

## The SfS business leaders' forum 2009

---



In April 2009 Solutions for Sales hosted a discussion forum that brought together 33 business leaders to share views and insights on a theme of mutual interest and concern. They were drawn from companies ranging in size from start-ups with just a few people to multinational corporations, and they brought experience of industries as diverse as information services, energy, communications, paper products, financial services, electronic security and entertainment. The level of participants varied from CEO to senior manager.

The theme for the 2009 meeting was "How to accelerate sales in a downturn". Not surprisingly given the level and diversity of participants, some interesting, controversial and widely applicable ideas were generated. The findings and recommendations of this eminent group are summarised in this short report.

It is widely accepted that maintaining and growing sales will be the key to survival in these harsh economic times. Mediated by Solutions for Sales, the business leaders' forum shared ideas, insights and solutions on the theme "How to accelerate sales in a downturn". The debate focused on five key topic areas – customers, propositions, people, partners and process. The basic questions addressed were: what is happening, what works, what doesn't work, and what should take priority? The conclusions reported here are significant because they represent collective wisdom drawn from an experienced and varied group of business leaders.

---

### Customers

There is an overall impression that customers are unwilling to spend, but in reality markets vary. Some sectors are more attractive than others: energy, e-commerce, online shopping, law, accountancy and even the finance sector (at least for basic, business-as-usual needs) are still spending. As regards types of purchase, it was observed that services business is holding up better than product supply. The rate of business failures is a particular problem for businesses selling to SMEs.

In terms of customer behaviour, the message was "back to basics". Customers are putting their strategic vision on hold and the only new initiatives being funded are those that cut costs. To win funding a project needs

to be a "must have" not a "nice to have" and payback must be fast – one forum member suggested payback in 90 days or less is now a common requirement.

Controlling cost and avoiding risk are a priority for our customers, and salespeople need to be creative in finding funds, almost to the extent of proposing which customer budgets could be cut in order to fund the project they want to sell. This calls for a deep level of customer understanding. Buying decisions are made at Board-level and the Board has many calls on its time, so propositions must be compelling enough to stay at the top of the agenda at Board meetings and avoid getting "bumped" to the next meeting.

Forum members put forward a range of solutions – see callout box "Persuading the customer to buy". None of the recommendations are revolutionary, but successful companies are putting emphasis on this selected subset of the basic selling rules that represent best practice for these recessionary times.

### Persuading the customer to buy

- Seek out sectors that are buying – sectors where the recession boosts business, where economic conditions have resulted in greater regulation or oversight, and where organisations take a long-term view
- Look for functions that a company has to keep doing to stay in business – and show them a way to do it at lower cost
- Be your own toughest critic – test your business case to destruction, before the customer's CFO does
- Make sure you can show a 25% to 50% cost saving, and check that the amount saved will be significant to the Board
- Tune the business case so it offers fast payback – within the first year
- Know your customer even better – the salesperson has to find the budget and argue the business case

### Propositions

Forum participants emphasised the importance of tuning propositions so they match customer needs in the current business climate. This requires an understanding of what customers want to buy, and since decisions are taken at Board level it requires access to Board members. Other techniques suggested were a no-cost discovery workshop and the use of sales partners, e.g. resellers, to obtain the information needed to adapt propositions to current market priorities.

Salespeople need to sell higher and wider, so a solution needs not one, but a whole set of propositions, one for each Board member. An internal sponsor will sometimes want to "own" a project, and will discourage the salesperson from calling on other executives. Salespeople need the courage to go round such barriers, and it helps if they have propositions and arguments that are relevant to each Board member who will have a say in the decision.

Propositions should link directly to Board-level pains such as cutting cost, complying with regulations, or a Board-level initiative on market share or customer satisfaction. There needs to be a compelling reason why inaction creates serious risk or costs money. So, in addition to the NPV and break-even time, the business case should also show the money lost for every week the decision is delayed.

Price was another aspect of the proposition addressed by the forum. There was some support for adjusting payment terms to make it easier for customers to buy, but warnings that the sales compensation plan needs to be aligned with any new payment options because salespeople will not promote deferred payment terms if it damages their pay cheque.

For a summary of suggestions on how propositions can be tuned to the market, see the callout box "Making your propositions more compelling".

### People

We asked "How is the economic climate affecting salespeople, and what can be done to help?" It was agreed that salespeople feel vulnerable. Vulnerable in the face of customer pressure to cut prices and push through deals that are disadvantageous to their company, and vulnerable to their employer due to the risk of redundancies and reorganisations. There is a lot of uncertainty and doubt, and this saps energy.

Maintaining morale is a major challenge. Honesty and respect are important. Salespeople must be listened

## Making your propositions more compelling

- Develop mechanisms for discovering customer needs – e.g. executive calling schemes, discovery workshops, channel partner focus groups
- Tune your propositions to the needs of each Board member who will have a say in the purchase decision
- Make sure salespeople have the information they need to attract the attention of, and win over each board member
- Differentiate your proposition by focusing on and satisfying the needs of specific vertical markets
- Make the cost of delay visible – give salespeople the ability to tell their customer what it costs them for each week the purchase decision is delayed
- Be creative with price and payment terms, but look carefully at the effect on the sales compensation plan

to – they are the eyes and ears in the market – and they should be involved with decisions about how the company adapts. Experience sharing is an effective way of promulgating good ideas and also boosts morale.

Forum members stressed the need to make salespeople feel valued. Initiative should be publicly rewarded, even if it does not always produce results, and egos need to be "stroked". Poor performers must be dealt with firmly and fairly. As one member put it "there should be no surprises for underperformers" – those who cannot reach the expected level of performance should be dealt with in a fair and predictable fashion. Addressing poor performance boosts the morale of all the successful salespeople.

Sales Managers are the focal point for dealing with these issues, and they need to get out from behind their desks to meet customers, help progress deals and coach their salespeople. Senior executives and the Board must empower Sales Managers to take steps that might have seemed inappropriate in more stable economic times, such as adjusting targets and introducing local overlay reward schemes to maintain sales momentum. Read the callout box "Getting the most out of salespeople" for a summary of the forum's tips on improving salesforce performance.

## Getting the most out of salespeople

- Listen to your salespeople – they know what customers want to buy
- Involve salespeople in initiatives to adapt to the economic climate – salespeople are a good "reality test"
- Use experienced salespeople to coach the less experienced
- Reward initiative and take extra steps to recognise good ideas and teamwork
- Consider targets based on measurable achievements such as market share or customer wins, not just revenue
- Deal with poor performers firmly and fairly
- Give Sales Managers greater tactical discretion so they can adjust compensation plans to capitalise on local opportunities and maintain morale

## Partners

Several forum members sell through partners and had interesting insights into how to incentivise an indirect sales channel. The group was unanimous in the view that the decision whether to sell direct or indirect was not influenced by the current economic climate. Now is not the time to change channel strategy: instead, the energy should be used to improve the performance of the current strategy.

However, partner rationalisation could be advantageous. In these tough times companies cannot afford to support ineffective partners, so the recommendation is to choose carefully and focus on the partners that can best help to achieve business objectives.

Motivation of partners starts internally; the partner must have confidence in the support team and there needs to be trust and transparency. One forum member commented that partnering is about balancing “gives” and “gets” and every engagement was a trade with the partner. The challenge is to create a “win-win” situation. Shared objectives and regular partner management reviews with shared scorecards allow both sides to measure the results and satisfy themselves that their objectives are being met.

It is important to make it easy for channel partners to sell the offering. Companies should use a variety of media to communicate sales information. If you currently use paper, try online resources, then change

to podcasts, webcasts, videos – the important thing is to keep it fresh. Partner sales teams are often distributed across different offices or working from home, so a sales win in one place may not be noticed elsewhere. A steady stream of sales success stories motivates partner salespeople, and if you include sales tips in the stories then they learn new sales tactics.

Partnering is a two-way street; the partner should be feeding back useful information. Use partners to tell you what their customers really want. Ask if there are any barriers to selling. It is often easy to “tweak” the proposition to meet partners’ needs, and the needs of their customers. The callout box “Getting the most out of partners” provides more tips from forum members.

## Process

Often considered a lower priority topic, at this forum sales process attracted more than the usual attention. There was a general feeling that in these tough times good sales process, applied thoroughly, will make a big contribution to success.

The topic of sales targets and compensation plans attracted lively debate. Most forum members accepted that flexibility is important. “Double bubble” to promote specific products, team targets and account development objectives can all be used tactically, to drive salespeople in the desired direction. The CEO of a VC start-up reflected that in his world people are willing to work without formal salary arrangements in the hope of a share in the success. This led to discussion of 100% commission-based schemes, and whilst for most companies such a scheme remains a dream (or maybe a nightmare!), there is a trend towards more highly geared sales compensation packages. The advantage is that salespeople become much more discriminating – only the most confident salespeople stay, only the strongest propositions get sold, and salespeople don’t waste any time on deals they are not confident of winning.

On the other side of the debate there were those who thought pure revenue targets are a disincentive in a market where few customers are buying. They argued that in current circumstances market share is a better measure of performance, and revenue targets need to be balanced with objectives such as winning key deals, customer satisfaction and client retention. All agreed that sales compensation plans are like supertankers – it takes a long time to change direction and you only change when you really must.

Deals are slipping, creating cash flow difficulties for smaller companies and quarterly reporting problems for larger companies. At this stage most Sales Managers have already undertaken a rigorous appraisal of the pipeline. Now they need to use their experience to help their salespeople move prospects through the pipeline

### Getting the most out of partners

- Now is not the time to change partners: instead, rationalise and focus on partners that can best deliver on your business objectives
- Be open and honest with partners; share business objectives and keep a scorecard that is reviewed regularly
- Partners need the same selling tools as a direct salesforce, but it is harder to engage their attention, so vary the media you use – printed, online, audio, video
- Produce frequent sales success stories to motivate partner salespeople
- Understand your partner’s organisation and work directly with their salespeople – do not get hidden behind a partner management organisation
- Work with partners to understand customer needs and their needs, and “tweak” your proposition to suit
- Don’t rely on partner training alone; use “how to sell” documents, success stories and online information to pass on successful sales tactics

and make sure deals are closed. Forum members identified another key job for sales management: to manage expectations upwards. The Board needs a realistic view of sales prospects, and sales management has the difficult task of providing that realistic view, whilst convincing Board members that Sales is doing all it can to maintain revenues. "Shoot the messenger" is generally the wrong reaction.

Qualification was identified as a key process step. Companies are applying more rigorous qualification earlier in the sales process, so that more of their scarce resource can be applied to the higher quality opportunities. Resource usage was a concern; as one forum member put it "the only thing you can't get back is the day that has just passed", so nobody can afford to waste time on deals where there is a low probability of winning. To borrow the words of another forum member: "in a recession, winning sales is like panning for gold – you had better make sure you are not knee-deep in the wrong river".

Which tools aid the sales process? On the topic of CRM there was unanimity that it needs to offer benefits to salespeople, not just management, but there were no easy answers on how this can be achieved. Linking CRM entries to the compensation plan ensures that information enters the system eventually, but does not guarantee early visibility. Using the CRM system as a gateway to sales resources was thought to be a promising idea, but this approach has not yet been widely adopted.

More valuable are tools that really help salespeople do their job. Now that cost saving is the most important sales argument, ROI tools are vital. But to be useful they need to be at a relatively high level – a level suitable for both Board members and salespeople. Interestingly, everyone agrees that it is essential to demonstrate a strong ROI and early payback, but everyone also agrees that customers never measure the results. The reason is simple: the results aren't delivered in isolation from other "outside" influences, so they cannot be measured in a meaningful way. Because of this the financial analysis used during the selling process is an important tool for customer engagement, around which key stakeholders can build confidence that the results will be positive in spite of the many outside influences that will apply to the real project.

Other tools identified as useful in the sales process were solution-specific sales guides, online sales portals, wikis and competitive information bulletin boards. Many companies have a wealth of information, but to be of use to salespeople it needs to be well structured, accessible and presented in context.

See the callout box "Making the sales process more effective" for a complete list of recommendations, but in summary the majority of forum members felt that successful sales process should be built on four basic tenets: fair, achievable and stretching sales targets; active sales management; rigorous qualification; and the provision of tools that really help salespeople to sell.

## Making the sales process more effective

- Go back to basics: the most important success factor is good execution of basic sales process
- Sales compensation plans can take a long time to change, but there is room for tactical overlays to provide special incentives or shift the balance towards objectives such as market share or customer satisfaction
- Some companies are moving towards more highly-g geared compensation plans
- Sales Managers must use their experience to drive deals through the pipeline
- Sales Managers must manage upwards – providing realistic sales forecasts and evidence that Sales is operating effectively
- Qualification should be done earlier and tougher criteria should be used
- Deals that qualify in should be well resourced
- CRM systems must offer benefits to salespeople
- With cost savings an important market driver, ROI tools are vital, but they must be easy to use and understand
- Having lots of sales tools and materials is not enough – there must be structure and context so salespeople can find what they want



## Conclusions

It is impossible to summarise such a wide ranging discussion. If there is one message that was general it was “execute the basics well”, but this masks the granularity and depth of the insights and views expressed by forum participants. Scan the callout boxes for a summary, but to really understand how to accelerate sales in a downturn we recommend reading this report in full.

Solutions for Sales extends its thanks to the business leaders who attended this year’s forum. Feedback suggests that everyone learnt something new, and we hope that the exchange of ideas contributes to business success over the coming year.

**SolutionsforSales**  
the sales enablement company

t: +44 (0)1702 586742  
e: [enquiries@solutionsforsales.com](mailto:enquiries@solutionsforsales.com)  
w: [www.solutionsforsales.com](http://www.solutionsforsales.com)