Advance
Creators of SCOTSMAN®

The New Science of Enabling Sales Excellence

Practical Implementation at Xerox Limited

Delivering Predictable Revenue Growth

Selling is not a problem, it's a process.

Foreword

We live in a dynamic world. It was Tom Peters who said companies will need to thrive on chaos!

Disruption has been created by the convergence and interconnecting of technology and changing environments; enabling new thinking, business models and ways of interacting with the buyer. Buyers now expect every advantage made possible by technological advances.

Generating sales growth is challenging with this back drop – driving down margins; Amazon (new platforms), Uber (integrating technology for new models), Apple (content / entertainment delivery). Companies need to invest to grow and change, maintain their stock price and provide a return to their investors.

Look at Xerox. A great company which, on numerous occasions, had to change to survive, requiring new sales models and organisational structures to retain market share and prosper long term.

I would like to share my personal experience of one such change:

• Its highest value business group was Production Systems Group (PSG).

• The group needed to double profitable revenue within 3 years.

• Risk of attrition – if targets were doubled as salespeople were already 'stretched.'

• A plan was needed to show "how" this could be achieved.

• Driving "efficiency" and "effectiveness" across the salesforce – creating a clear, realistic and executable plan fell to PSG Sales Operations.

• People and Process delivered the Strategy with Business Leaders as effective coaches.

Today Xerox is again faced with a need to change. But this is inevitable for all companies, given the pace of technological development.

No wonder shareholders and CEOs want predictable, reliable and consistent sales forecasts and to drive sales productivity. It is a constant challenge and always will be.

Where technology can replace sales professionals, it will. However, there are solution sales and consultative sales which still need professionals and the key is how Business Leaders drive and manage their productivity.

Mike Wilkinson - Managing Director

Practical Experience at Xerox

It was announced to Business Leaders that doubling sales productivity was not an option. Our stock price depended on it. Such an increase was obviously not a minor improvement. It required radical change.

This paper outlines the approach taken and the way outcomes were managed to deliver top line results that were predictable, and rewarding for both the sales professionals and Xerox.

Salespeople told us the one additional resource that would help them to sell more, was more selling time. We needed to increase the sales team's contact time with suspects, prospects and customers by increasing their selling hours.

Telling a salesperson that his or her sales productivity would need to double in 3 years, when they already felt they were drinking from a fire hose, was not going to be easy. It was impossible to sugar coat this challenge.

1. We had to explain why this increase was required

2. We had to describe how it could be achieved

3. We had to develop a communication plan.

We needed a new business model, new behaviours and a high performing organisation.

As sales leaders, we needed to:

1.   Have knowledge of the market place

2.   Bring leadership and direction

3.   Execute strategy through people and process

4.   Be effective coaches and counsellors

5.   Motivate and communicate

At Xerox we used to sponsor a lot of sport. Even before Sir David Brailsford coined the phrase "the aggregation of marginal gains", our mantra was "selling is not a problem it's a process, it's only a problem when it's not a process." So, we needed to bring a structure to the unstructured and more science to the art of selling.

High performing teams – such as Team Sky in cycling – use quantitative and qualitative data analysis, with coaching and a review process. The same applies to Sales. Business Leaders can drive marginal improvements throughout the process.

As Business Leaders we needed to be experts in using these levers. We could then execute the plans and feed back what was required.

Strategy delivers promises, but it's People and Process that deliver results.

Making it happen – Doubling Sales Productivity

Imagine your reaction as a salesperson to hear on a Monday morning that we are not just increasing your target... but doubling it!

Before we could announce this, we had to develop our corrective action plan and communication strategy to show our teams how this could be achieved. It was imperative that everyone was aligned to the strategy.

It was agreed we would need to improve not just the number of selling hours but the effectiveness of selling hours from our face-to-face activity.

We determined our current 'state' with assumptions to identify the extent of a salesperson's selling time and what this meant in terms of contact capacity.

Number days / year

Available days	260
Vacation	25
Public holidays	10
Sickness	8
Blended Learning, Training, Reviews & Meetings, Non-Sales Activities	24

Effective Selling Days	193

Selling hours / Day	5
Office hours / Day	3

Selling hours / Year	**965**

Implications on Contact Capacity

Length	
Face-to-Face Time	2 hours
Travel Time	1.5 hours
Face-to-Face Visit	3.5 hours
Telephone Contact	0.5 hours

Achievable Contacts / Day

1 face to face	**+**	3 phone contacts

10 phone contacts

You can be the best batsman in the world, but if you spend all of your time in the pavilion you aren't going to score any runs.

Sales Increase Framework Formula

The business group's annual outright sales excluding annuities were $100 million in the U.K and the average salesperson's sales revenue was $823k.

To increase salesperson productivity (measured by revenue) we used a simple formula.

Revenue:

$$\frac{\text{selling hrs (customer contact hrs - customer care hrs)}}{\text{selling cycle hrs (prospecting hrs + opportunity hrs)}} \times \text{hit rate} \times \text{transaction value}$$
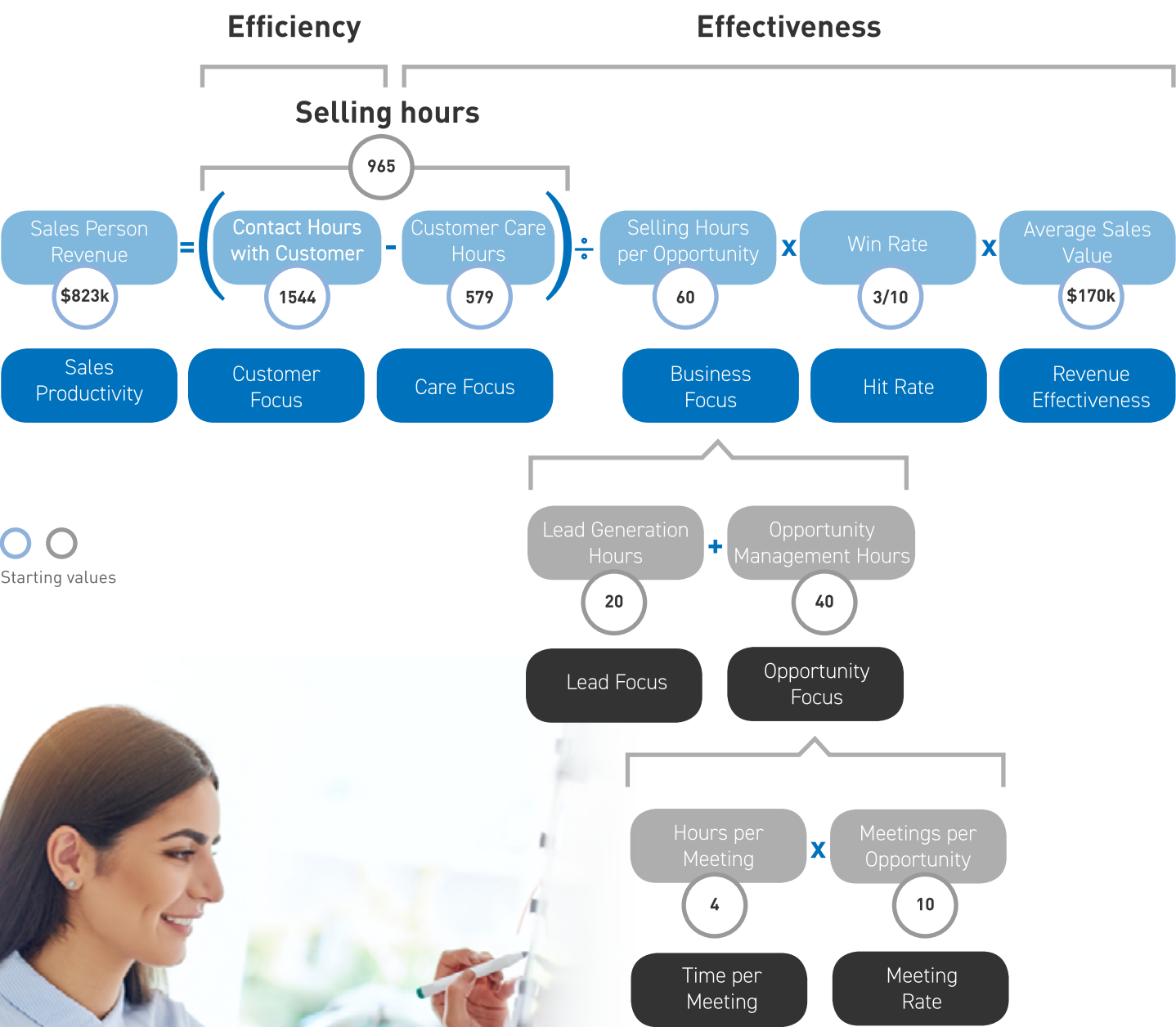
To calculate the revenue per salesperson:

1. Take the total customer contact hours available for a salesperson in a year and deduct time spent on non-selling tasks (customer care hours). This gives the Selling Hours.

2. Take the average number of meetings per Opportunity and the average time in hours per meeting to give the Opportunity Hours.

3. Take the average number of Prospecting Hours needed to get an Opportunity and add that to the Opportunity Hours. This gives the Selling Hours needed per Selling Cycle.

4. Divide the Selling Hours by Selling Cycle Hours to give the number of Selling Cycles.

5. Multiply that by our average Hit Rate to give the number of Opportunities we would win.

6. Finally, multiply the number of wins by our average Transaction Value to give the Revenue.

Productivity Dynamics - 1

Each of these areas are the levers for growth. We identified our current 'state' in terms of each lever.

Efficiency

Effectiveness

Selling hours

965

Sales Person Revenue **=** (Contact Hours with Customer **-** Customer Care Hours) **÷** Selling Hours per Opportunity **x** Win Rate **x** Average Sales Value

$823k 1544 579 60 3/10 $170k

| Sales Productivity | Customer Focus | Care Focus | Business Focus | Hit Rate | Revenue Effectiveness |

Lead Generation Hours **+** Opportunity Management Hours

20 40

Lead Focus | Opportunity Focus

Hours per Meeting **x** Meetings per Opportunity

4 10

Time per Meeting | Meeting Rate

○ ○
Starting values

To achieve a productivity improvement of 100% we needed to break down a complex project into smaller elements and address each.

There were 4 key improvement areas that would create the most impact:

1. Selling hours (effective)

2. Velocity (selling hours per selling cycle)

3. Hit Rate

4. Transaction Value

Attention was also needed to monitor time spent on lead generation and opportunity management.

Crucially, we needed to focus on operational efficiency and operational effectiveness, plus agree the right data sets for inspection and reporting.

This would ensure that we had a sales increase framework to:

Win more orders, bigger orders, more profitable orders, more quickly.

Identifying the Vital Few Actions

Knowing our current state for capacity and the levers for growth, we could identify corrective actions and initiatives.

We looked at ways to improve operational efficiency (how we improve the use of time) and operational effectiveness (how we increase the revenue generated per face-to-face hour).
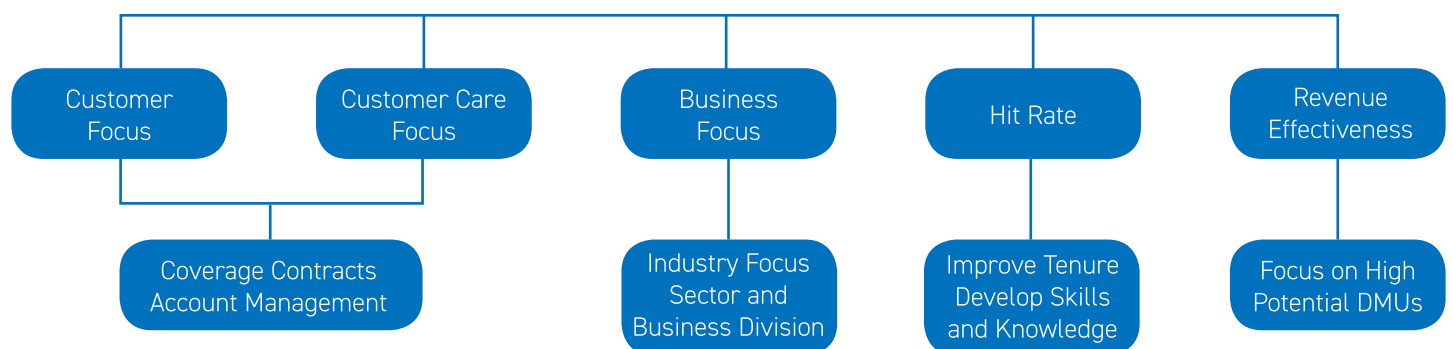
The key drivers of face-to-face productivity were broken down into the following:

Operational Efficiency	Operational Effectiveness
Face-to-Face Selling Hours	$ Revenue / Face-to-Face Hours

Operational Efficiency

- Reduce or eliminate non-productive face-to-face time
- Use other channels to offload "low value" sales
- Shift necessary non selling tasks to admin support
- Task substitution / simplification
- Sales force automation
- CRM bonuses for timely and accurate data input
- Introduce 10 step stage of sale tracker
- Coverage contracts and incentives for salespeople
- Team plans developed and diarised
- Use of AI, marketing automation tools and social platforms

Operational Effectiveness

- Task substitution
- Industry focus
- Focus on large Decision Making Units (DMUs) with relationship management strategy using Linkedin Navigator
- Improve Tenure of Role with incentives
- Reinforce Selling Processes - sales process mapping to 'bottle' best practice
- Increase win rates and average deal values
- Best of Breed Training every year to improve knowledge, skills and behaviours
- Leadership Incentives for forecast accuracy
- Individual bonuses and incentives throughout the year

Closed Loop Sales Management Process

Time spent building the pipeline and winning business...

Customer Focus	Customer Care Focus	Business Focus	Hit Rate	Revenue Effectiveness
	Coverage Contracts Account Management	Industry Focus Sector and Business Division	Improve Tenure Develop Skills and Knowledge	Focus on High Potential DMUs

Our goal was a 100% increase in productivity. We used assumptions as to where we believed these improvements would come from. Using a closed loop management process, we could monitor and review each initiative with data sets and a variety of reports.

Managing the process in this way – with an emphasis on operational efficiency and effectiveness – was key for the aggregation of marginal improvements. It drove both people and performance management.

One lever that we identified as a key driver was hit rate. We had all received training from Dermot Bradley on SCOTSMAN® and Commitment Based Selling, which we believed would have a major impact on hit rate and also provide data sets across all levers.

Lead Generation Initiatives

Crucial for doubling revenue was lead generation to drive future pipeline. Below are a selection of initiatives.

Coverage Contracts

As market leaders, we were surprised to discover that we were considered in only 50% of deals in the market. We needed to increase our Awareness and Coverage. Target prospect banks were introduced, and the sales people incentivised to work harder and smarter. AI and marketing automation tools supported lead generation.

Linkedin Navigator was used for segmentation and developing a relationship management strategy with DMUs for ever user and non-user.

Incentives were offered for finding out contract renewal dates, competitive knock outs and updating the CRM. Selling Hours were used wisely and with the right Business Focus boosted leads.

Printed Output Studies

A Gartner report outlined that companies were spending 10% of turnover on document production yet only 3-4% on IT. All these companies had IT Directors, but none had Document Directors. We targeted the FDs in all sectors and organised Printed Output Studies.

The studies were investigations (usually paid-for) into prospects' current state of document production, followed by a proposal for Xerox solutions. Very popular with prospects, they were a superb way of creating needs and our best ever "hunting licence", as they involved every relevant person in the target organisation. Securing a Hunting Licence is an integral part of Commitment Based Selling, designed to create needs, build political backing and develop an ROI case.

We won 85% of deals where such studies took place.

A key effectiveness impact linked to Business Focus, Hit Rate and Revenue Effectiveness.

Task Substitution

Plans were implemented to eliminate wasted selling hours and remove non-selling tasks to admin support. We gave low value sales to the channel, so we could focus more time on prospecting and lead generation campaigns. Selling Hours were now more efficient and effective.

Opportunity Management Initiatives

Improving velocity, hit rates and transaction value were vital. Below is a selection of some of the initiatives implemented to improve opportunity and pipeline management.

Best of Breed Training

- Leadership Training in Sales Operational Excellence to "walk the talk."
    - This included sales process management, quality tools, management by fact, problem solving and understanding quantitative vs qualitative data. Coaching was also key.
- Everyone was trained in **SCOTSMAN®** and Commitment Based Selling.
    - This redefined qualification and probabilities, with qualitative data that formed the basis for 121 reviews. We had a common language across the team and a forensic understanding of pipeline opportunities.
- Competency Frameworks – evidence-based portfolios were tied to basic salaries and grading.
- Account Review and Planning Process – top 10 accounts were all graded (5 users and 5 non-users). Visits were required from all UK Directors.

These measures all helped to improve hit rates and the selling hours per opportunity.

New Products / Solutions

Introducing new products and solutions helped us to increase average contract values; finishing equipment from 3rd parties, highlight colour and creative financing options. The latter allowed us to move into document outsourcing – we could take over staff and help companies to reduce headcount and operational cost.

Pay Plans

These were all geared to keep the sales team at full throttle; fast starts to the year, quarterly phasing plans and trimesters (to reduce

peaks and troughs). There were only 4 months of the year where top performers were not chasing a bonus or incentive.

We also provided bonuses for competitive knockouts and new business accelerators. We even incentivised validating and providing data for the CRM (without this, none of the above would be paid out!)

Sales leadership bonuses were tied to knowing ratios and forecast accuracy.

Such incentives combined with leadership, inspection and coaching drove the right behaviours.

Improve Tenure

We knew that sales people who remained in their roles longer would build stronger relationships and become trusted advisors. Providing tenure incentives reduced attrition rates, supported our coverage strategy to generate leads and helped us in winning the politics in complex sales opportunity management.

This improved the effectiveness of selling hours, increased velocities, hit rate and transaction value.
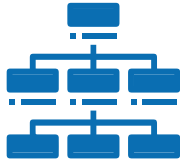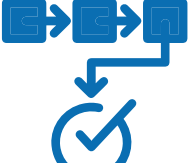
A Roadmap for Success
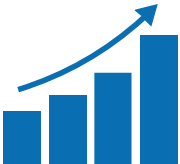
We took the top sales people from our Centralised Data Centre Printers and Large Print Room teams and 'bottled' what good looked like. This created a playbook to support Leaders in moving the performance of average sales people towards what the best were consistently achieving.

They reduced selling hours per opportunity by following the best practice roadmap, and qualified deals robustly, thus improving hit rates.

Sales Process Management – Management by Fact

With such change in Xerox's world, we were accustomed to and hard-wired to changing to survive. As a result, Xerox was the first organisation to win the Baldrige award for quality. It also won awards from the European Foundation for Quality Management and UK Business Excellence.

All staff were trained in quality tools (problem solving, root cause analysis), and being sales process management experts.

Performance	Analysis
Data from your CRM SYSTEM to be interpreted and acted upon by PEOPLE.	Data from your CRM SYSTEM to be interpreted and acted upon by PEOPLE.
Root causes	**Action plans**
PEOPLE apply intelligence to identify root causes using the RCA PROCESS.	PEOPLE invoke a planning PROCESS to implement the necessary actions.

Having bottled what good looked like from our top salespeople we implemented a 10-step stages of sale process for tracking pipeline opportunities.

This is where we got serious. Management by Fact required a forensic understanding of pipelines and making informed decisions. The key to this was regular reviews.

These reviews required something different. A move away from the conventional approach of putting lipstick on the pig – not just presenting good news as to how wonderful the team is. We needed these to:

- **Be fact based –** using data to flush out the bad things and make informed decisions.

- **Be diagnostic –** to identify problems early and initiate corrective actions.

- **Utilise effective coaching** throughout the process.

Quantitative and Qualitative Reporting

Data is key, but it depends how you use it

The CRM provided plenty of data and reports. Some of the quantitative data and reports we used were:

- Business outlook and key prospect ratios.
- Coverage contracts.
- Activity Management (contact hours, selling hours, selling cycles, time spent on lead generation vs opportunity management, sales value, hit rates and database maintenance).
- Customer account information – loyalty, retain, add and grow.
- Sales revenues and margins.

We found that whilst this information helped in managing some of the levers for success, we lacked qualitative data to support informed decision making.

From experience we were careful to not be busy fools. We knew that our initiatives were critical to give us more selling time – the key was for that time to be effective. We needed to ensure we coached sales professionals to look for the bad things and view deals with a more pessimistic outlook.

We recognised we had to increase our pipeline to create the luxury of choice. **This ensured we had time to prospect and avoid 'feast and famine' cycles.**

The training we received in SCOTSMAN® and Commitment Based Selling from Dermot Bradley had the biggest impact on productivity and hit rates. It ensured behaviours replicated the best who qualify hard, are good planners and proactively lose quickly.

We had more selling time to win the winnable. It gave us the tools and qualitative data/reports we needed. It enabled business leaders to be effective coaches and make the right interventions when needed to close a deal.

This robust qualification process became a time management and planning tool leading to:

Increased win rates from working on the right deals

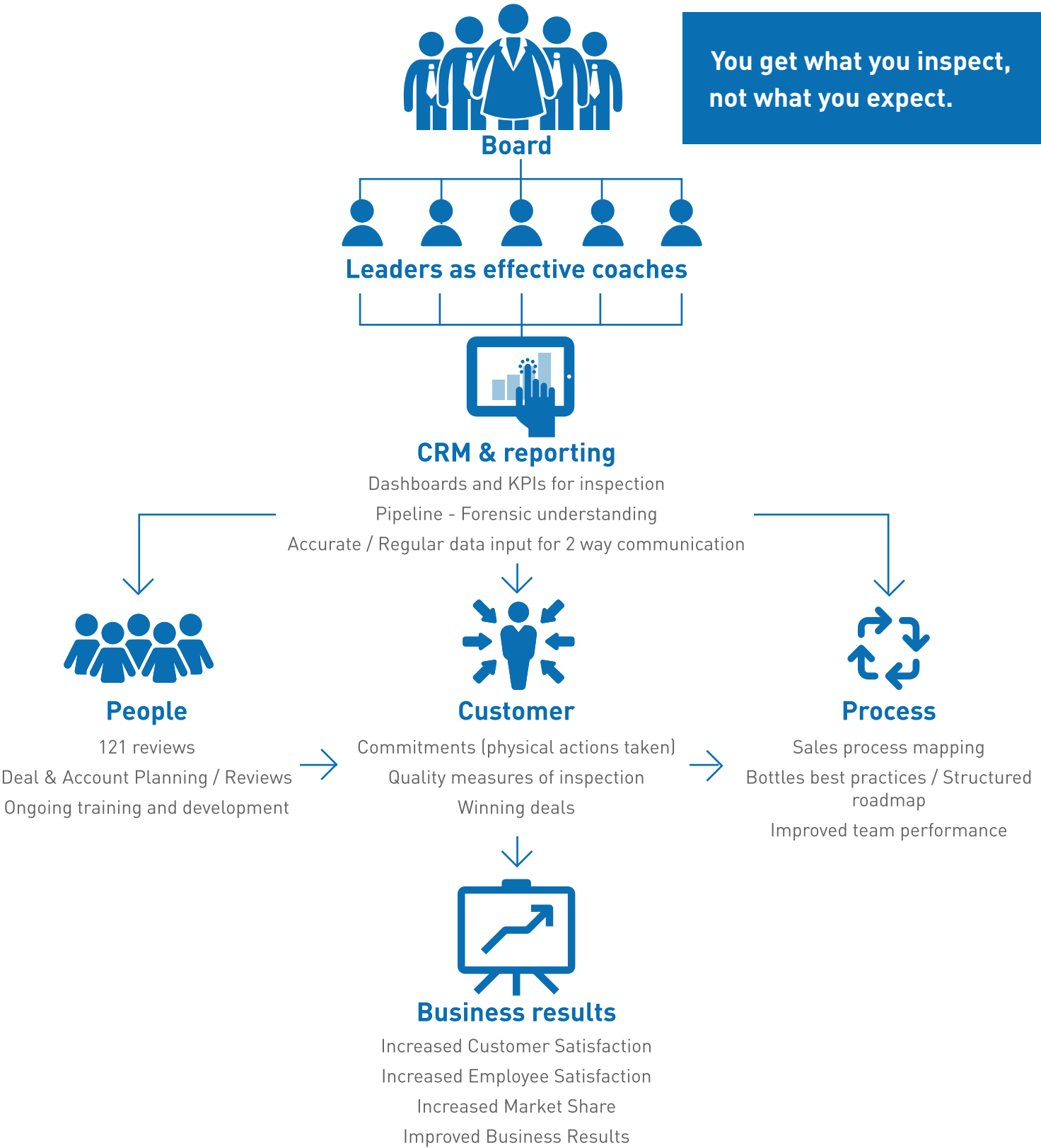**Increased effective selling hours by losing quickly**

We had a forensic understanding of opportunities. We could identify root causes, determine corrective actions and make informed decisions. Ultimately this helped us with better forecasting.

We also got key customer information that was in the salesperson's head into the company-wide CRM system.

Sales Enablement Model

For clear communication of our plan we used a simple enablement model.

Board

You get what you inspect,
not what you expect.

Leaders as effective coaches

CRM & reporting

Dashboards and KPIs for inspection

Pipeline - Forensic understanding

Accurate / Regular data input for 2 way communication

People

121 reviews

Deal & Account Planning / Reviews

Ongoing training and development

Customer

Commitments (physical actions taken)

Quality measures of inspection

Winning deals

Process

Sales process mapping

Bottles best practices / Structured roadmap

Improved team performance

Business results

Increased Customer Satisfaction

Increased Employee Satisfaction

Increased Market Share

Improved Business Results

The key to our success was the review process.

Reviews

Core to sales process management was the review process. This supported how information was communicated up and down the organisation.

Board Reviews

With a forensic understanding of individual opportunities from our regular reviews, we could confidently communicate and forecast to the Board. Root cause analysis would determine our action plans.

121 Reviews

Each sales person was using SCOTSMAN® reviews to plan opportunities, which fed data into CRM. As part of individual reviews, we had data to understand the quality of opportunities, overall pipelines and personal ratios. We could make coaching interventions count.

Deal Planning Clinics

For the largest opportunities, we put time and effort into carefully planning the sales. Clinics would bring together multiple parties to identify what work was needed, who we needed to meet and how to run rings around the competition. Standard checklists drove this process.

Account Reviews

With our coverage contracts a top -10 approach was implemented that required Directors to visit all 10 accounts. Strategic account plans were in place to deepen our relationships within the account, build political backing and determine contract renewal dates (or future opportunities). Progress was reviewed in depth.

Sales Process Management and Effective Coaching for Today's Sales Operations

Companies used to manage their sales processes either paper based or with spreadsheets (some still do). It is more common that Sales Operations now plan, track and monitor activity, data and reports from within CRM. An example is the SCOTSMAN® Commitment Manager App as shown in the images below.

Scoring the sale using SCOTSMAN® to identify and plan the work needed. Know what is OK (0), where there are gaps in knowledge (1 – data missing), and showstoppers (10).

The best sequence of events. Planning the events required going forward and what we need to discuss to address gaps in knowledge or problems.

Identifying and auditing the customer commitments needed to progress the sale. The true quality of the sale and likelihood they will act with us.

Productivity Dynamics – 2

After all of these initiatives – it worked! We had improved the sales team's efficiency and effectiveness.

Efficiency   **Effectiveness**

Selling hours

1023

$$\text{Sales Person's Revenue} = \left(\text{Contact Hours with customer} - \text{Customer Care Hours} \right) \div \text{Selling Hours per Opportunity} \times \text{Win Rate} \times \text{Average Sales Value}$$

Sales Person's Revenue	Contact Hours with customer	Customer Care Hours	Selling Hours per Opportunity	Win Rate	Average Sales Value
$1,691k	**1544**	**521**	**45**	**4/10**	**$186k**
Sales Productivity	Customer Focus	Care Focus	Business Focus	Hit Rate	Revenue Effectiveness

Key points to highlight:

The figures shown are averages across the team. Performance was the classic bell curve distribution. Some over-achieved and others failed. This was why we used personal ratios and individual reviews to performance manage.

Sales Productivity — the effect of all these marginal improvements took the average salesperson's annual revenue from $823k to $1,691k.

Efficiency

Customer Focus — through automation and task substitution such as offloading low value sales to the channel, contact hours with customers were increased.

Effectiveness

Care Focus — by reducing the care hours by 10% (from 579 to 521 hours) through measures such as automated proposal generation, we increased overall selling hours by 6% (an extra 58 hours). This released more selling hours to spend effectively on lead generation and opportunity management.

Business Focus — a 25% reduction in selling hours per opportunity (from 60 to 45) improved velocity. The team viewed the sale as a whole and could better plan the work needed using SCOTSMAN®. Selling timetables, meeting the right people at the right time and gaining customer commitments meant fewer events were needed to close deals.

No silver bullet. Achievement is the multiplication of many 1% improvements.

Hit Rate was improved from 3/10 to 4/10 on average (33% increase). The team was robustly qualifying deals with SCOTSMAN®, putting time and resources into winnable deals and quitting unwinnable deals quickly.

They could then put more focus into prospecting to build the pipeline. Leaders had the data sets to make coaching interventions count. They could create the luxury of choice as they were more efficient with their time and could handle more prospects. With 7 extra opportunities to work on per person we actually lost more deals as a total number, but won an extra 4 deals per person per year.

Revenue Effectiveness improvement in average contract value of $15,500 (9% increase). With a coverage and contact strategy focusing on DMUs and key decision makers, the team could build needs, influence criteria and sell further value, particularly through our Printed Output Studies and new solutions.

Where the 2x sales revenue impact came from:

- 6% from Customer Care Focus decreases ($52,111)
- 33% from Business Focus Increases ($286,615)
- 33% from Hit Rate Increases ($286,615)
- 28% from Revenue Increases ($243,188)

Whilst efficiency initiatives helped to increase the overall selling hours with customers, it was clear that the biggest impact came from the levers related to the effectiveness of the team's selling time. Combining efficiency and effectiveness allowed us to improve average revenue per sales person by 106% (from $823k to $1,691k).

Conclusion

The Importance of Business Leaders to Pipeline Management

Key to our success was developing Business Leaders as effective coaches and experts in sales process and pipeline management. They could identify root causes and use a problem-solving process.

Corrective actions to the process or behaviours were dealt with quickly. They were trained to know how to use the right levers to drive sales efficiency and effectiveness and 'bottle' sales excellence. They were able to deliver the aggregation of marginal improvements.

"Selling is not a problem it's a process. When it's not a process, it's a problem."

Performance Management – The Infrastructure & Data for Success

It was crucial to have the right balance of quantitative and qualitative data sets. We needed to measure both efficiency and effectiveness. This provided us with a forensic understanding of the pipeline, supported management by fact and helped us make informed decisions. Sales management and sales process management were robustly followed.

Quality and accurate data did not require 'beating up' the sales team to update CRM. Measuring the customer identified whether or not we achieved the commitments we needed from them to progress the sale – the true quality measure.

We avoided "feast and famine" and improved forecasting accuracy.

"You get what you inspect, not what you expect."

Productivity – Redefining Qualification

The greatest impact on productivity came from improved hit rates, velocities and effective selling hours.

Our average B2B salesperson lost 70% of their deals. This had a knock-on effect for forecasting and hitting plan. Our best won 7 out of 10 deals. They were good at qualifying opportunities and losing quickly. We 'bottled' what they did and improved the performance of our average salespeople.

We introduced skills in SCOTSMAN® qualification. This brought a change in mindset. Qualification helped our salespeople to identify: will they act and will they act now? They doubled the power

"If you're going to lose, lose quickly! But first see if you can win."

with customer commitments. These answered: will they act with us? We increased win rates and velocity as we re-engineered the selling processes.

Lead and Opportunity Management

Knowledge sharing was key to lead generation. We needed the information out of salespeople's heads and into CRM. We could build up knowledge and run campaigns that increased our awareness, coverage, consideration rate and hit rate.

We were selling solutions, outsourcing and new document work-flows. With over 100 Printed Output Studies kicked off and the top 10 account management programme, we built future pipeline that was critical for year 3 results and beyond.

People Performance

We equipped people with skills and competencies using best of breed approaches, supported by tenure incentives. Providing them with roadmaps helped them accelerate their competence development.

They all knew there were only two reasons why you lose a sale – either you were outsold or you should never have been there in the first place. They applied their skills to ensure they were first past the winning post or first out of the race. **The Team delivered the goal – 100% growth in profitable revenue.**

It may not always be possible to double revenue, but it proves that managing People and Process is crucial in delivering the Strategy.

Advance
Creators of SCOTSMAN®

You can be efficient but ineffective...and die slowly as a company.

Are you measuring the right things?

	Inefficient	Efficient
Effective	Survive	Succeed
Ineffective	Die quickly	Die slowly

Get in touch to discuss this more.

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f Advanced Selling Skills Academy

This accompanies the eBook
"The New Science of Sales Performance"

Read some of our white papers:

Redefining Qualification – Qualification & Commitments

Behaviours – Selling Skills and Behaviours Have to Change

Performance – Aggregation of Marginal Improvements

Forecasting – How to achieve predictable, consistent and reliable sales forecasts