

2012 Sales Relationship/Process (SRP) Matrix Analysis

In 2006 we published a study in the *Harvard Business Review* that focused on the four levels of sales process adherence we saw when comparing the thousands of companies we survey. In 2010 we followed that up with a second study *Harvard Business Review* article published in Europe that added a second factor into the equation: the level of relationship companies have with their customers. Figure 3 illustrates the integration of those two concepts contained in a single matrix.

Sales Relationship/Process (SRP) Matrix™

Trusted Partner				
Strategic Contributor				
Solutions Consultant				
Preferred Supplier				
Approved Vendor				
	Random Process	Informal Process	Formal Process	Dynamic Process

Figure 3

This is the foundation for evaluating the effect of “how you sell” on sales performance.

Over the past few years, we have often written about the logic behind the labels in the SRP Matrix. If this is a new concept to you as a reader, please refer to Addendum B for an introduction to the SRP Matrix. If you are already familiar with this, then please feel free to read on.

The premise of doing the Matrix was to determine what impact, if any, process and relationship have on the ability of sales organizations to close deals. Using the 2012 Sales Performance Optimization study data, we segmented all of the study participants by both factors: relationship level and sales process level. This allowed us to categorize them into one of the twenty quadrants in the SRP Matrix.

We then looked at the sales performance for each quadrant, focusing on the aggregated averages of four main sales performance metrics: percentage of

sales reps making quota, percentage of overall revenue plan achieved, percentage of forecast deals resulting in wins/losses/no decisions, and annual sales force turnover rate. Turnover rate includes voluntary turnover—where reps leave of their accord and involuntary turnover—where they are let go.

Reviewing the results of this analysis, we found that differences did occur. The metrics surfaced three clear levels of sales performance as shown in Figure 4.

Sales Relationship/Process Matrix™—2012 SPO Survey Analysis

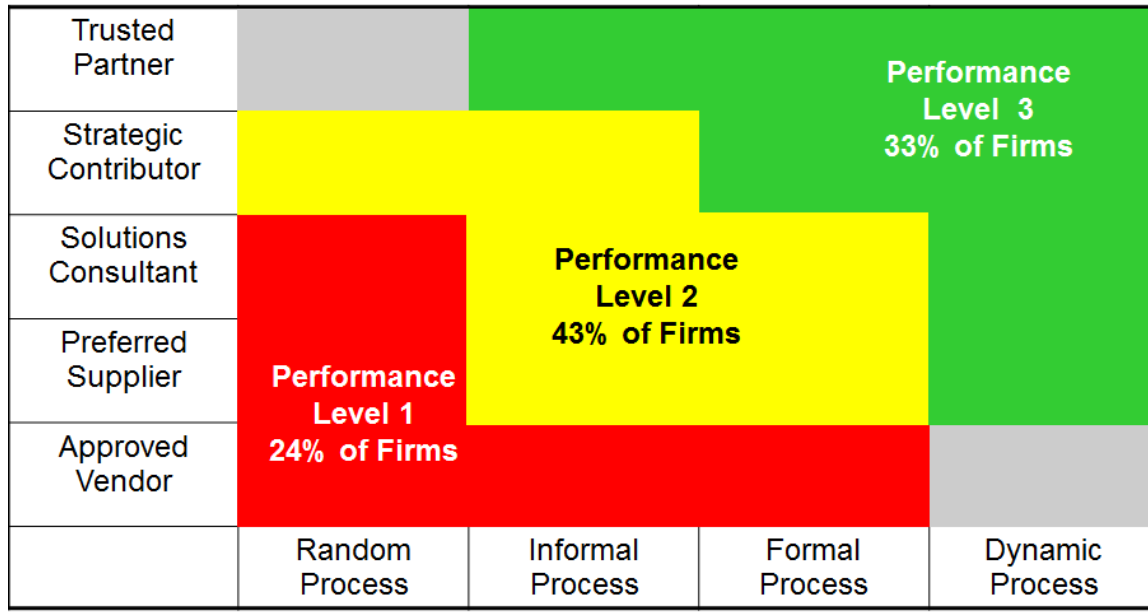


Figure 4

Sales performance results fall into three different levels based on a company's level of relationships and process adoption.

First, let us point out two things that do not really exist, as shown above in the gray areas of the Matrix. Firms that have a Random Process do not get to the Trusted Partner status (although individual reps may achieve this with their customers on their own). Also, firms that have a Dynamic Process can, at least, move beyond being just one of many approved vendors.

When we focused on the other eighteen segments in the Matrix and compared the average performance of the companies that fell into each Matrix segment, we noted that similar types of sales results were being achieved.

We will further analyze this, but we would first like to discuss the evolution of the Matrix over the past few years. Many companies talk about the need to develop more meaningful relationships with customers and/or get everyone selling consistently by using the same sales process. As we compare the above results to the SRP Matrix we published in the 2009 Sales Performance Optimization report, some companies are turning talk into action.