

Focus on Sales Processes Creates Incentive Effectiveness

I recently met Lisa Magnuson, Founder of Top Line Sales. We got to talking about the benefits associated with documenting your sales process. I thought that this topic would be of high interest to my readers.

Jim: Lisa, why are sales processes important?

Lisa: Many sales leaders I ask have not given this much thought. They claim that each sales situation is unique, impossible to replicate. They say that they only hire tenured sellers who know what to do. Maybe they've never considered it an 'A' priority.

Jim: I see it from the incentives side of things; when working with a sales organization on compensation, one of the most important alignments of pay and results is to make the payment when you want the sales agent to move on to the next prospect. True?

Lisa: Absolutely! And to take it further, I've found that by identifying each step of your 'typical' sales cycle and detailing what needs to be accomplished in each phase, it's possible to shorten the time from first contact to close. In all cases, by thinking through your 'ideal' sales cycle and capturing best practices, you become more focused and therefore more effective which leads to improved and predictable results. For example, if you don't have a 'qualification' aspect early in your engagement, you may be wasting precious time on a prospect that is not a good fit for your products or services.

Jim: Sounds like a deeper understanding of processes can lead to greater success with incentives than as well?

Lisa: Sales cycles are building events. In other words, each step builds on the prior step. Therefore there are many critical elements that, when established early, pay off towards the end, up to and including when incentives are paid. A solid sales flowchart shows each phase, the goals of the phase, the outcomes needed to move to the next stage and resources and tools to be used during that phase. One example of a sales tool, often overlooked in early sales stages, is return on investment or ROI. In order to show a powerful ROI in your proposal, you must discuss key ROI information early in your exchange with your potential customer. This can be accomplished with open ended questions such as, 'How do you measure the return on investment for your projects?' or 'How would you determine, quantitatively, if this initiative is successful?' These questions and others would be captured as essential sales tools during the appropriate stage.

Jim: I believe the many different sales roles used will reveal not only different sales processes, but lean towards different types of incentives. For example, longer sales cycles may have milestones that have linked payments. Does that track with how you approach understanding and improving sales processes?

Lisa: Yes, a powerful outcome of documenting and analyzing your sales cycle is understanding your specific trigger events. Trigger events are those activities that have a multiplier effect on your close ratios. Are there key sales actions, that when completed, will generally increase your chances of success? For many organizations trigger events include demonstrations, pilot programs, site tours or proof of concept activities. Maybe a trigger for your product or service is securing executive sponsorship. Whatever the case for your company, by pinpointing the trigger and flagging it in your sales process, you will put yourself in a position to win more often. And in some cases, linking variable pay to those trigger events may be part of the sales compensation strategy.

Jim: So Lisa, would you summarize for sales leaders the value and benefit of nailing down sales processes?

Lisa: Sure, here are 5 takeaways:

- *A clear path from first contact to close (Predictable outcomes)*
- *The ability to measure your sales effectiveness (Improved close ratios)*
- *Identifying your 'trigger' events (Multiplier effect)*
- *Once documented, it can be easily communicated throughout the organization (Consistency)*

- *Shorten the time to close through focus and efficiency (Improved results)*

Jim: Thanks Lisa, we appreciate your perspective and expertise. Readers, if you want to learn more or contact Lisa, visit her web site at .

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The US Department of Labor has been busy lately! In the next few issues, I'll have information / commentary on some of the likely implications, including how you think about independent contractors, and of course the new exemption tests.

Jim Harvey is Founder and Principal Consultant for Columbia Compensation Consulting LLC. His 30+ years' experience encompasses high-tech, aerospace, utility and health care industries, specializing in leading companies in the formulation and execution of their rewards strategies in support of business objectives. His global work experience and collaborative reputation includes translating business needs and ideas into tangible and measurable deliverables, and a hands-on results-oriented attitude with a strong track record of driving large-scale projects through to delivery and implementation.



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