What is your Competitive Edge?

No Really! What is your competitive edge?

AHTD FALL MEETING 2014

ELEVATE TO PEAK POTENTIAL.

Brian Gardner

SalesProcess360
How I got here

• Industry Experience  (25+ years)

• Started Selltis   (1999)

• Started *SalesProcess*360
Goals for this session

• Thinking outside of your comfort zone.

• Challenge

• Help you and your team in today’s competitive sales environment.

• Takeaways you can use
What is your Competitive Edge?

Let’s solve the puzzle!

*Focus on the areas that can give your team the competitive edge.*
So what is *your* company’s “Competitive Edge”?
Competitive Edge

• ?
• ?
• ?
• ?

If I were to ask your competitor the same question what answers would I get?
Competitive Edge

The Same

So what truly gives your company its Competitive Edge?
“Our competitive edge is not always what we think it is and in most cases is actually the same as our competitors.”

By someone not famous...
Competitive Edge

From a sales perspective, I believe there are areas within your business that you can _______ on and can _______ that can give your company and sales team a competitive edge.
Sales is like going into battle
What is your competitive edge?

New Weapons
Focus Front End Sales Cycle
Manage Load Input Goals
Focus on Sales KPI’s
Target Account Management
Team Selling (share & leverage)
Market Demand Analytics

Traditional
Seminar Series

Focus on the 180: Front End Sales Cycle Management

Size Matters: What is your Load Goal Input number?

What is your Competitive Edge? No Really....

KPI’s for ROI: Sales KPI’S

Profiling is OK: When it comes to Target Accounts

1+1=4 Team Selling is the answer

Market Demand: Show me the $
Competitive Edge

• Today we explore:
  * Front End Sales Management
  * Load Input Goals
  * Sales KPI’s

• Thought provoking session.

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Competitive Edge

Focus on the 180:
FRONT END SALES CYCLE MANAGEMENT
Competitive Edge

• Who here believes their team is truly focused on looking forward instead of backwards with regards to sales?

“What I call the “Front-End” of the sales cycle”
Sales Cycle
Competitive Edge

Move your focus to the “_____________” of the sales cycle

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“Are you looking at sales through the front windshield?”
You don’t drive looking solely thru the rear view mirror do you?  (Back End)
Why then do most companies look at sales thru the rear view mirror vs. the front windshield?

I will explain.
Sales Cycle Management

Which Part of the Cycle is your company Managing?

1

Critical Time

2

3

4
Sales Cycle Management

Most companies think that they are at 1 or 2, but in reality they are at 3 and most at 4.
Sales Cycle Management

The ____________ stage of the sales cycle is the most critical for increasing your probability of getting the order.
Managing at the _________ Stage

what is not good about this?

→ ?
→ ?
→ ?
Sales Cycle Management Exercise

Each do one

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Sales Cycle Management

Rank your company's efficiency and Process: 1-5

Order write up standards: Score:
Procedures: Score:
Order retrieval: Score:
Payment follow up system: Score:
Reporting: Score:

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Sales Cycle Management

Rank your companies efficiency and Process: 1-5

Quote generation & standards: Score:
Procedures: Score:
Quote retrieval: Score:
Proactive quote follow up system: Score:
Quote Reporting: Score:

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Sales Cycle Management

Rank your companies efficiency and Process: 1-5

Opportunity management system: Score:
Procedures & standards for opportunity pursuit: Score:
Opportunity documentation: Score:
Proactive follow up processes: Score:
Reporting: (internal & external: Principals, Vendors) Score:
Thoughts/Comments/Questions
Takeaway

• Put focus on the ________ of the sales cycle. This is where you can control your business and where you can gain a competitive edge.
Competitive Edge

Size Matters: What is your Load Input Number

Hit Rate
New Input
Base Business

Sales

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Load Input Goals

• What am I talking about when I say Load Input Goals?

• I am not talking about Pipeline.
Load Input Goals

• Who here is doing Pipeline reporting?
• How do you know if your Pipeline is accurate?
• Is that Pipeline going to be enough to reach your sales goals?
Load Input Goals

• How many of you have sales goals?

• Set and managed?

• What I typically see.
  – Set .....  
  – Set .....  
  – No ....
Load Input Goals

“You Must Measure Input to Get Desired Output”

The Secret Sales Formula I use:

Sales Goal = Base Business + (New Load Input \times Hit Rate)
New Load Input vs. Pipeline

Pipeline is _____ the same as New Load Input!

Pipeline = __________________

New Load Input = __________________________

Need to put focus on New Load Input #'s
Load Input Goals

Example: Salesman Monthly Goal

\[
\text{Sales Goal} = \text{Base Business} + (\text{New Input} \times \text{Hit Rate})
\]

<table>
<thead>
<tr>
<th>Sales Goal</th>
<th>Base Business</th>
<th>New Input</th>
<th>Hit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>100K</td>
<td>40K</td>
<td>120K</td>
<td>50%</td>
</tr>
<tr>
<td>150K</td>
<td>50K</td>
<td>???</td>
<td>25%</td>
</tr>
</tbody>
</table>

$????$
Load Input Goals

Do you know what is in your funnel that will close this month? (with accuracy)

Do you know how many new opps or quotes were loaded into the funnel this month? And was it enough to reach your sales goals?

Do you know how much was loaded by:

- Sales Rep
- Product
- Territory
Load Input Goal Exercise

Pick a Sales Goal or Quota Category
Ex. Company, Territory, Product, Salesman

Sales Goal = Base Business + (New Load Input * Hit Rate)

Sales Goal: ________
Base Business: ________
Hit Rate: ________

(New Load Input) = Sales Goal – Base
____________________
Hit Rate
Load Input Goal Exercise

Each do one

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**Load Input Goal Exercise**  
(excel)

Pick a Sales Goal or Quota  
Ex. Company, Territory, Product, Salesman

**Sales Goal** = **Base Business** + (**New Load Input** * Hit Rate)

**Sales Goal:** 1,500,000  
**Base Business:** 500,000  
**Hit Rate on New Opportunities:** 25%

\[
\text{Load} = \frac{\text{Goal} - \text{Base}}{\text{Hit Rate}}
\]

\[
\text{Load} = \frac{?? - ??}{??
\%
}
\]

**New Input Load** = $??
Takeaway

We have to keep our eye on the ball and that ball is the ____________ at the “Front End” of the sales cycle that drive future sales.
Example of Load Input Goal Dashboard (CRM)

GPS Management Dashboard

Desktop Date Range: Last 12 months  From: 2010-12-23  To: 2011-12-22

Opportunity Input Trend

[Graph showing opportunity input trend with value on the y-axis and date on the x-axis]
## Example of Load Input Goal Tracking

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A different way to think for industrial sales

### Data as of [Date]

<table>
<thead>
<tr>
<th>Opps</th>
<th>Load Goals</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,500,000</td>
<td>Month Total $</td>
<td>989,000</td>
<td>2,100,000</td>
<td>1,200,000</td>
<td>1,600,000</td>
<td>1,120,000</td>
<td>1,323,000</td>
</tr>
</tbody>
</table>

*SalesProcess360*

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Comments or Questions

• Have you thought about this before?

• Exercise: Take this back to your team, discuss and have them fill out their Load Input Goal.

• Put in place some sort of tracking and monitoring system. “Insight In Mind Out of sight ...”

Questions/Comments/Discussion
This is your **leading** indicator for your business.
Competitive Edge

KPI’s for ROI: Sales KPI’s

MEASURE SUCCESS
Sales KPI’s

• What are KPI’s?
Sales KPI’s

• Who has set up KPI’s within their company? (Discuss)

• See back-end focused KPI’s
KPI’s

Back End Focused
• ?
• ?
• ?
• ?
• ?

Front End Focused
• ?
• ?
• ?
• ?
Sales Focused KPI example

• Start backwards (Load Input drives this)

• $2,000,000 Year Sales Goal
• $1,000,000 Base Business
• 35% Avg. Hit Rate on Quotes
• Average order = $30,000
Sales KPI’s

Sales Goal = Base Business + (New Load Input * Hit Rate)

Sales Goal: ________
Base Business: ________
Hit Rate: ________

(New Load Input) = Sales Goal – Base
---------------------
Hit Rate
Sales KPI’s Exercise (excel)

Sales Goal = Base Business + (New Load Input * Hit Rate)

Sales Goal: 2,000,000  
Base Business: 1,000,000  
Hit Rate on New Opportunities: 35%

Load = Goal – Base  
Load = 2,000,000 – 1,000,000

------------------  
35%

New Input Load = $??
Sales KPI’s

• Annual Load Input Goal = $2,857,143
• Monthly = ?
• Avg. Quote $ = $30,000
• How many Quotes a month = ?
• If 3 Opps for 1 Quote, how many Opps = ?
• If 2 Sales Visits for 1 Opp, how many Sales Visits= ?
<table>
<thead>
<tr>
<th>Sales KPI's Calculated</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Quote $ Input a month</strong></td>
<td>$238,095</td>
</tr>
<tr>
<td><strong># of New Quotes</strong></td>
<td>8</td>
</tr>
<tr>
<td><strong>New Opportunities needed for every 1 quote</strong></td>
<td>3 (Fill in)</td>
</tr>
<tr>
<td><strong>New Opportunities Needed a Month</strong></td>
<td>24</td>
</tr>
<tr>
<td><strong>Sales Visits needed for every 1 Opp</strong></td>
<td>2 (fill in)</td>
</tr>
<tr>
<td><strong>Number of Sales Visits needed a month</strong></td>
<td>48</td>
</tr>
</tbody>
</table>

Sales Visits > Opportunities > Quotes > Orders
<table>
<thead>
<tr>
<th>KPI Sales Calculator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly Goal</td>
</tr>
<tr>
<td>Yearly Base Business</td>
</tr>
<tr>
<td>Quote Hit Rate %</td>
</tr>
<tr>
<td>Average Quote $</td>
</tr>
<tr>
<td>Yearly NEW Input Load</td>
</tr>
<tr>
<td>Monthly NEW Input Load</td>
</tr>
</tbody>
</table>

Sales KPI's Calculated

| New Quote $ Input a month            | $238,095 |
| # of New Quotes                     | 8        |
| New Opportunities needed for every 1 quote | 3 (Fill in) |
| New Opportunities Needed a Month    | 24       |
| Sales Visits needed for every 1 Opp | 2 (fill in) |
| Number of Sales Visits needed a month | 48       |
KPI Exercise

Each do one

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Have you thought about this before?

Exercise: Take this back to your team, discuss and have them fill out their KPI’s.

Put in place a “Scorecard”.

“Insight In Mind - Out of sight ...”
# KPI Scorecard

<table>
<thead>
<tr>
<th>Salesman 1</th>
<th>Input Goals</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Visits</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Opp input #</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Opp Input $</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Opp Open $</td>
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<td></td>
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<tr>
<td></td>
<td>Opps Overdue $</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Quote input #</td>
<td></td>
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<td></td>
<td>Quote Input $</td>
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<td></td>
<td>Quote Open $</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Quote Overdue $</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Quote Forecast $</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Summary

Competitive Edge is not what you think it is!
(People, Products, Service, Experience)

Areas you can focus on for competitive edge

✓ Move your focus to Front end sales cycle
✓ Manage the load input goals
✓ Systems and Process to manage Sales KPI’s
Action plan after meeting

• Sit down with management team or key people and grade your processes and focus on the different stages (Blank Form)

• Do the Load Input Goal exercise (Excel)

• Determine KPI’s your company needs to focus on with regards to sales pursuit and put in place a system to monitor and manage. (Excel)
Thank You

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• 504-957-8499

LinkedIn Group “Industrial Sales Management”

Feel Free To Call Me
Lagniappe
Sales Process Review

- Offer to companies at this meeting
- NO CHARGE: $600 value
- Questionnaire and Phone interview with Management
- Summary & Suggestion Document

- [www.salesprocess360.com](http://www.salesprocess360.com)
- Sales Process Review code: AHTD