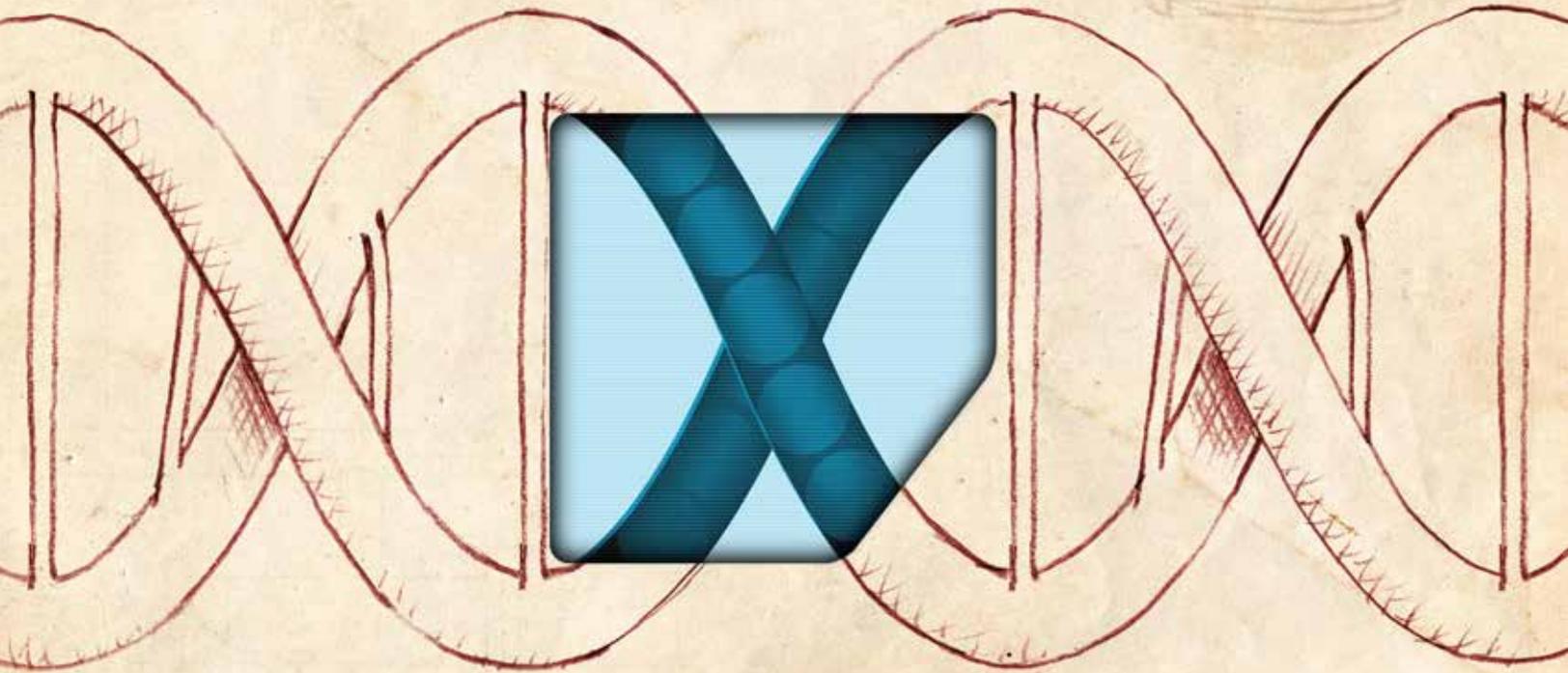# Decoding the Decision Dynamic

EXECUTIVE SUMMARY

2015 MHI SALES BEST PRACTICES STUDY

2015 ✦ **MHI**

SALES BEST PRACTICES STUDY

Decoding the Decision Dynamic:
# INFLUENCING BUSINESS BUYERS

SOLVING THE DECISION DYNAMIC

How is this group of people going to make this decision this time? Solving the decision dynamic is the eternal quest of the sales professional. To reach their goal, they must decode the human dynamics between multiple decision makers to determine how each of them perceives the strategic issue and how they will work together to make the business decision at hand. This is no easy task, given that buyer behaviors and expectations continue to evolve, the number of decision makers continues to increase, and salespeople still need to make sense of the human factor involved in any decision.

ESCALATING LEVELS OF KNOWLEDGE REQUIRED

As technology advances, it affects how business people access, share and store information and data and, in turn, how we connect to and interact with our customers. Customers and competitors have open access to all of the product capability information that marketing posts to the open market. With this information so freely available, the buyer's expectations of the salesperson's role in the sale have increased. Salespeople are expected to know product capabilities and how they align to alternative options and market forces. More importantly, they must be able to apply that knowledge to the customer's context and provide perspective on how the customer will realize success, as they define it, using the proposed solution. Salespeople unable to pass this test are eliminated early, or worse, dragged along as "spreadsheet fodder."

The need to understand product application and its impact has surpassed the traditional understanding of feature/advantage/benefit. Identifying and connecting solutions to the decision makers' concepts of how to fix or avoid a problem or accomplish an opportunity demands that sales professionals be fluent in the application of product capabilities to the customer's situation. Pitching product or provoking prospects is viewed as a waste of the buyer's time. It is the sales professionals' ability to provide a customer-specific perspective for how the customer will achieve their objectives that distinguishes them from the "pitch first" sales rep.
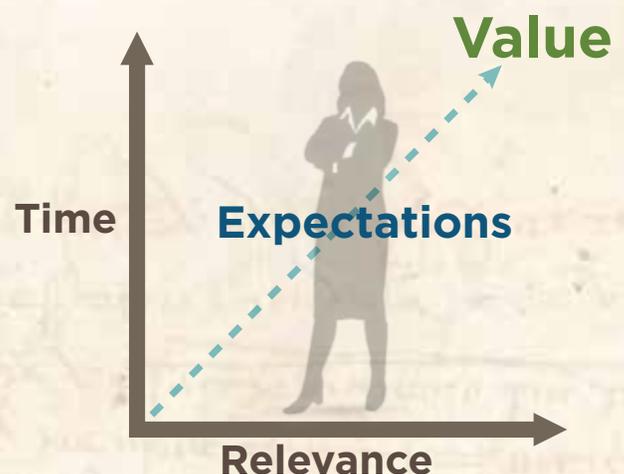
MARGINALIZING THE PRODUCT DISCUSSION

This evolution has marginalized the discussion with buyers about the product. At the same time, it has placed a premium on understanding the customer's context, concept and the decision dynamic of how these buyers will make this decision, this time. Sales professionals must seek answers to questions like:

- Who are the people involved, and what are their levels of influence and responsibility?

- What are their concepts for how these capabilities will best fix or improve the business issue?

- What is the decision process they will follow, and what is the political influence of the people involved, both within the buying team and the broader organization?

- As individuals with natural human tendencies, what are their personal ambitions and motivations?

World-class sales professionals understand that, in addition to organizational implications, the outcome of the buying team's decision will impact everyone involved at a personal level. Departmental alliances, career considerations and other personal factors have a tremendous influence on how the decision will be made.

BREAKING DOWN THE DYNAMICS

Breaking down the dynamics of how a decision gets made requires a customer-management strategy. While individual customers make decisions for different reasons, they don't necessarily buy differently from other customers making similar decisions. There are common patterns of customer activities, escalating information requests and incremental decisions that typically lead to the ultimate decision.

These common patterns form the basis for establishing milestones and measuring opportunity progress to close—the source of the opportunity data that feeds the sales funnel. Beneath the process, the customer strategy provides a common framework, structure, language and terminology for identifying the people involved, their degree of connectedness and their influence on the decision. Once the decision dynamic has been decoded, the salesperson is able to create an effective strategy to influence the way the customer thinks about possible solutions.

THE MHI SALES BEST PRACTICES STUDY

Now in its 12th year, the *MHI Sales Best Practices Study* captures and measures the behaviors, attributes and performance of World-Class Sales Performers, providing a foundation for benchmarking organizations against World-Class Sales Performers and other data segments including industries, geographies and sales roles.

The analysis of the *2013 Miller Heiman Sales Best Practices Study* focused on the attributes found in the World-Class Sales Performer: Customer Core, Collaborative Culture and Calibration for Success.

Last year, the analysis of the 2014 study identified the behaviors of World-Class Sales Performers: Provide Perspective, Conscious Collaboration and Performance Accountability, and connected them to the world-class organizational attributes to define a high-performance sales culture.

In 2015, we focus on the continuous shifting of buyer behaviors and how world-class sales professionals and organizations are adapting by changing how they Connect, Collaborate and Calculate value for their customers.

SHIFTING BUYER BEHAVIORS

Buyer behavior does not shift overnight; rather, it shifts in a series of iterations that evolve over time and are unique to each customer. How they want to connect, collaborate and calculate value form the foundation for customer interactions. Buyer Science, the study of buying behavior, begins with a look at buyer behaviors and how the World-Class Sales Professional needs to adapt in sync with their customers to remain competitive. Each buyer behavior in turn drives a sales metric that illuminates the significance of the sales behaviors and sales performance that are required for continued success. The alignment of the sales organization's attributes behind the sales professional's behavior allows the salesperson to provide a perspective on how the customer will be successful.

BUYING TEAM

INFLUENCING BUSINESS BUYERS
CONNECT

The most important decision the salesperson and the organization make is how they choose to connect with and engage with their customers. Driven by new technologies, buyer behavior continues to shift, and salespeople and organizations must adapt as well. The emergence of the social Web and new communications capabilities, combined with unlimited access to open-market information, alters how buyers acquire and share information. Buyers can access more information than ever before, including the opinions of other customers and market observers, inexorably altering the decision dynamic.

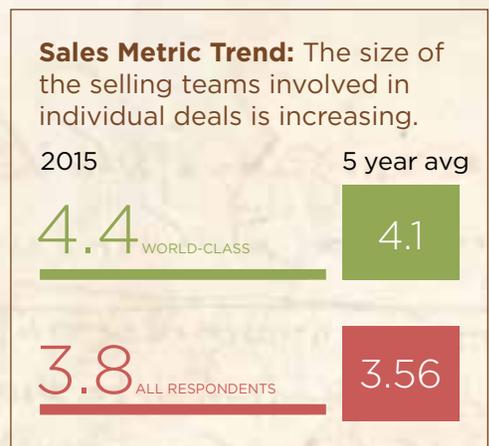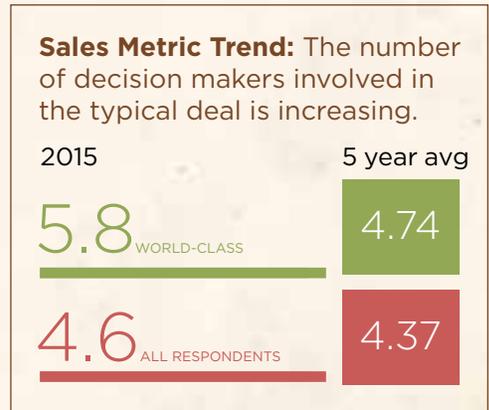**BUYER BEHAVIOR:** *We know why our customers buy from us.*

Every customer makes decisions for different reasons, and knowing why customers buy from us has become increasingly challenging. The alignment of product capabilities to business requirements gets more difficult as products become more sophisticated and complex. At the same time, the proliferation of open-market information has made the evaluation and comparisons of capabilities a far more cumbersome process. Complicating the buying process even further, products are becoming more solution-like, and their impact on the organization is broader than ever before. This forces the salesperson to connect and engage with new buying team members who were typically uninvolved in similar decisions in the past.

SALES METRIC TREND: *In a typical deal, the number of decision makers is increasing.*

In our 2015 study, both World-Class Sales Performers and All Respondents saw an increase in the average number of influencers in 2014, well above the five-year historical average. With an ever-increasing quantity of information to process and more stakeholders to appease, we anticipate that both the number of influencers and the number of perspectives they represent will continue to grow every year.

To continue to be successful, sales professionals must broaden their knowledge base to be able to connect with and influence the variety of people involved. They need to be able to satisfy requests for more detailed product capabilities, vertical applications or technical alignment from a wider variety of buyer perspectives. In addition, the sales professional must incorporate and balance the buyers' concepts with the organization's power structure to determine how this decision will be made. Today's buyers often have less independent authority to make investment decisions and are subject to corporate and personal political whims.

Some organizations are responding to this challenge by increasing the number of resources the salesperson can call on for assistance. Both World-Class Sales Performers and All Respondents have increased the number of sales resources directly involved in the opportunity: product specialists, subject matter experts, partnered inside sales resources, etc. However, new people moving in and out of the opportunity as it progresses through its journey puts pressure on cost-of-sales metrics and increases the importance of sales-resource allocation. To counter this, World-Class Sales Performers strive to improve collaboration.

Behavior: We know why our customers buy from us.

2015	5 year avg
89% WORLD-CLASS	92%
70% ALL RESPONDENTS	68%

Sales Metric Trend: The number of decision makers involved in the typical deal is increasing.

2015	5 year avg
5.8 WORLD-CLASS	4.74
4.6 ALL RESPONDENTS	4.37

Sales Metric Trend: The size of the selling teams involved in individual deals is increasing.

2015	5 year avg
4.4 WORLD-CLASS	4.1
3.8 ALL RESPONDENTS	3.56

INFLUENCING BUSINESS BUYERS
COLLABORATE

How the salesperson interacts with customers as they move through their decision journey is as important as how solution capabilities compare to the competition. The escalation of buyer expectations puts a premium on the salesperson's ability to identify the people involved and the processes they will follow. As the buying processes become more formalized, the salesperson must be able to navigate those processes and bring the related sales-expert resources to bear as needed. Collaboration with the customer allows the salesperson to help customers make decisions using their buying process as opposed to forcing them into a decision construct defined by the selling process.

BUYER BEHAVIOR: *Compared to last year, our customers have significantly formalized their buying process.*

More decision makers involved in the decision means more activities and interactions. Customers have more information to process, requiring more people to get involved in understanding and assessing what is best for the organization. However, the increased formalization of the buying process allows sales professionals to better prepare for each interaction provided they understand the relevance of the activity to the buying organization and the significance of the decision makers involved. When the activities in the customer's journey are more clearly defined, the sales professional can focus on maximizing the experience for the buyer.

Behavior: Compared to last year, our customers have significantly formalized their buying process.

2015	5 year avg
61% WORLD-CLASS	45%
30% ALL RESPONDENTS	27%

SALES METRIC TREND: *Average sales cycle time is changing.*

There is one inevitable outcome of having more people involved in a more structured buying process—longer sales cycles. Despite the hypothesis that today's buyers are farther along in their process when they engage sales, our research shows that the buying process is much longer, resulting in longer sales cycles. World-Class Sales Performers found sales cycle length growing each year. The long-promised "reduced sales cycles" claim by a variety of productivity applications fails to recognize that buyers buy on their terms.

Sales professionals must increase their business awareness to execute each of the buying activities successfully and be able to provide a credible perspective on how the customer can reach their objectives for each stage of the buying process. Salespeople who skip steps, such as shortcutting the customer needs analysis in favor of a product pitch, will be left wondering why the forecasted deal failed to close, while world-class sales professionals who understand the customer's decision dynamic will be able to commit the deal to the forecast with confidence.

Sales Metric Trend: Our average sales cycle time is changing.

2015	5 year avg
2.80% WORLD-CLASS	2.62%
2.30% ALL RESPONDENTS	2.82%

The increasing formalization of how customers buy gives the sales organization greater clarity when structuring their sales process. When customer activities and decision milestones are clear and more consistent, sales organizations are better able to tune their training, messaging and strategies to these events. Forecast accuracy increases as unknown variables are clarified, and funnel confidence grows as opportunities align to a more defined buying model.
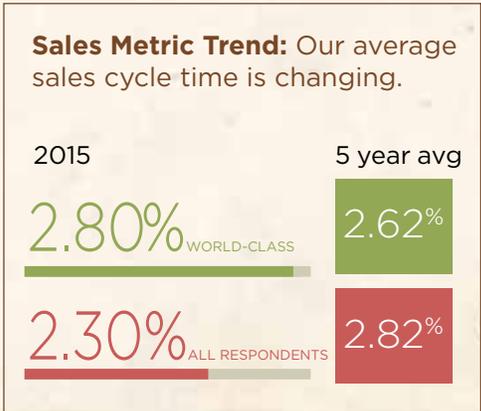
DECODING THE DECISION DYNAMIC
CALCULATE

Value has always been in the eye of the beholder. Determining what the individual buying team members value, as well as their political influence within the buying team and the broader organization, will dictate what matters. Documented case studies detailing how other customers have been successful lend credibility to sales promises. Furthermore, buyers immediately transform into customers once the deal is done. For the organization hoping to build repeat business, the next buying process begins as soon as the current one ends. Promises and commitments made during the sale must be delivered and quantified. While new account acquisition gets all the attention, revenue from existing customers is often more profitable. More than ever before, the salesperson is accountable to the customer.

BUYER BEHAVIOR: *Our customers require formal ROI calculations before making purchasing decisions.*

Quantification of value has long been part of professional selling. However, as buying cycles lengthen and decision dynamics become more complex, identifying and calculating the costs and benefits of any product or capability have grown in importance. The customer's expectations for quantifiable value have also increased proportionally as transparency and visibility increase. Beyond simple calculations of cost, sales professionals must be able to identify the tangible and intangible benefits of solution capabilities based on what the decision makers deem valuable. This is made even more critical by the increased internal pressure on buyers to validate and defend business decisions and deliver value for their organization.

Behavior: Our customers require formal ROI calculations before making purchasing decisions.

2015	5 year avg
61% WORLD-CLASS	**40%**
35% ALL RESPONDENTS	**26%**

SALES METRIC TREND: *Customer retention is improving.*

Customer retention, as measured by the number of customers and, more importantly, existing customer revenue, is the barometer of a successful customer-core strategy. Provided products are competitive, managing the customer relationship is the difference between good and great performance. Long-term revenue, cross-sell/upsell opportunities and market reputation are all driven by customer perception of value delivered by the provider and their customer account team. Furthermore, as product complexity grows, so too does the significance of customer satisfaction.

The implication to sales is that you can't sell and run if you expect the kind of repeatable, sustainable revenue growth that only comes from customer success. The classic sales rep's mantra of "don't confuse selling with installing" underscores the "commission first" mentality of many sales reps. Sales professionals recognize that their success is a reflection of their customers' success and that they are accountable to the customer above all else.

Sales Metric Trend: Compared to last year, our customer retention has improved.

2015	5 year avg
5.40% WORLD-CLASS	**4.80%**
1.50% ALL RESPONDENTS	**1.10%**

# DEFINING WORLD-CLASS SALES PERFORMANCE:

World-Class Sales Performers represent a segment of sales professionals that consistently see better results in the key metrics traditionally measured by sales organizations. In the *2015 MHI Sales Best Practices Study*, World-Class Sales Performers outperformed All Respondents by 23 percent in key metrics measured in this study, the most significant of which are listed below:

✔ **Number of Qualified Opportunities**

✔ **New Account Acquisition**

✔ **Average Account Billing**

✔ **YOY Existing Customer Growth**

✔ **Quota Achievement**

✔ **Forecast Accuracy**

By identifying the behaviors and attributes of World-Class Sales Performers that lead to results, the *MHI Sales Best Practices Study* provides an aspirational benchmark for other sales organizations that are working toward achieving high-performance results.

Each year, the *MHI Sales Best Practices Study* examines the strategic issues in business-to-business (B2B) sales. These issues are complex questions that require research, data, perspective and knowledge for the sales leadership of an organization to be able to answer within the context of their organization. By addressing these issues effectively, World-Class Sales Performers are able to produce consistently superior results.

The study begins with a set of questions derived from the best practices we've observed in the organizations we work with, as well as through our analysis of emerging trends in global B2B sales. The study is organized and analyzed by the following elements of the Sales System:
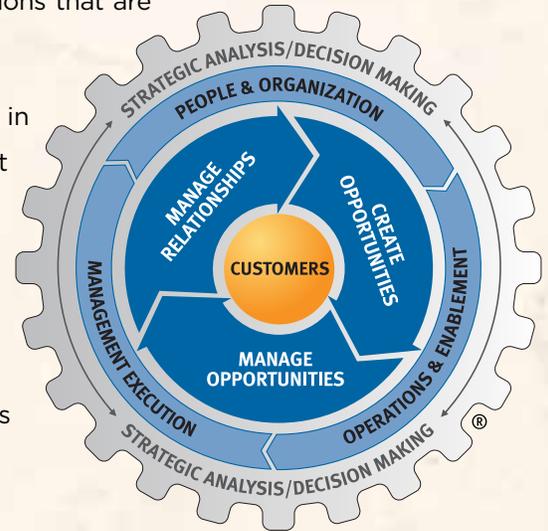
MHI GLOBAL SALES SYSTEM®

CREATE OPPORTUNITIES

Targeting and gaining access to prospects, scoping their needs and qualifying opportunities.

MANAGE OPPORTUNITIES

Allocating resources to qualified opportunities and managing the sales process through closing.

MANAGE RELATIONSHIPS

Protecting and growing strategic accounts.

PEOPLE AND ORGANIZATION

Organizing, staffing, developing and managing a high-performance sales force.

OPERATIONS AND ENABLEMENT

Providing infrastructure and programs to increase sales productivity and drive sales force transformation.

MANAGEMENT EXECUTION

Aligning the organization and driving the behaviors essential for success.

CREATE OPPORTUNITIES

Prospecting to create new opportunities is a core sales skill for every sales role. Even if marketing generates a considerable number of leads, there is always a need for salespeople to create their own opportunities. Creating new opportunities in existing accounts is an often-overlooked key to success. Building on the value that has already been created for customers, new areas for future value creation have to be identified, often in different functions or business units. Social engagement has emerged as a core sales skill that increases prospecting success. With various introduction options and tailored content curation, powered by social technology, social engagement helps salespeople grow their networks and create more opportunities.

Top Initiatives for Increasing the Number of Qualified Opportunities

"Sales and Marketing are aligned in what our customers want and need."

92%
WORLD-CLASS

39%
ALL RESPONDENTS

Sales and marketing alignment is based on three pillars. First, the teams must have a shared goal such as revenue contribution. Second, they must take a customer-core approach that mirrors the customer's journey and includes all the relevant buying influences. Third, they must follow an engagement and messaging principle in which they provide context-based perspectives all along the customer's journey. Sales enablement is in an orchestrating role, creating consistent and effective enablement services based on these pillars. In addition, these pillars enable marketing to create and execute fully aligned demand and lead generation campaigns.

"Social media is a highly effective tool to identify new business opportunities."

72%
WORLD-CLASS

28%
ALL RESPONDENTS

Compared to previous years, the measurable impact of social engagement on creating opportunities has increased significantly. Social networks, such as LinkedIn, offer tailored features that salespeople can use to identify, connect and engage with prospects and build and grow their networks. In addition, social networks offer more opportunities for warm introductions and recommendations than ever before. Content curation—sharing relevant content with relevant stakeholders—is an additional skill salespeople have to learn to become and remain relevant and valuable to their customer communities.

Strategic Focus: Sales Mastering Marketing

Marketing is a competency salespeople must master. Using the latest technologies and techniques, salespeople must be able to establish their personal brand, create their own opportunities and develop customer-specific content. They need to manage their customer community and create, curate and promote relevant and meaningful content to them. Automating individual elements of their marketing strategy requires advanced technology skills and mastery of marketing concepts. ■

Related Research Note from the MHI Research Institute: *Sales Mastering Marketing*.

MANAGE OPPORTUNITIES

Excellence in opportunity management is a delicate balance between the customer's desired results and wins, their specific situation and the salesperson's ability to sell an opportunity internally to get the right resources assigned at the right time. Frontline sales managers (FSMs) play a critical role in balancing this challenge. Their coaching conversations provide clarity on the opportunity's real progress, essential for accurate forecasting. FSMs also help prioritize opportunities by applying value-based principles, and they manage escalations when necessary. Last but not least, they coach salespeople on how to create extraordinary value for customers.

Top Initiatives for Increasing New Account Acquisition

"Our organization is highly effective in allocating the right resources to pursue large deals."

93%
WORLD-CLASS

40%
ALL RESPONDENTS

Allocating resources effectively requires clear principles for identifying large deals that warrant prioritization. These high-priority opportunities can have different characteristics. Some have a high financial risk based on their total contract volume, even if the delivery is not complicated. Deals that require several business units to collaborate in the sale and delivery can be not only large, but also very complex. Even if the total contract volume is not that large, deals that contain new products and services the organization is trying to introduce to the market can be riskier and may need to be prioritized.

"When we give price concessions, we always get comparable value in return."

81%
WORLD-CLASS

26%
ALL RESPONDENTS

Giving price concessions does not mean discounting just before the customer makes a decision. Communicating value starts with the very first conversation and must be continued throughout the buying process and even after the opportunity is closed. World-class sales professionals connect with their customers and communicate the solution's value in terms of the customer's desired wins and results. Based on this future vision of success, negotiations on price are based on a solid, shared understanding of the specific value a customer expects the provider to deliver.

Strategic Focus: Predictive Analytics

Big data and predictive analytics are quickly becoming strategic issues for many organizations. Analytics and business intelligence tools synthesize historical data to identify trends. Predictive analytics takes the concept to the next level by modeling what may happen based on data correlated with past outcomes. Early successes have been seen in areas such as creating opportunities through predictive lead scoring and using white space analysis to identify cross-sell/upsell opportunities. Applying predictive capabilities to the sales funnel and forecast represents a breakthrough in visibility and transparency. ■

Related Research Note from the MHI Research Institute: *Predictive Analytics: Transparency to Performance*.

MANAGE RELATIONSHIPS

Relationships matter more than ever. However, today's customers have a greater choice in what kind of relationship they want to have with providers. Their preference is often predicated on the business issue they are trying to solve. The more complex their situation and the more undefined their problems and challenges, the tighter the relationship the customer needs and expects. The currency of relationships is trust. When salespeople sell based on the customer's context, customers expect to receive the promised value. Leveraging social technology is becoming essential to developing value-based relationships, as well as maintaining existing business and creating and managing new opportunities.

Top Initiatives for Increasing Average Account Billing

"We consistently share the results of our customer satisfaction/loyalty program with internal departments."

91%
WORLD-CLASS

40%
ALL RESPONDENTS

Customer satisfaction and loyalty programs are a key element of any customer-core based sales system. Program results have to be shared with the entire organization to make sure the necessary adjustments made by different parts of the organization are well aligned. Satisfaction and loyalty are different metrics, especially in business models where changing a provider is easy. If the risk is low, even a satisfied customer may change vendors from month to month. The actions derived from an analysis of customer satisfaction and loyalty data have to be discussed with customers to make sure they are representative of and aligned with the customer's goals, build trust and move the relationship in the right direction.

"We always review the results of our solution with strategic accounts."

94%
WORLD-CLASS

41%
ALL RESPONDENTS

Most customers include anticipated return on investment or projected value as part of their decision-making criteria. However, few salespeople follow up with this data to validate that the value promised was delivered. With the majority of revenue coming from existing customers, world-class salespeople and organizations recognize that future revenue is contingent on their current customers' success. Long-term relationships are based on the fulfillment of the commitments made during the purchase decision and delivery of the promised value. As referenced earlier, the old adage of "don't confuse selling with installing" is not part of the sales professional's thinking.

Strategic Focus: Social Engagement: Beyond Social Selling

Social technologies have added a new way for salespeople and customers to connect. Initially, social communications were targeted to opportunity creation. Now, as these technologies mature and user skill grows, social engagement has become a more meaningful and interactive way to engage customers. Social marketing, social CRM (customer-relationship management), social customer collaboration and managing a customer community are all important elements of the social engagement model. Add internal social collaboration among the sales team, and a platform for social engagement emerges that redefines how we communicate with customers and each other. ■

Related Research Note from the MHI Research Institute: *Social Engagement: Beyond Social Selling*.

PEOPLE AND ORGANIZATION

Only salespeople and their managers can deliver sales results. The rest of the sales organization exists to provide a productivity infrastructure that enables salespeople to execute the sales strategy. This infrastructure covers various disciplines such as sales operations, enablement, training and technology. Sales leadership determines how the organization will sell its products and services and decides which parts of the organization have to be improved, enhanced or transformed. Often, all three options will apply to different parts of the strategy, processes, enablement services and tools.

Top Initiatives for Increasing Year-Over-Year Customer Growth

"Our management team is highly effective in helping our sales team advance sales opportunities."

93%
WORLD-CLASS

47%
ALL RESPONDENTS

World-Class Sales Performers expect their management teams to support efforts in the field actively. To be effective working with customers and against competitors, salespeople have to rely on their management team to work internally with the same level of focus. World-class management teams collaborate cross-functionally to ensure that prioritized opportunities get executive support, as well as the resources from operations, service and delivery they warrant. Just as in other areas, a customer-core approach provides the foundation for effective sales-management teams that are able to quickly adapt to the needs of the customer.

"We know why our top performers are successful."

96%
WORLD-CLASS

46%
ALL RESPONDENTS

Knowing who the top performers are is one thing. Understanding why they are top performers is a different challenge. That which distinguishes World-Class Sales Performers from all others can be hard to measure, but it has to be understood holistically. Auto-analytics on direct sales activities and behaviors and profiling of attributes, skills and competencies help provide a complete picture of why top performers deliver outstanding performance.

Strategic Focus: Building Adaptive Competencies

Adaptive competencies define the sales professional's ability to quickly adjust skills, shift knowledge and align strategies and behaviors to new, changing and complex customer situations. Every customer situation is different in terms of context, the stakeholders' concepts and the customer's desired results and wins. The decision dynamic— how this buying team will make this specific decision—is especially relevant. The difference between good and great performance is often a result of the sales professional's ability to apply adaptive competencies. ■

Related Research Note from the MHI Research Institute: *Adaptive Competencies.*

OPERATIONS AND ENABLEMENT

Sales operations designs, forms and shapes the sales system to enable an organization to execute the sales strategy successfully. They define the metrics, frameworks, processes and principles on which the sales system will be based. Sales enablement's responsibility is to ensure that these frameworks, processes and principles are understood and adopted. When sales enablement works in concert with sales operations, both disciplines are in an ideal position to create significant value for the sales force by providing consistent and connected enablement services, derived from a customer-core sales system, powered by technology.

Top Initiatives for Increasing Quota Achievement

"Our sales compensation policies are aligned with our business objectives."

96%
WORLD-CLASS

45%
ALL RESPONDENTS

Sales compensation is a sensitive topic. When creating a compensation strategy, sales leaders need to take into account how buyers buy, what the organization sells, how they sell and what the desired performance culture looks like. When adjustments are made to sales methods, processes, messaging or the engagement model, the related compensation policies have to be realigned. It is sales leadership's responsibility to define the desired performance culture and to make sure that a simple and transparent compensation policy stimulates sustainable sales performance instead of becoming an obstacle.

"Our CRM system is highly effective for enabling our organization to collaborate across departments."

85%
WORLD-CLASS

26%
ALL RESPONDENTS

CRM systems have evolved from SFA (sales force automation) systems into integrated, social and collaborative CRM platforms that are available on any device and accessible by all customer-facing roles. These state-of-the-art CRM systems encourage engagement and collaboration with customers, within sales and across functions. To drive productivity, collaborative CRM systems have to be designed around the salesperson's context. Additionally, CRM systems must integrate content and training services along the entire customer's journey to ensure that salespeople can access the right information, content and selling insights at the right time.

Strategic Focus: Knowledge Shareconomy

Driving the knowledge shareconomy is a key challenge for the sales organization. The shareconomy is based on a "sharing—not hoarding" attitude, and knowledge is its gold standard. In many organizations, creating a sharing economy is a transformational initiative, as it requires a change in the attitudes and behaviors of sales. The sales leader's commitment is essential to establishing a sharing and learning organization, fueled by conscious collaboration and powered by technology. ■

Related Research Note from the MHI Research Institute: *Sales Force Enablement: Knowledge Shareconomy*.

MANAGEMENT EXECUTION

When it comes to sales execution, frontline sales managers (FSMs) are in the most important role. The FSM's challenge is to maintain a balance among three competing areas: customer, business and people. Poorly developed FSMs drive top performers out of the organization and promote mediocre performance from those who remain. This is an untenable situation for any sales leader with ambitious performance goals. World-Class Sales Performers understand that developing FSMs is a wise investment that creates tremendous leverage for building an effective sales organization and growing the business.

Top Initiatives for Increasing Forecast Accuracy

"Our sales managers are always held accountable for ensuring the accuracy of our sales forecast."

91%
WORLD-CLASS

45%
ALL RESPONDENTS

Accurate forecasting requires FSMs to be excellent coaches. Coaching provides funnel clarity by identifying the progress of each opportunity, as defined by the customer's journey, so that it may be mapped back to the sales cycle and accurate forecast numbers derived. To boost forecast accuracy, FSMs must coach opportunities even at the earliest stages of the sales cycle. Coaching deal strategy and customer engagement from the beginning can have the greatest impact on overall accuracy.

"Our management team is highly accountable for their sales teams' continuous improvement."

96%
WORLD-CLASS

43%
ALL RESPONDENTS

World-class FSMs know that they succeed only when their people succeed. They also know that doing the right things is not enough. The quality of activities and behaviors has to be developed to the highest possible level to achieve outstanding results. They understand that creating extraordinary value for customers is the only way they can achieve or overachieve their quota, and that requires well-developed and -equipped salespeople. Therefore, world-class FSMs collaborate with sales enablement and training to make sure that their teams have what they need, and they reinforce enablement through regular coaching.

Strategic Focus: Developing Frontline Sales Managers

Due to their span of control and daily interactions with the salespeople on their team, FSMs have a huge impact on sales performance and productivity–more than any other role. The FSM's challenge is to be a leader, coach and business manager, all at the same time. World-class sales leaders looking to improve productivity and grow the top line make the development of FSMs a top priority. ■

Related Research Note from the MHI Research Institute: *Frontline Sales Manager Triangle*.

A NOTE ON SALES TECHNOLOGY

Information technology is a change agent throughout every aspect of business. However, of the 92 percent of sales organizations that have made substantial investments in sales technology, few have realized a positive return. Harnessing the significant advances in data/analytics, knowledge management and collaboration technologies will require sales leadership to develop a change management program that supports their sales technology strategy. This begins with optimizing existing technology while working toward a digitally transformed customer-management system. One thing is certain—technology will continue to advance, and those organizations that capitalize on these advances will gain a competitive advantage.

"Our sales management team is highly confident in the data available from our CRM system."

The account, opportunity and customer-interaction data entered by the salesperson is the most critical source of customer intelligence available. For sales to have a high degree of confidence in this data, it must be recent, accurate and trustworthy. CRM has proven capabilities to capture, store and share this information. CRM can roll up funnel and forecast data into dashboards and deliver real-time opportunity analytics. What CRM can't do is guarantee the accuracy or currency of the data. Confidence in CRM data is a reflection of the sales organization's ability to execute their customer-management strategies naturally and consistently.

78%
WORLD-CLASS

30%
ALL RESPONDENTS
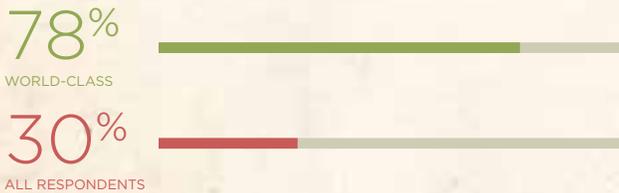
"Our sales leadership is highly confident in the adoption of our CRM system by the sales force."

Adoption and utilization of CRM applications is a prerequisite for data confidence. Every CRM initiative has adoption as one of its critical success factors, yet most organizations fail to sustain adoption efforts and do less to maintain the opportunity data standards once the project is complete. Poor CRM adoption is the dominant reason so few organizations experience a positive return on the massive financial investments made in CRM systems. CRM adoption is also the biggest inhibitor to the sales organization's ability to capitalize on the productivity benefits of technology.

80%
WORLD-CLASS

36%
ALL RESPONDENTS

Strategic Focus: CRM Usage and Accuracy

Usage of CRM applications alone does not guarantee accuracy, but when the CRM system reflects and reinforces customer-management strategies, it promotes and accelerates their regular and natural usage, resulting in more accurate data. Our research further demonstrates that those organizations with higher levels of data confidence are also more likely to be on track to achieve plan. It is not the usage of the system, but the adoption of the customer-management strategies, that improves performance and productivity. ■

Related Research Note from the MHI Research Institute: *CRM Adoption: From Usage to Confidence.*

ABOUT THE 2015 MHI SALES BEST PRACTICES STUDY

The 2015 MHI Sales Best Practices Study engaged respondents ranging from account managers to high-level executives from around the world with the objective of analyzing the behaviors of complex, B2B sales organizations to determine the activities that have the greatest significance for achieving World-Class Sales Performance. This is the twelfth consecutive year of this study, which is conducted annually to provide sales leaders with insights into the selling and sales-management activities that are producing the greatest results in the current B2B sales landscape. The survey for the 2015 data was conducted in the fall of 2014.

RESEARCH METHOD

The survey was designed as exploratory research to collect primary data using a structured design. Formal statistical procedures were employed to analyze the data. Such procedures included exploratory factor analysis, reliability analysis, regression analysis and frequency analysis.

SURVEY INSTRUMENT

After the broad issues and metrics were reviewed and discussed with key respondents, the instrument was subjected to a pretest. The final instrument contained six sales-activity sections and a customer-environment section, with a total of 71 closed-ended questions based upon a seven-point Likert scale for responses of Strongly Disagree, Disagree, Somewhat Disagree, Neutral, Somewhat Agree, Agree and Strongly Agree. Twelve metric questions and nine demographic questions were included in this study.

TIME FRAME

Data was gathered from September 8, 2014, to December 8, 2014.

POPULATION

Responses were solicited globally from sales professionals. The results include a mix of clients and nonclients, with 29.6 percent of the participants being clients of MHI Global.
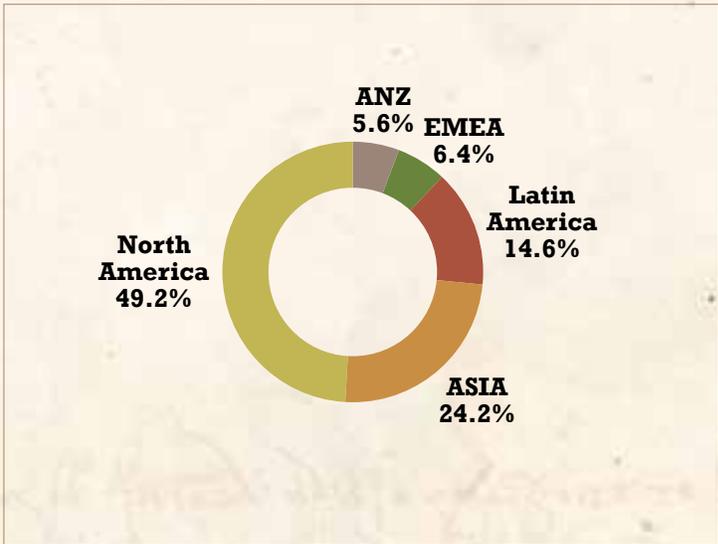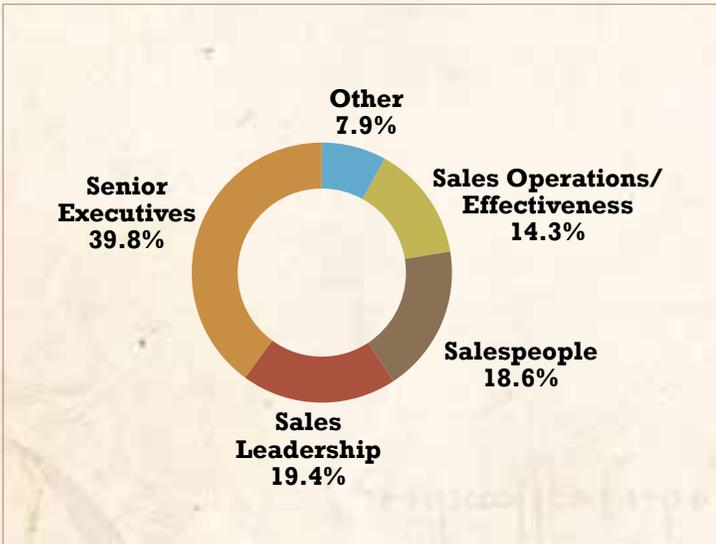
We actively pursued a cross-section of participants, industries and geographic regions for the study drawn from a variety of databases owned by MHI Global and partner organizations.

All Respondents	World-Class Sales Performance
• 1,215 respondents	• 7 percent of All Respondents met the criteria for World-Class Sales Performance
• Complex sales only	• Complex sales only
• B2B selling environment	• B2B selling environment

Industry	Percentage
TECHNOLOGY	16.9%
CONSULTING & PROFESSIONAL SERVICES	14.7%
MANUFACTURING	8.4%
HEALTHCARE	6.2%
OTHER	6.0%
BUSINESS SERVICES	5.9%
INSURANCE	5.8%
BANKING/FINANCIAL SERVICES	5.7%
TELECOMMUNICATIONS	5.2%
TRANSPORTATION	4.7%
INDUSTRIAL & CHEMICAL	4.7%
OIL/GAS/ENERGY	4.0%
EDUCATION	3.1%
CONSUMER PRODUCTS	2.9%
PHARMACEUTICALS	2.6%
CONSTRUCTION	1.8%
AEROSPACE AND DEFENSE	1.4%

Role
- Other 7.9%
- Sales Operations/Effectiveness 14.3%
- Salespeople 18.6%
- Sales Leadership 19.4%
- Senior Executives 39.8%

Region
- ANZ 5.6%
- EMEA 6.4%
- Latin America 14.6%
- ASIA 24.2%
- North America 49.2%

CONTRIBUTORS:

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ABOUT THE MHI RESEARCH INSTITUTE:

The MHI Research Institute, a division of MHI Global, is a research organization dedicated to improving the performance and productivity of complex B2B sales organizations. Through extensive research into the best practices, strategies and decision frameworks that drive World-Class Sales Performance, we help sales leaders develop and hone sales strategies to improve sales performance. To provide strategic support for our clients, we publish thought-leading research, conduct World-Class Sales Performance studies and offer members customized insight into their strategic issues.

WORLD-CLASS SALES PERFORMANCE STUDIES

As part of our mission to provide sales leaders with strategic analysis and decision-making support, the MHI Research Institute leverages the questions and data set of the *MHI Sales Best Practices Study* to conduct studies for our client organizations. The analysis we share highlights gaps and alignments to World-Class Sales Performance and is leveraged by sales and organizational leadership to refine strategies to improve the performance and productivity of their sales team.

ABOUT MHI GLOBAL

MHI Global is a leading worldwide company devoted to improving sales performance and customer management excellence. Our unrivaled capabilities and solutions come from the combined expertise and experience of powerhouse brands that make up MHI Global—Miller Heiman, AchieveGlobal, Huthwaite, Channel Enablers and Impact Learning Systems. Together these companies have taken an uncompromising stance that the best approach to every client engagement is one that is collaborative and is driven by each client's specific needs and challenges.

Supported by the real-world experience of passionate sales practitioners, MHI Global brings best-in-class expertise and practical experience to all aspects of the selling and customer-management process. We work with organizations across all verticals, wherever they are in the world, to build and sustain customer-focused, high-performance organizations that can drive profitable, predictable top-line growth.

For more information on insights shared here, contact us:

www.mhiglobal.com/Contact-Us/

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