jeering crowds when we give the elevator pitch or submit a proposal. But we also don't have the benefit of that stark lens to help us confront the brutal facts. Or do we?

At Delve we've observed a consistent trait that separates truly exceptional sales and marketing teams from the mediocre: the willingness to objectively review performance. Teams that use a consistent process for evaluating their performance in detail consistently out-perform competitors. This takes a level of discipline, commitment, and a willingness to listen possessed

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by only a few. From our experience helping some of these great teams objectively evaluate performance, we've developed a set of rules that stalwart teams can apply. Taken singly, these things may sound like just plain common sense. The trick comes in consistently applying all of them.

Rule #1: Watch the Replays & Video Tape

Study wins and losses. By pouring over the instant replays and video tapes of their practices and competitions, athletes and coaches alike find the things they couldn't see for themselves in the heat of play. Most business people are hard-nosed, practical people who focus on what they can see with their own eyes. This makes them realistic, clear-eyed people unlikely to be deceived. It also makes them myopic.

If all you take in is what you see from your perspective, you're missing 60% of the field. Even with the benefit of internal

"post-mortems" where teams sit around and debate "what went right, what went wrong" they're still only seeing a piece of the picture. Often sales are won or lost for reasons the seller either doesn't see or doesn't understand.

To understand the effectiveness of a given sales and marketing program, review actual performance. The great teams use some form of diagnostic interviews with those clients that selected them and those that choose not to select them. They also separately work with the sales teams involved to get their perspective. We will often perform this analysis on behalf of

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our clients as their buyers are often more forthcoming with us than they would be directly with the client.

Regardless of who performs the analysis, the objective is to find out the following:

Which messages resonate and which fall flat or undermine the sale? Buyers have shared with us what they actually value in the vendors they selected - which often differed with the company's own perspective

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Which specific activities help, and which kill deals? When should executives have gotten engaged? Who should have made the initial and follow up calls? When was the right time to submit a proposal or to walk away from the deal? Buyers revealed what they were thinking at different stages of the deal, and how the actions of sales and marketing professionals influenced their behavior.

Who they see as your competitors and why? Why did they select the other guy? Why did they choose to do nothing? What would have changed their minds? Often decisions are made at the margins - little things make a difference. Buyers often shared the "tipping point" at which they would have made a different decision.

How to extend a culture of service? A hidden benefit of doing this kind of analysis is that our client's customers came away feeling "cared for and cared about." Surprisingly few companies engage in this kind of deliberate listening to their clients. Buyers often asked us to pass on their thanks to our client, and sometimes losses could turn into new opportunities simply because our client demonstrated this commitment.

Rule #2: Know the Playing Field

Measure the length and breadth of the market so you'll know when you've won. No athlete steps into a competitive arena without carefully studying every aspect of the playing surface. They study its length, depth, and characteristics - from soil composition to traction.

Similarly, great business competitors carefully study their markets before they enter them. Surprisingly few companies get to know the broad specifications, much less the intimate details, of their markets. Sales and marketing is the art of the possible: learning and adapting to what's possible in the market, and operating within those limits. But what defines the boundaries? What expectations are realistic?

To get the length and breadth of the field:

Start by counting heads. How many potential buyers for your services exist? We recently worked with a company that had invested hundreds of thousands of dollars in developing a software product and had succeeded in selling it to a foundation customer. As they prepared to invest hundreds of thousands to commercialize the product, we helped them figure out they'd already captured 20% of the market. Only five buyers existed in the entire world for their product!

Play the odds. Sales and marketing are akin to batting - you just simply can't bat 1000. Depending on the industry, the nature of the transaction, and the methods used, "good" hit rates can range below 1% but rarely higher than 40%. Knowing that, and having counted heads, you can adjust your goals appropriately. Thinking you can beat the odds every time is like heading onto the football field with only "Hail Mary" passing plays in the playbook. In the case of the company we mentioned earlier, having already captured 20% of the market, the likelihood of capturing 40% seemed pretty unlikely. By counting heads they mastered the art of the possible - and saved precious capital that would have been wasted on pointless commercialization.

Get to know the terrain intimately. Often sales can feel like pushing a huge rock up a hill. Continuously trying to push against a rough terrain can be a daunting and depressing task. What if there are easier, less steep hills? The steepness of the hill is directly related to the quantity and quality of demand in a given market. For one client we went through a process that began by "counting heads" and assessing likely probabilities of closing based on their sales and marketing methods, and then we helped them zone in on specific demand. In our experience the great teams focus on: Sector identification. Determine which market segments contain the most likely buyers with the greatest need for your services and products. *Buyer status & needs.* Find out specifically who the buyer is, what they need, how they think about these types of services, and the benefits they seek from companies similar to yours.

Supplier strengths. What buyers think about the different options they have (both internally and from external suppliers), what scope of solutions they are aware of today, and who they consider to be the leaders in your market.

Competitor weakness. How buyers perceive the track records of competitors, their experience working with them, and what they liked or disliked about them.

Rule #3: Set the Goal Posts

Every campaign needs achievable and measurable goals. Most companies say they plan. And most in fact do some level of planning. But most planning consists of financial budgeting. Intermediate companies engage in financial forecasting. The more advanced companies may engage in some level financial and non-financial goal setting, but even these companies typically constrain their goal setting to the corporate or unit level. Very, very few set targets for individual sales and marketing campaigns and link these with unit or corporate goals. Fewer still link these to incentives and compensation.

Some of the great teams we've observed made sure to do the following:

Pick targets wisely. Most sales professionals talk about qualification - making sure the buyer meets certain criteria before investing too much time and energy in pursuit. But most stop at a very superficial level. They might understand at the corporate-level certain attributes about the prospective company, like available budget, corporate "life events" (e.g., merger, acquisition, restructuring), past purchasing history. But how many know:

Individual buyer-demographics and attitudes. People buy from people. Companies don't buy from other companies. Only the best sellers know the demographic make-up and finer details of their buyers. Messages need to resonate with

the actual people making the decisions, taking into account generations (see Generations in Marketing, Delve Newsletter), risk-tolerance (see Why Buyers Care About Brands), and alumni status. For one of our clients we analyzed why they were having such difficulty selling to certain accounts. These companies had demonstrated a past willingness to buy similar services, but now were dragging their feet. Turned out, in many of the cases, the specific people that had bought those services had moved on to new positions. We developed an "alumni list" for them and targeted specific people who had made favorable past purchasing decisions. This helped them reduce the sales cycle dramatically and weed out less likely buyers.

The "education and readiness cycle." Most of the companies we observed sell complex services and technologies. For them, we've found that a large portion of the time selling is actually spent educating the buyer on the services or products offered. We've helped some of them institute marketing and branding programs to re-direct "interested but not yet ready to purchase" buyers to online education and information resources. This helped ensure when buyers actually did present themselves, they were adequately prepared and sales professionals could actually spend time selling, not educating.

All the players. Most purchases over \$10,000, and certainly all purchases over \$1 million, require multiple levels of approval and vetting. Often a direct correlation exists between the dollar value and the number of people involved on the buyer-side in making a decision. Therefore, it helps to know the different players involved. More than that, it's important to recognize that depending on where these players sit, what roles they play in the company, and their past experiences they will have a different perspective and will need to know different things. We recently helped a client diagram out the different players, develop unique but standardized messages that would appeal to those specific buyers, and plan out an extended campaign - from direct marketing through to proposal development - to target and reach those different buyers.

Getting to know these items as well as many more adds texture and depth to the market map. Without it, it's like flying an airplane with a map that only indicates horizontal distances, and excludes vertical altitudes. You're bound to run into a few cliff faces along the way.

Rule #4: Designate Teams and Special Teams

Know who's going to do what at every step along the way. Good Cops, Bad Cops, not Keystone Cops. One of the reasons bureaucracy gets created is because people realize the benefit of separating roles and responsibilities. This started as a tool for management controls. Separating check writing from

check cashing prevents embezzlement. Similarly, separating discounting from contract signing in the sales process prevents zealous salesmen from giving away deals.

Many firms, particularly small and medium-sized firms, struggle because they have to rely on the same people to do everything - putting undue pressure on sales teams. Separating powers - creating good cops who "own" the relationship, and bad cops who toe the line for the company - alleviates pressure on the team. The same principle underlies why you often have different players in different positions for offense and defense in sports. Designating teams and positions allows specialization and better coaching control. It also lets you take best advantage of the data gathered through Rule #2. Different people can target different buyers using the textured data.

What too many firms lose sight of though is the intent behind this separation - taking the pressure off and maintaining management controls. It's distinctly not intended to create fiefdoms or sales prevention forces. No coach ever intended to give the receiver "veto" power over the running back. The great teams we've worked with ensure they:

Keep an escalation path. Problems always crop up in a sales process. It's also impossible to predict every permutation or issue. By preserving an escalation path, a designated way of handling issues and getting different people involved in different stages or issues, you can preserve the credibility and relationships developed at one level, while still allowing issues to get resolved successfully and beneficially. One of our clients recently closed a multi-million dollar, multi-year contract. One of the key things that allowed that deal to progress was that the sales team knew they could quickly escalate issues to their management, allowing them to preserve a positive working relationship with their direct counter-parts, get issues resolved, and when necessary hold the line on certain key deal provisions.

Keep an odd man out. Often clients will throw everybody at a deal. When this happens, people lose perspective. Keeping an "odd man out" who's not involved in the deal and who has no vested interest in its outcome keeps everyone grounded. What's more, when it comes time to do loss:win analysis and other post-mortems, this odd man out can lead the analysis from an objective perspective. Under no circumstance should people directly involved and vested in the sales process get charged with reviewing its effectiveness. This is why often our clients will ask Delve to lead this process for them. What's more, both won and lost clients are more likely to talk to an objective third party than to an internal person.

Rule #5: Don't Play the Last Game, Play This Game

Don't over learn the lessons. Know what can be repeated and

what should be considered "lightening strikes." The hardest part of analysis is demonstrating causality. If the wind gusts, lightening strikes, and the quarterback forgot his lucky glove, what caused him to overthrow the ball? If you called the CEO John when her name is Jane, put a green cover on the proposal instead of the normal blue one, and your sales manager forgot to light a candle last Sunday why did you lose the deal? Issues tend to muddle together. It takes the patience and acumen of Sherlock Holmes to carefully sift through each possibility and attribute and sort out what actually impacted the deal and what didn't, and more importantly, what you can do differently the next time.

In a recent loss:win analysis completed for an international company selling services to American firms, we consistently heard from both our client and one of their buyers that the sales team and the buyer's evaluation team had developed a close personal friendship. While this may have contributed to the deal, it is not something easily replicated. Therefore we had to parse apart what pieces of the "relationship selling" could be adopted worldwide versus those that were simply personal relationship-based. While we might all want to be friendly that's just not a realistic aspiration for a sales process. Our client was able to learn from the loss:win review what they needed to play the next game, not just re-play the last game.

Conclusions

As we said when we started, the individual rules themselves may sound like common sense. But in our extended observation, only a precious few implemented all of them successfully and consistently. In his book, Good to Great, Jim Collins analogizes the behaviors of "great" companies" and with just plain "good companies" to the behaviors of hedgehogs versus foxes. The hedgehog does a few things very consistently. The fox bounces around doing a lot of different things inconsistently. Similarly, we've found the great sales and marketing teams master the five rules:

#1: Watch the Replays & Video Tape Rule

#2: Know the Playing Field Rule

#3: Set the Goal Posts Rule

#4: Designate Teams -- & Special Teams Rule

#5: Don't Play the Last Game, Play this Game

Average teams never really mastered any of the rules. Most dabbled or experimented, but never committed. Nevertheless, success doesn't come overnight. Starting with one or two of the rules and mastering them is better than dabbling in all of them. To get started, we recommend beginning with Rule #1 and instituting it as a standard practice. The information it reveals can help inspire and motivate teams to take on the rest.

About the Author

Richard Crespin is the CEO and co-founder of The Delve Group, Inc. Mr. Crespin's extensive experience allows Delve to help clients improve their brands to increase profitability, customer loyalty, sales, and operations. Delve's strategic rigor and creative insights ensure clients build strong brands that last across all customer touch points. Delve's clients include companies in the Global 1000, international and non-governmental institutions, non-profit organizations, and agencies of the U.S. Federal Government. Mr. Crespin is an alumnus of both the George Washington University and the Harvard Business School. Mr. Crespin can be reached at rcrespin@delvegroup.com. You can learn more about Delve at www.delvegroup.com.

About The Delve Group, Inc.

The Delve Group specializes in positioning and perception for business-to-business companies. Using its industry expertise and strategic creativity, Delve creates positioning and perception for its branding, marketing, & communications clients. With comprehensive competitive and market intelligence services, Delve measures and analyzes how effectively companies achieve their desired positioning and perception among target audiences. The combined value ensures Delve's clients accelerate growth, strengthen brand awareness, and create lasting advantage.

Headquartered in New York City, Delve operates throughout the United States and in the European Union. Learn more at www.delvegroup.com