

The Eight Critical Success Factors of a High Performance Sales and Marketing Organization

In a major two-year research project, Lincoln Consulting reviewed over 50 business development processes in more than 300 businesses. An in-depth analysis determined that only eight very specific processes drove success. Committing to operational excellence made businesses successful and provided the valuable lessons to apply going forward.

These Eight Critical Sales Success Factors summarize the most important processes to succeed in today's marketplace. They are guidelines to assess strengths and weaknesses against the business development processes that ensure profitable growth.

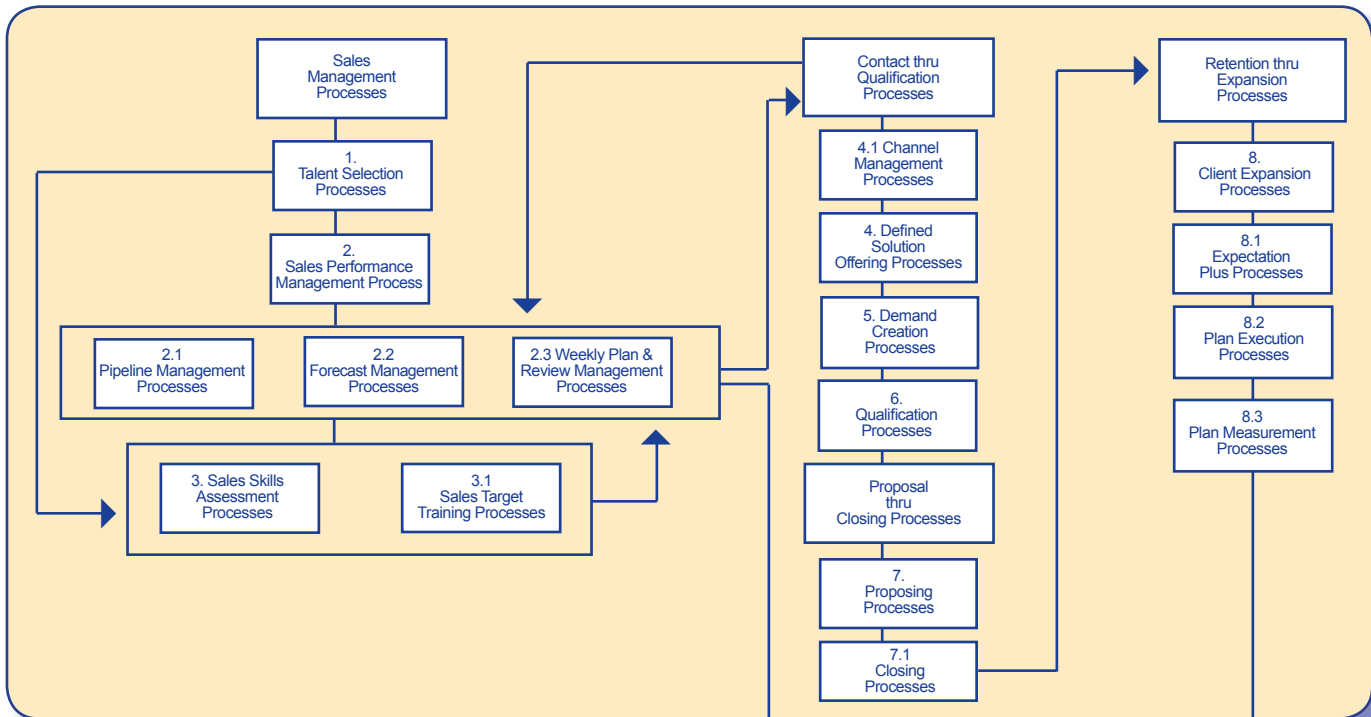
*If you measure everything, you measure nothing.
If you do everything, you do nothing.
If you know everything, you know nothing.*

It took twenty successful years in sales and sales management to learn that lesson. My good friend and mentor, Howard Stevens, Chairman and CEO of HR Chally, taught me to focus on the vital few versus the trivial many. Assuming you have the talent it takes and the drive to be at the top of your profession in sales or sales management, this research provides a benchmark to drive exceptional Business-to-Business (B2B)¹ sales and marketing performance.

B2B SALES BASICS ARE SIMPLE ENOUGH:

1. Success is measured by profit. Profit is revenue minus costs. You manage revenue and costs through productivity; the more productive you are in selling and in managing your costs, the higher your profit.
2. Low cost scalability or "leverage" impacts profit. The greater the leverage in the selling process and in managing costs, the higher the profits. The eight critical success factors address both productivity and leverage.
3. Finally, these critical success factors affect each other. For example, we start with the selection of sales talent because, by definition, you can't have a high performance organization without talent. These effects aren't always obvious. The problem occurs when there is a delay between cause and effect, and in the sales and sales management process there are often many delays. Consider prospecting: a call made today may generate revenue in six, nine, or even twelve months. The longer the delay between cause and effect, the easier it is to ignore the real critical success factor that drove that result. Beware of this trap!

As Rod Stewart says, "Every Picture Tells a Story." And, where complex relationships are a key to success, the process flow of the eight critical success factors helps to detail the causal relationships and define several of the sub-processes that comprise a critical success factor.



THE 8 CRITICAL SUCCESS FACTORS

1. **Sales Selection.** Organizational sales success is not unlike the world of team sports -- *it starts with high quality sales talent.* Understanding the critical sales skills required is the first step in talent selection. For example, a large consulting firm analyzed its top performers and found that qualifying, answering objections, perseverance, customer service, negotiation skills, personal responsibility, and a profit mentality were the critical sales skills that differentiated its top performers from its weakest performers. Understanding these critical skills led the firm to devise a critical skills test and tailor its interviewing process to test for those critical skills.

Validated selection processes based on critical sales skills will dramatically increase the odds of hiring the right person the first time.

2. **Sales Performance Management.** Even your strongest sales performers need sales management. The three areas that need attention are:
 - a. Pipeline management
 - b. Forecast accuracy
 - c. Ongoing skills training

A management process that monitors these three areas leads to consistently high performance and predictability.

3. **Sales Skills Assessment.** Since selling is a practicing profession that requires certain skills, it is important that your sales staff's skills are assessed often. Just as the top professionals in any industry continually practice the fundamentals, sales professionals must do the same.

A sales assessment tool gives the sales professional and management an unambiguous view of the salesperson's strengths and weaknesses.

- 4. Defined Solution Offerings.** An often-overlooked area is defining your core offerings. Well-defined offerings combined with equally well thought out customer value propositions enable your sales force to:
- a. Select,
 - b. Propose, and
 - c. Close the best opportunities.

Defined offerings keep your focus on those opportunities that create the greatest value.

- 5. Demand Creation.** Good qualifying starts with having a large number of good opportunities to evaluate. Opportunity generation is an ongoing systematic program. Its major components include:
- a. Seminars
 - b. Mailings
 - c. Telesales
 - d. Associated networking
 - e. Publishing
 - f. Search engine placement
 - g. Channel partners

The mindset for lead generation must be a “24 hour by 7-day a week” activity. How can that be? Published articles, search engine placement, and targeted mailers are just a few examples of lead generation not bound by the 8:00 a.m. to 5:00 p.m. workday.

Lead generating is the first step to building a profitable sales funnel.

- 6. Qualifying.** The acronym **BCMAN** will serve your sales professional and sales management well.
- a. The “**BC**” stands for buying criteria. It goes without saying that the buying criteria needs to be well understood, but our research shows that in a great majority of the pursuits, buying criteria is at best fuzzy and at worst unknown.
 - b. The “**M**” stands for money, meaning the procurement funded.
 - c. The “**A**” stands for authority, i.e., does the person have the authority to buy?
 - d. The “**N**” stands for need. Does this prospect have a compelling need to buy? We want to emphasize that the need must be compelling enough to motivate the prospect to action. We all have needs, but it is the compelling ones that cause action.

Expert qualification throughout the whole sales cycle, but especially up front, will increase sales and considerably reduce your costs because your organization is not chasing deals that won't happen.

- 7. Proposal Clarity.** Clear definition of your prospects' needs, three win themes or less, and no boilerplate will increase win rate. In doing hundreds of win/loss reviews, the two recurring buyer themes were:
- a. They didn't understand my need
 - b. I didn't understand their proposal

People don't buy benefits they can't understand.

- 8. Existing Client Expansion.** Existing satisfied clients are fertile ground for new sales. They're easier to approach and we usually understand them better. Our research has shown that a satisfied client will increase its business with you an average of 20% per year. Applying the "rule of the 72" from compound interest, a 20% expansion factor means that your businesses with a given client will double every 3.6 years.

The critical success factors for client expansion are: good delivery and a written client expansion plan that is monitored by management.

CONCLUSIONS

Lincoln Consulting has demonstrated that these eight critical success factors can help organizations evaluate and assess current organizational sales performance. Careful attention to the eight critical success factors will result in a high performance sales engine that achieves quotas, profitability, and predictability.

COMING UP ACES

Our firm uses a methodology called ACES™ that starts with an

- **Analysis** of your sales processes. From the analysis we
- **Create** a business plan that your organization can
- **Execute** resulting in attainment of the Eight Critical Success Factors and
- **Sustainable** profit.

If you want to discuss this article or want more information please call Jerry Marterella, CEO, Lincoln Consulting LLC at 1.703.623.3440 or e-mail jerry@lincoln-consulting.com.

¹It's important to note that this article addresses organizations that sell business-to-business. We believe that business-to-consumer selling has a different set of critical success factors.