BlueMineGroup
Taking innovation to market

Building an Effective Sales Capability

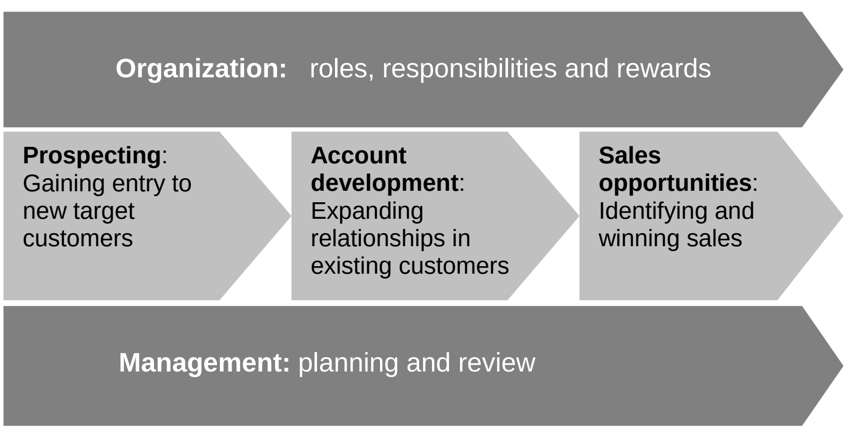
Building an effective sales capability is central to successfully taking your innovation to market. It is so much more than hiring the right people for your sales team – even though this is frequently a key ingredient. An organization needs to develop a professional, systematic set of processes followed by the right training / coaching and the right metrics and rewards. Keep in mind that every part of your plan needs to be within the right context of your company's other strategies and capabilities.

In Blue Mine Group's innovation methodology, sales effectiveness is predicated on several critical elements.

- You need a clear market focus with an identifiable customer.
- Your customer must have an urgent need that is not currently being fully satisfied by alternate options.
- Your offering must meet your customer's needs in all key respects – product functionality, pricing, availability, support, etc.
- You must have a sound marketing communications program in place that provides effective messaging and relationship / reputation building.
- Your operations, delivery and support processes must deliver great customer experiences that drive loyalty and referrals.

If any of these elements are missing, your company will struggle to get traction and win customers – no matter how good your sales capability.

Blue Mine Group's sales effectiveness model comprises five elements: organization, prospecting, account development, sales opportunities and sales management.



Organization
Your sales organization includes everyone involved in the sales process. To be successful, a B2B solution sales team requires a number of different roles. For early stage companies, team members may need to play more than one role. It is important to keep in mind that ultimately people are typically best suited to serve one role. Once you are financially able, you will want to include a number of specialists on your sales team.

Key roles typically include the Manager, Connector (inside sales), Dealmaker (outside sales), Specialist (pre-sales engineer), and the Administrator.

Role	Responsibilities
Manager	Managing the sales effort
Connector	• Identifying target contacts • Initiating contact • Building relationships with target contacts
Dealmaker	• Managing the sales cycle • Closing deals
Specialist	• Product expertise • Demonstrations
Administrator	Sales administration

For each role, you need to clearly define both responsibilities and rewards. Responsibilities for each role should be defined in writing, so that there is no overlap and everyone understands their contribution. More than any other function, sales teams are motivated by rewards. These should be clear, simple, fair and tied directly to the key metrics that drive your core sales processes.

Prospecting
Prospecting is the first of two elements where the primary goal is to identify sales opportunities. This element refers to identifying new prospective customers who have a need that you can address.

The process begins with summarizing from your strategy and market analysis activities your target markets and customers. In B2B sales, this normally means defining target organizations by specific criteria such as size, industry sector and / or geography, as well as target contacts within these organizations by job function.

Once your target prospects are identified, you need to define and test a process for initiating contact to introduce your company and products, and to invite prospects to begin a relationship with your company. It is rare for a prospect to express their real needs and concerns in the initial introduction. It is better to focus initially on learning about the prospect company and contacts, providing value of interest to them, and making it easy for them to become part of your relationship development program.

A relationship development program should have two components. One is managed by your marketing communications team and comprises newsletters, webinar, seminar invitations, and other methods of touching contacts regularly. The second is managed by the sales team members and comprises calls, emails, visits, birthday cards, meal invitations and other personal relationship building tactics.

To record and manage your prospecting and all other sales activities, you must implement a customer relationship management (CRM) system, such as Salesforce or SalesLogix.

Account development

Account development is the second element focused on identifying sales opportunities. The focus here is on expanding your relationships within existing customers to identify new sales opportunities in both the same and in other areas within the customer organization.

Account development begins with reviewing your current customers and prioritizing these for focus. Not all customers are equal in terms of value and potential. You should evaluate your existing customers using a simple but disciplined opportunity matrix and triage them into A, B and possibly C target accounts. Your primary focus and most in-depth effort will be your A accounts. B and C accounts can use a limited version of your account development process.

For each target account, you should identify the account team and have the team prepare a written account plan. Such a plan should include a summary of key business trends in the account, identification of known or possible issues you can address, identification of current and desired contact relationships, and a clear action plan with tasks, timing and responsibilities.

The action plan can be similar to many of the tactics used for prospecting, including both relationship marketing and personal relationship development components. With your A accounts, it is frequently possible and powerful to create and convene educational / problem solving sessions with a number of contacts from the account around specific issues or topics. Such sessions can be followed up with summary memos defining the issues to be addressed, and recommending possible solutions to explore. In this way, you can raise awareness and organizational interest around the issues that will lead to sales opportunities.

Sales opportunities

The outcome of both prospecting and account development work is a series of identified sales opportunities. Each opportunity must be clearly identified as such, and systematically managed to maximize the conversion rate from opportunity into signed deals.

The best way to define your sales opportunity process is to match it to your customer's buying cycle. Once a potential need is identified, customers typically move through a process of confirming that the problem is large and urgent enough to address, exploring options, narrowing the options down to a shortlist, evaluating each short listed option in detail, making a tentative decision, resolving any concerns, negotiating terms, and finalizing the purchase decision and agreement.

Your sales process should be designed to facilitate moving prospects through their buying cycles as quickly and efficiently as possible. Essentially, you are helping them problem solve, and your sales process will be much more effective if you think of it as helping your customers solve their problems in a systematic and thoughtful way.

Early on in the sales opportunity process, you must qualify the opportunity to see if it really is an opportunity, or if it should remain in prospecting or account development. Normally this qualification process includes asking the following questions – Is there a clear decision maker identified? Do they have an urgent problem or need? Is the budget approved and allocated? Is the budget a good fit with your solutions?

The early stages of the sales cycle should typically be focused on exploring customer needs in detail. This includes quantifying the value of solving the problem and the cost of not solving the problem. Once the cycle progresses, it becomes important to provide in-depth explanations of your solution, pricing, implementation and support programs, etc. Of central importance is the ability to use facts to show how your solution fits the customers needs better than the other options they are considering.

The final stage is negotiating and “asking for the order”. While much had been said about closing techniques, in reality if you have properly identified and addressed all your customer’s needs and concerns, they will be happy to make a decision and proceed. If they don’t, it is because you have not yet uncovered all of the issues related to that opportunity.

It is best to manage the sales opportunity process like a project, with a written action plan that lays out each step. You should draft and share this action plan with your prospect, gain their input and agreement to it, and keep it updated on a weekly basis as you progress.

Management

The methods you use for management of your sales organization help you effectively and efficiently achieve your goals. The key elements of your management process are planning, reporting and review.

As discussed above, written plans should be created for each of prospecting, account development and sales opportunities. You should develop a number of key metrics for each of these processes, and define the goals to be attained for each metric.

You should also create a reporting system that summarizes performance by account and by sales team member. These reports should be available to team members so they can track and monitor their own performance.

In-person reviews of progress are critical. These should include weekly reviews with each sales team member of all sales opportunities, and monthly or quarterly reviews of prospecting and account development activity. These reviews should be used for recognition, problem solving and coaching.

*   *   *

Sales effectiveness is challenging, but it is essential for your success. Implementing the five elements described in this article will enable you to quickly and efficiently build a powerful sales capability that will maximize your market penetration.

Additional Reading

1. Miller, Robert B. and Stephen E. Heiman. The New Successful Large Account Management.

   An updated version of the classic book on account development

2. Rackham, Neil. Major Account Sales Strategy.

   A great resource delineating strategies for each phase of the buying cycle

3. Üstüner,Tuba and David Godes. "Better Sales Networks." *Harvard Business Review*. July-Aug. 2006. (subscription required)

   An interesting article about the different social networks and network management actions a salesperson uses throughout the sales cycle

About the authors

Michael Lurie is Founder and CEO, Irene Paigah is a Director, and Dan Zagursky is a Manager with Blue Mine Group in San Diego, CA. Blue Mine Group is an innovation strategy firm specializing in market traction for new products, technologies and lines of business.