Activities That Close Sales

Typically sales management looks at two things: 1) Results and 2) Activity (in this order). What is really of interest is whether sufficient revenues are streaming in to keep the doors open and the lights on. But results are a trailing indicator—that is, you don’t know what the results are until they’re done. At the end of the period (e.g., week, are it’s too late because the period has ended.

In an effort to get ahead of the curve, activity management has become a favorite mechanism to attempt to get a handle not on how we’ve done—but on how we’re going to do. In this way, activity management provides a leading indicator. Sales management discussions and coaching sessions then sound something like this: “Last quarter we came in at 110% of quota. That’s terrific. However, you averaged 20 calls a week; in the first three weeks of this quarter you’ve only averaged 10 calls a week. I want to see you get your call volume up and we may even run a blitz campaign early next month to help you do so.”

The equation for this “The Harder I Work the Luckier I Get” philosophy is: Activity = Productivity (A = P). And, the underlying philosophy is Big Activity means Big Productivity:

\[ A = P \]

Yet anyone who has participated in blitz sales programs or other attempts to boost activity has seen the following result:

\[ A = P \]

That is, there was LOTS of activity but very little in the way of results. This suggests something else is going on, namely, the Quality of the Activity:

\[ A \times Q = P \]

The question then becomes how to define “Quality” in sales. Enter process. The most basic process model is shown in Figure 1 below.
What the model depicts is an arrow into a box (Inputs) and an arrow out of the box (Outputs). To the extent that the outputs differ from the inputs something happened in the box; that something is labeled Process. Besides enabling consultants to make a living with simplistic charts like this, there is a second use for this model when applied to sales as shown in Figure 2.

We now see Leads as inputs and Orders as output. If you ask consultants what has changed leads to orders, their reply will be “Sales Process.” If you ask this same question of sales reps, their answer will be, “Magic.” As it turns out, the sales reps are at least as correct in this case as the consultants.

This entire model has come from the world of manufacturing, where Quality Assurance controls the inputs, manufacturing controls the environment and the process and, as a result the outputs can be much more closely controlled (i.e., predicted). In fact, this is what the whole quality movement in manufacturing was about—implementing, then improving process control.

However, this metaphor can only be extended so far in the world of sales. In sales we don’t do a good job of controlling inputs (more on this later), we rarely control the environment and, in truth, there are two processes going on—a selling process and a buying process. Further, in a given sales opportunity you can still do everything “right” and lose the sale or, in some cases do everything “wrong” and still have the order awarded to you. That’s magic!

The questions we’re considering here and proposing you consider for your own operation are these:
   A) Could we have a little more process and a little less “magic?”
   B) Is there a legitimate reason for doing so?

The answer to both questions is, “Yes, absolutely!”

This model is the basis for a good start but you will want to add a few more details to make it operationally useful. Right now, all you could say about any specific deal is: it’s a lead, it’s in the pipeline, or it’s closed. More to the point, for any deal in the pipeline all you can say, and what you most often hear from your sales reps is, “It hasn’t closed yet.”
This situation is vastly improved by adding process steps to the model (see Figure 3).

![Pipeline Diagram]

Figure 3

A surprising number of companies have not bothered to document what steps 1 through n are for their own business. [Note: There can be different processes for different sales; for example, new business versus renewal business, or product sales versus service contracts.] Those that have delineated their process steps usually have gone on to define their own (seller) actions at each step. This is useful but falls short of an equally important component, delineating the buyer actions at each step to advance the sale. [An example is provided in Appendix A.]

Why bother? The answer is that as a seller, you can do virtually all of the actions from step 1 through step “n” by yourself. In fact, you can do everything by yourself except close the opportunity! However, the true test of the progress you are making toward successfully closing the opportunity is what the seller is doing to advance the sale. Knowing what specific actions translate into forward motion is worth defining and tracking.

Here is one of our favorite tests. Were you ever involved in a large deal where you brought in major resources to do a custom presentation? Brought together for this event were the sales rep, a technical pre-salesperson, possibly you representing the management team (to show commitment), etc. Probably you all flew in the night before, developed a detailed agenda, and rehearsed for the next day.

At the prospect’s offices the next morning, your primary contact met you outside the conference room and said, “Great to see you! I see you have your team here ready to go. You will be great! Come in and get set up while we take a short break.” (Pause) “Oh, one more thing. So-and-So couldn’t make it today – but you will be GREAT!” Of course, So-and-So is the reason you brought this entire team. Has it ever happened to you?

If so, you did what you were supposed to do, but your buying influence didn’t do their part. It is likely that you even had suspicions before you got on the plane that this was not teed up properly. In this scenario, typical buyer actions would be to identify and allow you to converse with the key players by phone before the meeting enabling you to tailor your comments to their concerns. If there was not a discussion with So-and-So in advance, then there should at least have been phone meetings with his/her direct reports outlining the key needs and objectives for the meeting.
Really Putting Process to Work

The best sales process framework does no good if it is not integrated into day-to-day selling activities. To do this and gather the metrics described above along with many others requires applying some technology. For many companies this has meant tracking deals and forecasts in Excel. Today, the super majority of forecasts are still done this way using multiple and often complex spreadsheets.

At the same time, contact and customer relationship management (CRM) applications are readily available and many are simply too affordable not to use. However, from the most popular and certainly one of the most affordable applications to the most complex and costly, again, the super majority are not using this technology to drive their sales processes. To realize the leverage and return most buyers of these applications intend, it is essential that you define your company's sales process, integrating it into a solution and using this to track, manage, coach, discuss, and improve individual sales performance is readily available to you. Many companies have this capability already and simply have not done the foundational work described here to take advantage of it. With respect to continuing to turn your back on the powerful tools available to you (and your competitors) today, we’ll say: You can definitely do this, but you can’t do it indefinitely.

We have been saying for the past several years at dozens of conferences where we present: this work is not cheap, it is not easy, it is not quick—and it is not optional. Everything described here takes effort, energy and leadership. It requires you to clearly grasp what process is, how it can be applied to sales, what many of the limitations are and why, in the end, it is still the surest way to sales success and developing a sustainable competitive advantage.

The following steps are proven, data validated and available for you to begin right now!

Steps to Implementing/Improving Sales Process

1. **Define your sales process** being sure to include both seller and buyer actions. This is best done in a workshop setting with a mix of sales reps and managers as well as customer service and marketing being represented.

2. **Define rules to provide consistency** in describing and locating sales opportunities in the pipeline (see Appendix C for example).

3. **Have each sales rep “load their pipeline”** with current opportunities. This can be done in Excel but you should check to see if your Contact Management or CRM application’s Opportunity Manager can accommodate this. If it can’t you should also consider replacing it.

4. **Review your sales reps’ pipelines regularly** and call notes entered to support where deals are reported in the pipeline. All notes should be kept in the Contact Management or CRM system and available for periodic and regular drill down by authorized individuals. Remember: *Inspect what you expect.*

5. **Keep track of and analyze the numbers**; not just sales results but the performance metrics you’re now accumulating. You see that two-thirds of leads are DOA. You also note that the average time to follow up a lead following a trade show, campaign or other lead generating activity is four weeks. Since lead quality is time dependent, determine what is taking so long and work to get this down to two days (or whatever you determine to be reasonable).

6. **Repeat.** Now that the process and sustaining mechanism is in place, follow up and follow through to continuously improve and remove the next biggest barrier to your reps’ sales success!
About CSO Insights

CSO Insights is the independent research arm within Miller Heiman Group™, dedicated to improving the performance and productivity of complex B2B sales. The CSO Insights team of respected analysts provides sales leaders with the research, data, expertise, and best practices required to build sustainable strategies for sales performance improvement. CSO Insights’ annual sales effectiveness studies, along with its benchmarking capabilities, are industry standards for sales leaders seeking operational and behavioral insights into how to improve their sales performance and to gain holistic assessments of their selling and sales management efficacy. Annual research studies include: Sales Best Practices Study, Sales Performance Optimization Study, and Sales Enablement Optimization Study. Bi-annual studies include: Sales Compensation and Performance Management Study and Channel Sales Optimization Study.