Sales Management Workshop

Sandy Vaci – Bay Devonshire Ltd.

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AGENDA

A. **Components of "Sales Capability"**

B. **Reasons for a new approach**
   » *Sales Diagnostics*

C. **Basic Sales Models**
   » *Choose the right one*

D. **Activity planning for a "Sales Machine"**
   » *Build a Sales Machine*

E. **What we left out…**

F. **Recap**
   » *Your next steps*

G. **Q&A**

Personal Introduction

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- **36** years, **4** continents, **57** countries
- **43** years, **26** moves, **1** spouse

Today's Challenges

From...

To...

1. Individual knowledge
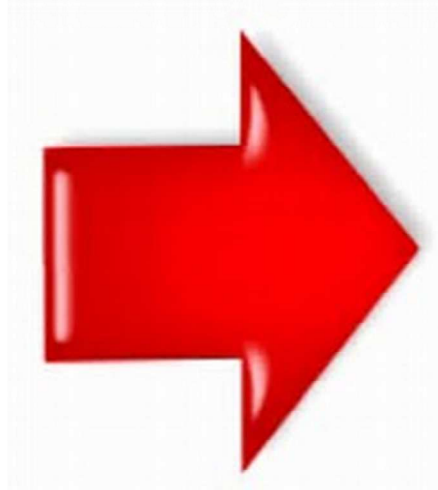
   Institutional knowledge

2. Know-How

   Do-How

3. Sales in silo

   Sales in context

4. "Random best"

   "Planned best"

5. Sales as ART

   Sales as SCIENCE!

Components of "SALES"

1. Organization

2. **Management**

3. Processes

4. Skills

5. Channels

6. Support/CRM

Sales Organization

❑ The right set up for our target segments and their needs

❑ Alignment with the Company's overall structure (e.g. where does the Call Centre belong - Sales, Operations?)

❑ Key positions filled (e.g. Sales Director, Head of Channels, CRM, etc.)

❑ Adequate support functions and staff (e.g. support team created for internet or Intermediaries if used)

Develop people for the organization, not the other way around

Sales Management

❑ Planning, objective setting

❑ Coordinating with Marketing and other areas as needed

❑ Load management, capacity planning

❑ Coaching and people development / management, training

❑ Activity planning and monitoring

❑ Tracking results

❑ Rewarding performance

**Nobody gets up in the morning wanting to do a *bad* job**

Sales Processes

- ❏ By product, by channel, by target segment
- ❏ Integrated across above elements and across functions
- ❏ Documented, known, followed
- ❏ Broken down into
  - ▪ acquisition (customer and product)
  - ▪ activation (if product is of transactional nature)
  - ▪ usage build (if applicable, e.g. cell phones)
  - ▪ balance build or usage shift (e.g. credit lines, long distance calls)
  - ▪ cross sell (products, services, channels)
  - ▪ retention (active and reactive)
  - ▪ loyalty management (building with profitable customers, managing customers out properly if needed - e.g. high credit risk)

Sales Skills

- ❑ Business development, planning, segmentation
- ❑ Own activity and own process planning
- ❑ Engagement, needs exploration, sales, objection handling, closing, follow up
- ❑ Product, regulatory, competitive, market knowledge
- ❑ Referrals in / out
- ❑ Well practiced techniques that work
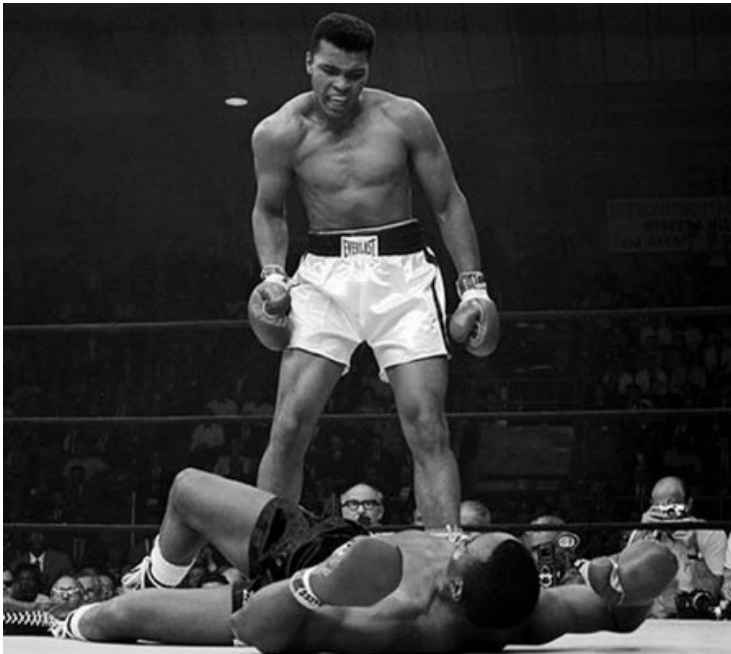
Remember the "Ali Principle"

Sales Channels

- Sales vs. Service vs. Operational
- Own vs. Contracted vs. Alliance
- Physical vs. Electronic
- Direct vs. Indirect
- Agents vs. Brokers
- Branches vs. Francises

Is it a CHANNEL or is it a BUSINESS?

Support / CRM

❏ "Sales support on steroids" → CRM

❏ All processes linked, aligned, optimized

❏ Seamless prospect / customer journey

❏ Institutional memory

❏ Full, consistent customer view at all points

❏ Automated, self-improving actions plans

CRM mathematics:
1 + 1 = 3.2
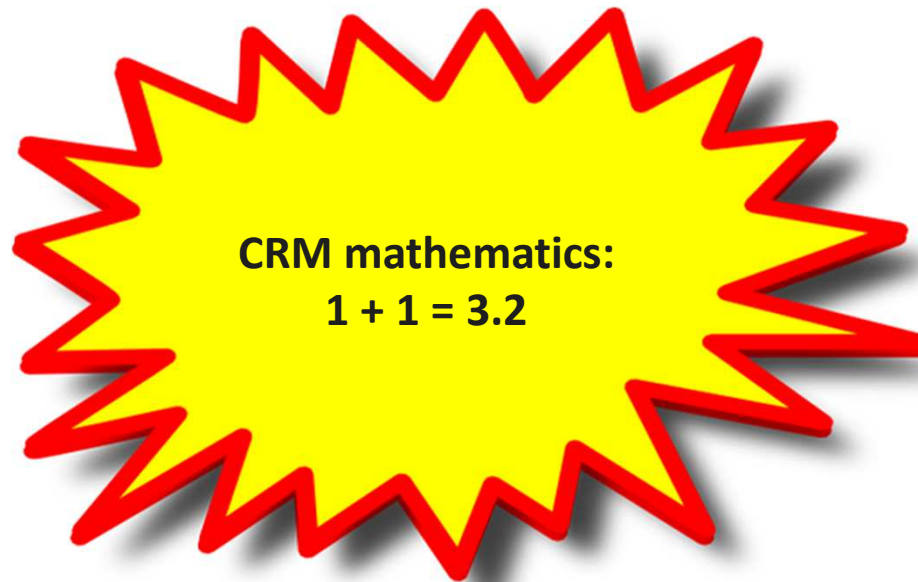
Where to Focus?

- Fill out your Self Diagnostic Questionnaire!

LET'S DISCUSS!

AREA	% Agree	Gap (vs.100%)
ORGANIZATION		
- Front line people spend at least 50% of their time selling		
- Written, standard job descriptions exist for all (sales) positions		
- We have the Sales Director and direct report positions filled		
- We have recruitment, on-boarding and development HR plans		
TOTAL gap in ORGANIZATION area		
MANAGEMENT		
- We have a variable compensation system, linked to results		
- Sales Activities and Sales Capacity are planned and tracked		
- Sales people are told which target segment(s) to focus on		
- We have a local marketing plan to support local sales activities		
TOTAL gap in MANAGEMENT area		
PROCESSES		
- We have written acquisition, cross-sell and retention processes		
- Our sales people know them and follow them		
- Sales/credit/ops/marketing processes are linked and aligned		
- We catch leads at all contact points and follow all of them up		
TOTAL gap in PROCESSES area		
SKILLS		
- Sales staff know how our offers are better than competition's		
- Customers are always suggested the best solution for them		
- Sales staff know how to handle objections		
- They would try to retain my profitable business if I wanted to leave		
TOTAL gap in SKILLS area		

Where to Focus?

- Fill out your Self Diagnostic Questionnaire!

LET'S DISCUSS!

What **Is** Our Sales Model?

❑ Best sales model depends on target segment(s), market, company

1. First Come, First Serve
2. Hunter / Farmer
3. Finder Keeper
4. One Size Fits All
5. Push - Pull
6. Permission Based Process

Indicate Your Current SME Sales Model

Our Sales Model for SME Sales is:	Current % Mix	TBD % Mix
First come, first serve		
Hunter / farmer		
Finder keeper		
One size fits all		
Push - pull		
Permission based process		

What Type Of Machine To Build?

❑ Best sales model depends on target segment(s), market, company

1. **First Come, First Serve**
2. Hunter / Farmer
3. Finder Keeper
4. One Size Fits All
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- Walk in, reactive sales
- Retail individual focus
- Strong marketing push
- Large, well established bank
- Strong brand value
- Full geographic coverage
- Multi-channel set up
- Not for new players
- Not for SME segments

What Type Of Machine To Build?

❑ Best sales model depends on target segment(s), market, company

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2. **Hunter / Farmer**
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- SME focus, efficient method
- Quick share build via acquisitions
- Extreme form: Sales Agents
- Proactive sales focus (not mktg)
- Opportunity for new players
- Client service issues?
- Relationship well exploited
- Referrals harder to get

What Type Of Machine To Build?

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- SME focus, most used method
- Higher quality, better credit risk
- Lower acquisition efficiency
- Better client experience?
- Possible Sales overload
- Need more lead generation support

What Type Of Machine To Build?

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4. **One Size Fits All**
5. Push - Pull
6. Permission Based Process

- Common RM for SME and Indiv. or Corp. clients
- Good cross sell opportunity
- Need dual training and lot of practice – time, cost?
- Product, pricing, etc. alignment!
- Organizational alignment issues
- Open to competitive poaching – both client and RM
- May not be practical option

What Type Of Machine To Build?

❑ Best sales model depends on target segment(s), market, company

1. First Come, First Serve
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4. One Size Fits All
5. **Push - Pull**
6. Permission Based Process

- Corporate or Trade channel focus
- Key Acct Mgr. creates pull at high level and owns relationship
- Sales people service local needs and create efficiency
- Good model for mixed situations – e.g. cover both SME & Corp.
- BSC and coordination across sales levels is a must

What Type Of Machine To Build?

❑ Best sales model depends on target segment(s), market, company

1. First Come, First Serve
2. Hunter / Farmer
3. Finder Keeper
4. One Size Fits All
5. Push - Pull
6. **Permission Based Process**

- High end, corporate sales focus
- Objective at each step is to get to next level, until Decision Maker
- Complex process, with side-activities (e.g. building support)
- No payback with SMEs – too long, too expensive, too complex

What **Should Be** Our Sales Model?

❑ Best sales model depends on target segment(s), market, company

1. First Come, First Serve
2. Hunter / Farmer
3. Finder Keeper
4. One Size Fits All
5. Push - Pull
6. Permission Based Process

LET'S DISCUSS!

Choose Your Ideal SME Sales Model

Our Sales Model for SME Sales is:	Current % Mix	TBD % Mix
First come, first serve		
Hunter / farmer		
Finder keeper		
One size fits all		
Push - pull		
Permission based process		

Why Build A Sales Machine?

1. Guaranteed results
2. Control, predictability
3. Sustainable, organizational value
4. Simplicity, efficiency
5. Employee and customer satisfaction

How To Build A Sales Machine?

Profit (revenue, etc.) objectives: "staying close to the business" or MISTAKE?

PROFIT Objectives

- Demotivates good performers – can't control profit
- Excuses bad performers – "can't deliver anyway"
- Drives wrong behaviour – where is "customer need"?
- Lagging indicator – too late to re-plan as needed
- Wastes Management time - staying "close to the business" daily…
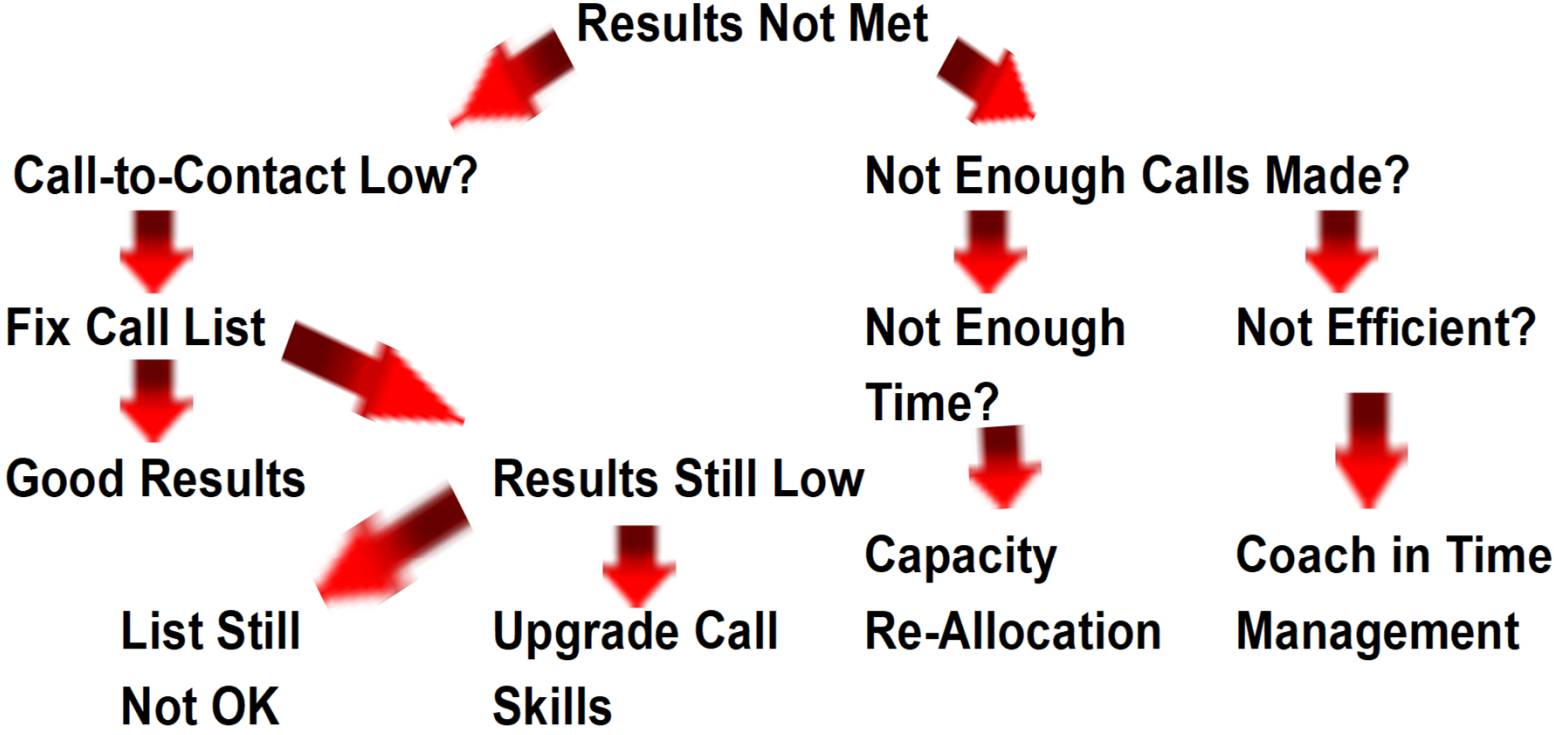
"When all you have is a hammer, every problem looks like a nail."

Planning Your Way to Success
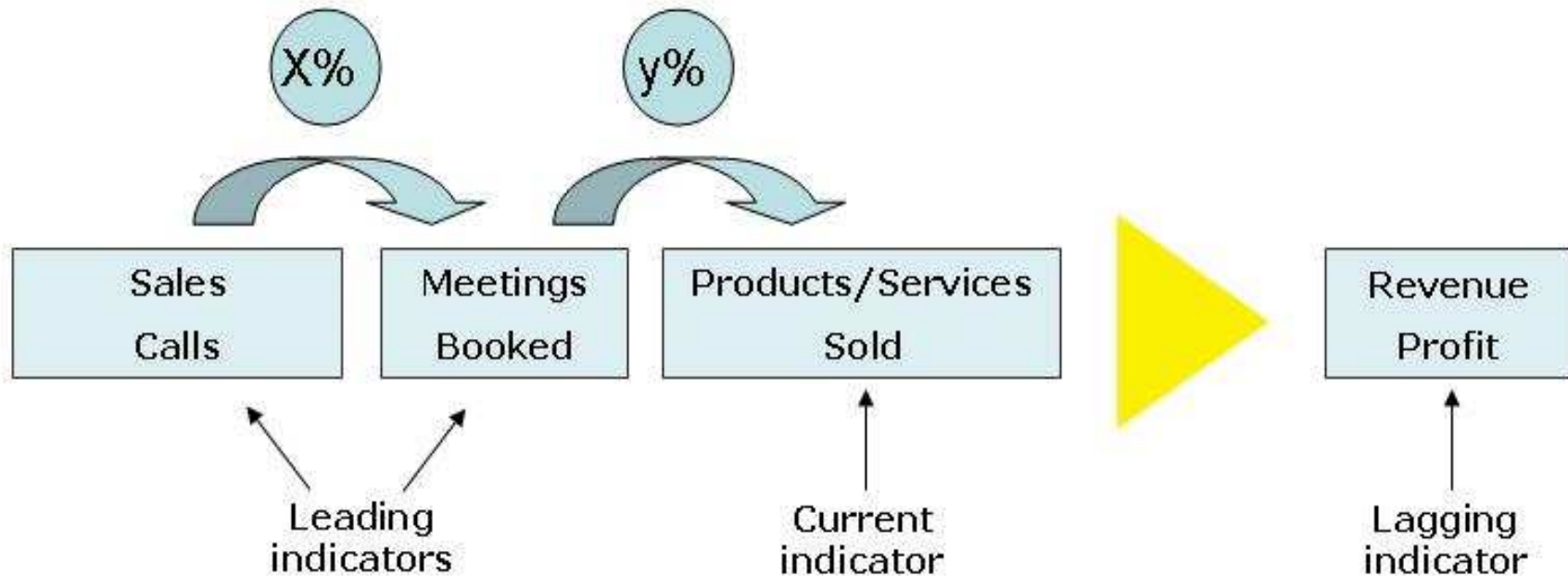
Key Steps:

1.) Define destination.

2.) Work back to plan steps leading to goal.

3.) Track both activities and conversion efficiencies daily.

4.) Intervene as needed (more time for calls, coaching for higher conversion rates etc.).

5.) Enjoy the INEVITABLE success!

Sample Decision Tree for Intervention, Tracking Leading Indicators and Conversion Efficiencies (First Few Steps Only)

Results Not Met

Call-to-Contact Low?

Fix Call List

Good Results

List Still Not OK

Results Still Low

Upgrade Call Skills

Not Enough Calls Made?

Not Enough Time?

Not Efficient?

Capacity Re-Allocation

Coach in Time Management

Conversion Efficiency Benchmarks
(in %'s)

	MAX	MID	MIN
Call-to-Contact	85	50	25
Contact-to-Meeting	70	30	15
Meeting-to-Sales	85	60	35

Notes:

1. **"Call-to-Contact" results depend on quality of call list – right phone numbers, etc.**

2. **"Contact-to-Meeting" depends on whether follow-up, warm, or cold call; strength of offer, etc.**

3. **"Meeting-to-Sales" depends on strength of sales pitch, product offer, sales person's ability**
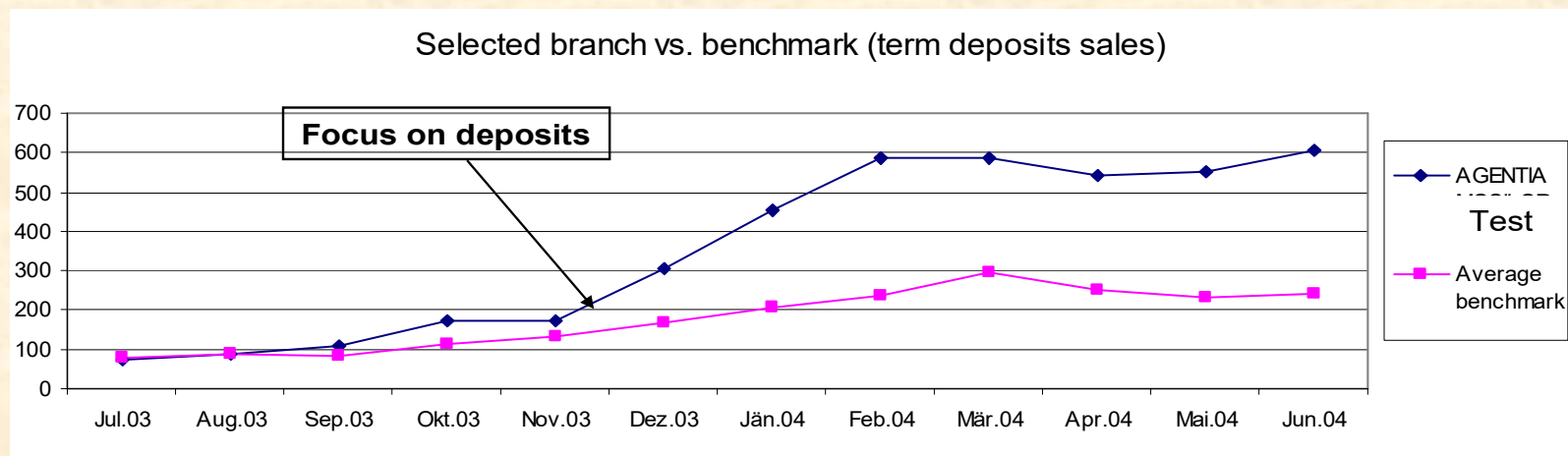
Sales Machine – Case Study

Business Impact

Case Study – Term Deposit Results

Term Deposits

Selected branch vs. benchmark (term deposits sales)

Focus on deposits

AGENTIA Test

Average benchmark

Case Study – Loan Results

Selected branch vs. benchmark (loan sales)

Focus on loans

MOSILOR

Test

Average benchmark

Jul.03 Aug.03 Sep.03 Okt.03 Nov.03 Dez.03 Jän.04 Feb.04 Mär.04 Apr.04 Mai.04 Jun.04

Customer Impact

Customer Satisfaction Survey (%)

- TEST: Very Satisfied 47, Not Satisfied 7
- CONTROL: Very Satisfied 12, Not Satisfied 23

■ Very Satisfied ■ Not Satisfied

Employee Impact

Credit card applications (second city)

Project implementation

Sales leads utilised from pre-selected lists provided initial boost for subsequent branch 'own' sales performance growth

*First 5 month of the year: **908** credit cards, next 4 months: **6,050** credit cards*

Activity Planning – "Team of One"

A new market has opened in your area. You want to get at least 20 new loan customers within 2 weeks. Your potential activities are:

1. Walk around the market and gather phone numbers, addresses, other information
2. Get contact details of new traders from market owners' office
3. Call the traders to arrange for a visit
4. Visit and, hopefully, meet the traders
5. Go back to them with a proposed loan offer
6. Get their acceptance
7. Get OK from Credit
8. Get feedback from Operations about loan disbursement → you can book the SALE!

- Build an activity plan that will get you to your 20 sales, using standard conversion ratios for each step between actions.
- Check how realistic is it that you will have time to do all the activities every day.

Assumptions - To Help You

1. Each week has 5 working days and each working day has 7 working hours you can plan for
2. It will take you 5-6 hours to gather contact information for those you want to talk to and to organize yourself.
3. Each phone call you make is 5 min., each initial personal contact is 10 min., each sales meeting is 45 min.
4. Only 50% of your calls will actually get the right person at the other end and only 30% of them will agree to meet you.
5. However, if you meet them for a "sales pitch", 60% of them will agree to take your offer.
6. 50% of the people you meet in person upfront will also agree to meet you again for your sales pitch.
7. You can only invite people to meet you for "the day after tomorrow" to give them enough time to accommodate your request. (But think about it: will <u>you</u> have enough time?)
8. There are about 250 potential future customers among the vendors at the market whom you can contact. Given the attrition between each step, will this be a large enough pool of target prospects to achieve your objective?
9. You do not need to allocate any time to any activities such as travel, preparing for your meetings or calls, etc. This is to keep things simple for the exercise.
10. You also do not need to wait for credit approval or loan disbursements, you can count each customer who agreed as a sale. This is simply to help you – reality would be very different!

Discussion

1. Did you have enough target prospects?
2. Did you have enough time for all the activities?
3. Did you sequence the activities right? (Plan first, then meet / call, then sales pitch)
4. Did you balance the calls and meetings well?
5. Did you achieve your objective?
6. WHAT DID YOU LEARN?
   A. Could you repeat the exercise in real life, with more complexity (credit approval, disbursement delay, etc.)
   B. Could you help your people learn how to do it?
   C. Could you build your own "control plan" to track where everyone is?
   D. Could you step in and help them if you see they are falling behind?
   E. DO YOU THINK YOU CAN USE THIS APPROACH?   WILL IT HELP YOU?

What We Left Out...

1. Organizational set up, HR planning, capacity planning
2. Channel development and integration
3. Process planning, segmentation, targeting
4. Sales engagement skills, needs exploration, objection handling, closing
5. Pre-planning and follow-up steps, local business development
6. Tool development, local sales support
7. CRM, data driven approach, information mapping and use

... and much-much more!

What We Have Covered…

1. Components of "Sales"
2. Choosing the right sales model
3. Choosing the right focus (sales diagnostics)
4. Building an activity based sales machine

Next Steps

1. What are your key take-aways from this workshop?
2. What are the 3 things you can do differently, from tomorrow, based on what you have learned?
3. Ask for help if needed → sandy@sandyvaci.com, +36 70 43 43 284

Any Questions?

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