Vol. 1. No. 3

Selecting a Sales Effectiveness Consultant

A Revenue Storm White Paper

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Overview

It is both my personal observation and experience that there is a direct and proportional linkage between a vendor's ability to assist in the increasing of your organization's sales effectiveness and the manner in which they have structured their business. And, with very little investigation, it is entirely possible to know whether the vendor you are considering is organized, from a business structure perspective, to assure that you will receive optimum benefit from your training and consulting investment.

The following evaluation approach is not intended to replace the more traditional criteria of: experience of the consultant, references, alignment to specific needs, pricing, and the quality of their process(s) and content. The additive criteria of this paper are more nontraditional in nature and are rarely considered, but hold the potential for determining the ultimate success of any project you may initiate to increase your organization's ability to generate revenue. These criteria are not subjective but are objective and immutable facts and should be considered for what they are, above and beyond how the vendor's sales person may try to spin or characterize their answers to the following suggested questions.

Criterion #1: Are they Customer or Analyst Centric?

Surely, there are some companies that are better than others at attempting to serve two masters, their stock analysts and their customers. But those of us, who have been in a publicly traded company, know first hand of the built-in conflict that exists between servicing a customer in the manner needed to assure the success of their performance or cave-in to the wishes of Wall Street to assure the success of our stock's performance. In truth, we are often forced to choose one over the other. Will it be the customer that benefits, or will it be the stock that benefits? And to make matters worse, one is often done at the direct expense of the other.

I can remember being pressured to "get a particular piece of business in this quarter" regardless of what would be in the best interest of the customer. And in this incidence, the customer, who had his own stock analyst to appease, wanted to delay the purchase until the following quarter. I was asked to force my customer's timetable to become subservient to our timetable. This put stress on our relationship and was in contradiction of our publicly stated "customer first" policy. When push comes to shove, the desires of stock analysts will typically win. At the end of the day, it is my personal credibility with the customer, with whom I slavishly work very diligently to earn their trust and confidence, which is put at risk. Such frequent occurrences make any publicly stated rhetoric concerning customer satisfaction and being customer focused, null and void. It is no longer the good intentions of your personal sales representative, but the chosen "public" business structure of the sales representative's company that rules the day.

The degree to which a sales organization is under the pressure to put shareholder value over customers, is often the simple result of how the stock is currently performing and how the "numbers are looking for this quarter." The later is especially important if the organization has just come off of a bad quarter, or if there is going to be a significant shortfall between what was told to the analyst community and what the actual numbers will be. To the degree, there is turbulence around these two issues, the higher the likelihood that the sales organization is receiving enormous pressure to get as many deals over the finish line as possible. This being the case, long-term customer relationship sensitivity goes out the window in place of short-term revenue gain. The focus will instantly change from investing **in** the customer to getting business **out** of the customer as quickly as is possible.

This negative condition can be detected by developing a vocabulary of questions for your vendor's sales representative along the line of the following samples:

- Is your company publicly traded? If so, how has your stock performed the last two quarters?
- Is your company meeting and beating analysts' expectations? How is this quarter looking?

- What kind of revenue pressure are you personally, currently under?
- How much pressure is the organization under to achieve revenue results?
- What has been your annual revenue growth the last couple of years?
- What is your growth rate objective this year?
- How are you doing year-to-date?

(Note: This is the reason that Revenue Storm is and will remain a privately held company with owners totally dedicated to the performance of its customers. Revenue Storm has no plans of having an IPO because of the "built in" contradiction to its customer centric philosophy.)

Criterion #2: How is the vendor's company trying to grow?

While there is nothing inherently wrong with a company desiring to grow, there are some approaches to growth that are detrimental to customers. There are ways for a company to achieve scale without putting its customers in a position of risk. The business of sales effectiveness improvement is, by nature, a "high touch" business. That means the "Sheep Dipping" training (running all sales people through a common training program) offered by many is only marginally effective due to immediate learning decay following the training event and the natural resistance to any behavior modification effort.

To be effective and to optimize the investment on training dollars, all training must involve one-on-one coaching. Most companies short cut or eliminate coaching because it is difficult to achieve scale and have coaches. Companies who do this know that if their business plan is built on a business structure that demands x amount of revenue from training and trainers, than to achieve these numbers (butts in seats), they will need to put as many people into class rooms as is possible and have their trainers teach as many programs as possible. And since coaching does not produce the margins that training can, they frown on selling too many coaching days, usually just enough to be cosmetically pleasing.

To understand the degree to which your potential vendor has adopted a business structure built on detrimental scaling methods consider asking these questions:

- How many participants do you demand or allow in a seminar?
- What is your company's facilitator to attendee ratio?
- How many coaching hours are built into your approach for each seminar participant and how many coaching hours are built into your approach for sales managers?
- How many teaching days and coaching days do you ask your trainers (facilitators) to do each year?

(Note: Revenue Storm's approach involves small classes with dedicated post-training coaching for every classroom participant in order to apply newly learned behavior on live deals. Furthermore, Revenue Storm coaches the sales managers in their personal coaching skills to create complete organizational self-sufficiency.)

Criterion #3: Who really owns the account?

Account ownership is often a subject of contention. But regardless of formalized policy or de facto policy, the answer can be amazingly simple. Whoever owns the relationship is the real owner of the account. So the rub happens when the business structure interferes with this sacred relationship where trust and predictability are a proven way-of-life. In this regard seek to understand into which of the following three categories does your potential vendor best fit:

- **Churn and Burn:** Many companies are unable to maintain Account managers because of organizational instability or unrealistic revenue numbers causing high employee turnover.
- **Shoot and Scoot:** Companies in this category typically have limited solution offerings and subscribe to a Go To Market strategy that is dependent on picking high volumes of "low hanging fruit." There is no real business stomach for investing in a deep relationship; they must be on to the next potential customer. Their sales model calls for ***hunters*** not ***farmers***.

- **Pray and Stay:** This approach rewards an individual for high customer satisfaction scores and provides quota relief to accommodate long-term relationship building. Typically, these companies equip their sales people with industry knowledge in order to provide value above and beyond their product or service.

To quickly categorize your courting vendors, add these qualifying questions to your vendor selection screening vocabulary.

- What is the average tenure of your Account Managers?
- How long are they expected to stay on an Account?
- What is your organization's approach to tracking and measuring customer satisfaction?
- Are your sales people goaled, bonused on achieving and/or maintaining a targeted threshold of customer satisfaction?
- What role does marketing play in the investment of sales people?
- How do they build industry knowledge?

(Note: Revenue Storm has a philosophy of assisting their customers with a complete and integrated solution. This means fewer clients and a long-term relationship built on risk and reward sharing contracts where appropriate.)

Summary

The business structure of your vendor can hurt or limit your vendor's ability to assist you in achieving your revenue acceleration goals, regardless of how sincerely well-intended the sales representative is that calls on you. At the end of the day, every employee is at the mercy of the company for which they work. That is why these questions ought to be at the front of your screening process. If they have the type of business structure that supports long-term success, put them on the "shortlist". Then compare their content and the caliber of their consultants and instructors. If they pass the business structure gate, they are properly wired for success.

About Revenue Storm

Today's analysts and shareholders have made it clear to businesses of all sizes — ever increasing profits is the goal. That leaves companies with two major choices: reduce expenses or grow profitable revenues. Executives have made a career of reducing expenses. While expenses can still be improved today, due to a decade of cost-cutting efforts, the greatest potential impact is GROWING PROFITABLE REVENUES. Companies tend to take two approaches to the Revenue Equation: 1) Dole out larger revenue goals and assume the compensation plans will drive the desired results, or 2) Push out more products and services to the market hoping more revenue options will yield more revenue dollars. Neither is a good strategy.

An aligned organization, executing against a well-defined and communicated Go-to-Market Strategy is essential to reap replicable revenue growth year after year. It demands more careful thought, focus, and planning than ever before. Revenue Storm was created to bring together an integrated set of consulting and training methodologies to bring clarity and focus to organizations navigating in today's tumultuous business climate.

We emphasize Clarity, Speed and Revenue. We work with each level of the organization, using business drivers that are important to those teams to gain consensus and focus. We help companies identify their strengths, leverage what is working through the installation of process and tools, and help uncover vulnerabilities where improvements are needed. We look for both small, but fast impacting changes to build team excitement and motivation as well as going to work on the bigger, more global issues that when resolved will yield a well-aligned, fast churning Revenue Engine.

Let's start a Revenue Storm within your organization that will thunder in the marketplace and rattle your competitors.

For more information visit our website at www.revenuestorm.com.

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