

mindset = culture

A SALES CULTURE WORTH FIGHTING FOR

There are companies that deserve to die, and there are companies worth fighting for.

Companies worth fighting for care passionately about their customers. They hold their sales people strictly accountable for being customer-facing, and reward achievement (behavior that is clear and consistent with the company's values), as opposed to mere activity (behavior without clarity).

Last month, in our article about clarity, we helped you identify, track and measure both lagging and leading revenue indicators. We discussed the advantages of utilizing the MBO (Management by Objectives) methodology to measure, on a quarterly, semiannual and annual basis, how well each salesperson in your organization has upheld the values and behaviors of your company. We learned that values plus behaviors equals mindset.

This month, we'll stay focused on the marriage of mindset and process.

The mindset of the company is its culture. As CEO, it is your job to define the environment so that it can serve as the foundation upon which to build sustainable results. Why define your culture? Why not just let it evolve out of the primordial ooze of your sales team's best intentions?

Let's look at the typical sales meeting. They hand out reports of what happened in the previous week or month. These reports lag behind reality. While this may indeed be viable data, you know that lagging indicators are a result of activity and cannot be adjusted once the action has transpired. You're here to build up your team. Studying this historical data on its own is of questionable value.

If you define your culture first, you create the culture you want: a Culture of Achievement.

How to get there? Good question. Well, sometimes all it takes is a good, constructive fight.

A book we're highly recommending addresses this very issue: *The Five Dysfunctions of a Team* by Patrick M. Lencioni. Lencioni says that sales teams of typical companies don't work well together because there's a lack of conflict in meetings. Being passionate, persuasive people, he says, sales professionals tend to talk optimistically



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about the elephant they are about to shoot, instead of real, substantive data that will give the company clarity about what's really going on.

Need to know what's really going on in your organization? Look at your sales funnel.

"Sales funnel" is our way of describing that slow-moving tornado-shaped cycle into which we pour so many prospects, and from which we extract only a few hard-won clients. The stages of the sales funnel can be summed up with the following questions:

1. Have you qualified a buyer as a prospect? Can you demonstrate that a decision-maker has expressed an interest in your products or services? If so, you have created a measurable raw prospect.
2. Have you figured out at a deep level what the prospect needs? Even deeper than discovering their problems, have you identified their mission and their goals? Do you know the Specific, Measurable, Attainable, Recordable and Time-specific goals of the prospect? If so, you have created a measurable S.M.A.R.T. prospect.
3. Have you created a solution whose value is in direct proportion to their needs, and presented it? If so, you have created a measurable proposal prospect.
4. Has the prospect become a client? If not, have you gotten a clear "no" from them? Remember, within the achievement

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model, any decision is a good decision. "No" is as good as "yes" because it's a decision. "Yes" is a measurable client.

These are your leading indicators of sales revenue. Moving systematically through them is a process, informed by mindset. Now that we've determined where your prospects are, let's determine where they should be.

Like the MBO process, the process of reverse engineering your sales goals is an intuitive methodology any organization can do. It starts with determining what you want in dollar terms, then you work backward. To get one sale, you may need to put out four proposals. Fifty appointments may be enough to land you those four proposals. But to get 50 appointments, you could need 200 raw prospects. Your conversion ratio is therefore 200:50 or 4:1.

Now break the ratios down to weekly or quarterly targets, and take them to your next sales meetings. You just got clarity on:

How well does your sales team match up with the expected ratios?

What can you do to empower them to perform even better?

We find that the key to a productive sales meeting is getting salespeople to defend their sales funnels. Are your prospects really at the stage you think they are? Should they be farther back, farther ahead? Let them fight and argue. Let them train up, and track the results. Quit going to sales meetings. Go to achievement sessions.

Cultures of Achievement generate valuable information about their companies. On the process side, you are discovering the actual, specific conversion ratios of your sales cycle. On the psychology side, you are discovering both the lagging and leading indicators of your team's mindset. You're finding

out who can do it and why. And you're letting the rest fight for their jobs.

Here's an example. Let's say you have been tracking your conversions for a while, and you know that 60 percent of your S.M.A.R.T. prospects should become proposal prospects. If some of your salespeople have a lower ratio, they are either having trouble identifying the prospect's needs or presenting the company's value. This may be due to any number of factors. Either they are not doing it right, and can be trained, or they are lazy, distracted, grandiose, stubborn or moody. Whatever the symptom, they need to check in on their mindset – fast – or check out the door.

Your overly optimistic sales people will still try to optimize the system at every junction. However, like football film, the eye in the sky does not lie. They can't optimize a customer-facing funnel. They can't say, "But I've had all these appointments ..." (activity-based behavior). That's irrelevant. What matters is figuring out the prospect's needs and presenting the value appropriately (achievement-based behavior). You know if that had been happening, their conversion percentages would not have been skewed.

In an achievement-based sales culture, the whole team gets to see all the gaps. If a particular sales person can't seem to get a prospect to the proposal stage, the team can provide coaching on whether that person knows how to qualify, or how to ask a question to get to the ends need, or how to present value. The first question should be, "Are the activities you're doing getting you closer or farther away from your leading indicators?"

If the sales person is coachable, he or she will learn. If not, he or she most likely will resent the pressure of accountability, and move on.

Finally, the weekly achievement-based sales meeting becomes a scorecard of every salesperson's mindset. If the session is one of conflict and push-back and challenging everyone's sales funnels in the spirit of teamwork, and if all of your people are hotly defending their customer-facing achievement, the scorecard gives you a fascinating advantage over your competition:

You have a culture worth fighting for: A Culture of Achievement.

Next time, we'll talk about lead generation.