Finding Order In Chaos With The Sales Productivity Quotient

SiriusDecisions
Intelligent Growth™

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Uncertain Times, Indeed

Executive Summary

- Key issues
  - Revenue attainment for many sales organizations is defined as the only indicator of productivity
  - Sales leaders lack critical data indicators to determine where to focus productivity initiatives
  - All productivity indicators are not weighted equally, but sales leaders lack a defined formula that aligns to growth objectives
- What you will walk away with
  - Introduction to the SiriusDecisions Sales Productivity Quotient
  - Insight on productivity indicators that sales organizations should measure
  - An understanding of how to use your quotient to help prioritize initiatives

Productivity: Foundational Growth Pillar for Sales

SiriusPerspective: Every sales leader is asked to grow year over year, but without defined indicators pointing to improvement in productivity, their confidence is very low.

1. **Markets**
2. **Buyers**
3. **Offerings**
4. **Acquisition**
5. **Productivity**

- Most controllable pillar
- 100 percent of sales leaders are expected to grow year over year
- Majority must grow by double digits
- Only about one-third have high confidence of reaching growth goals
- **Growth potential will be hindered without proper multifactor analysis**

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The Sales Productivity Quotient: The Structure

SiriusPerspective: In order to improve productivity, sales leaders must perform diagnostics across a set of elements, using multiple data indicators.

Categories
Defines a set of **productivity** areas that go beyond mere revenue attainment

Indicators
Data points that create **in-depth insight** for each category and can be used for **correlation**

Scores
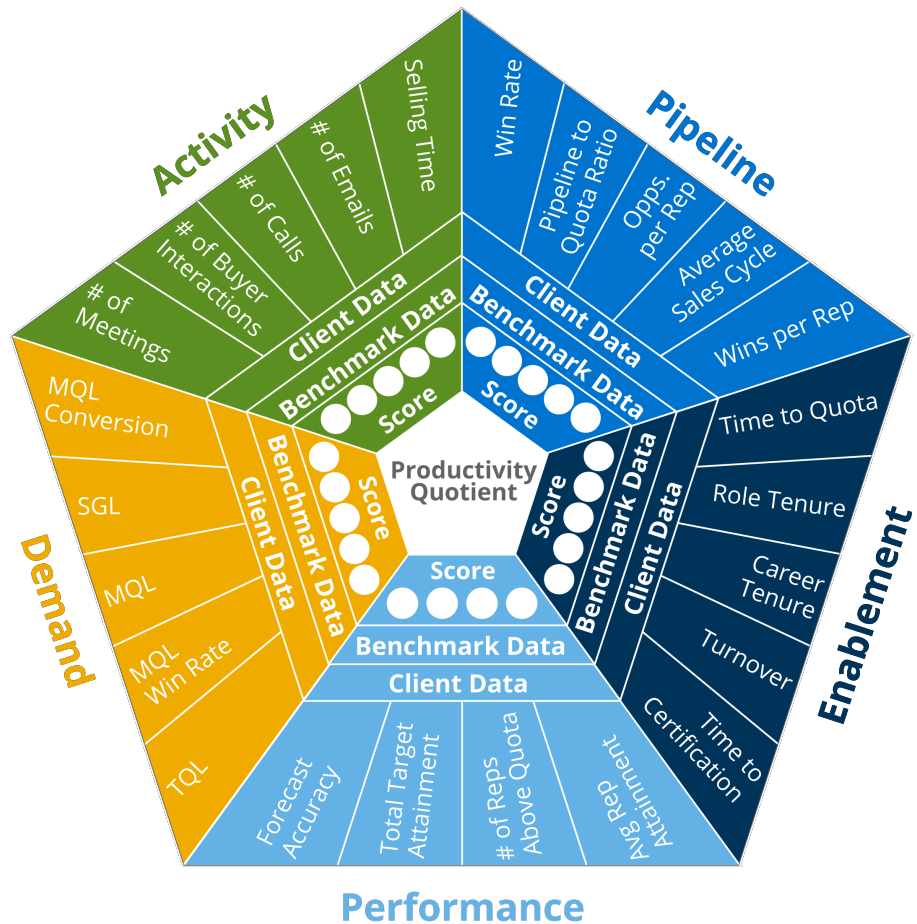Your data **compared** to **benchmark data** within each data indicator

Quotient
The **average** of all **scores,** with a quotient of **one** defined as best practice

Sales Productivity Quotient

SiriusPerspective:
Sales leaders require a model that can categorize productivity elements and allow for ease of data correlation.

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Polling Question

- How does your sales organization measure productivity?
    - We just focus on revenue or results
    - We use one or two factors to determine productivity
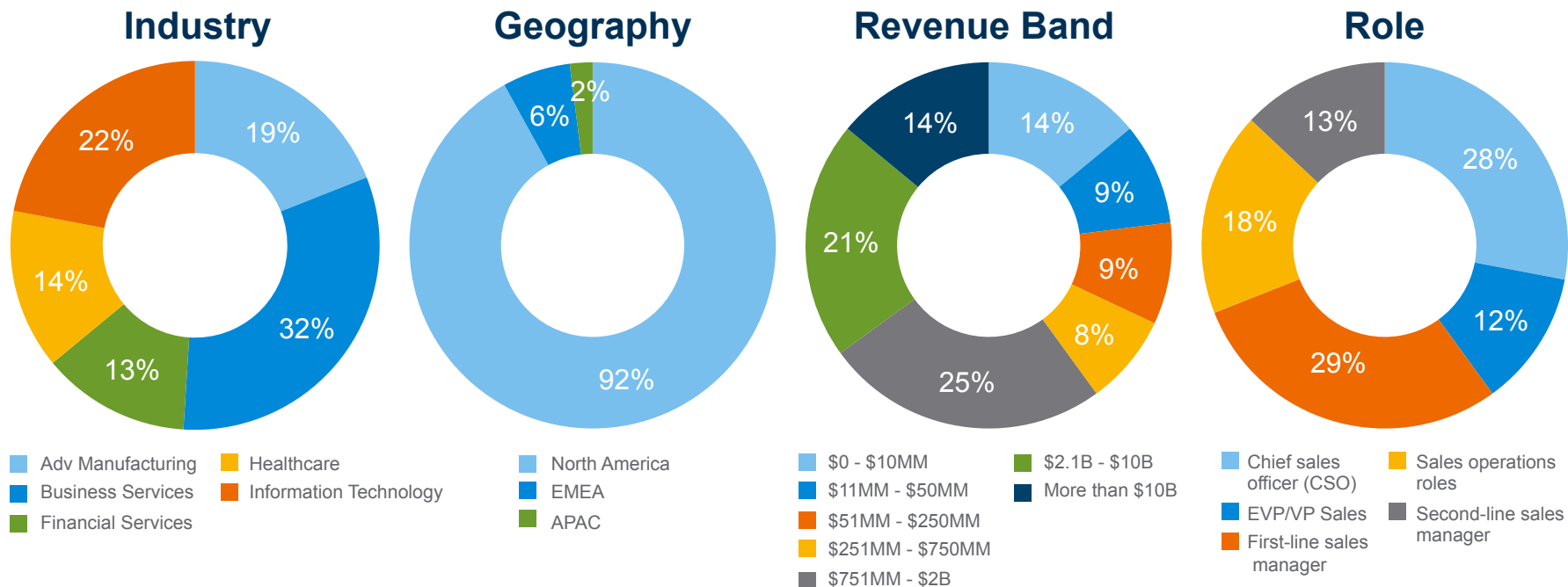   - We use multiple factors
    - Um, I don't know

Productivity Quotient

Breaking down the model and applying research

Data Demographics

SiriusPerspective: Benchmark data within the model helps sales leaders compare their organizations to a finite peer set.

Industry

- Adv Manufacturing — 19%
- Business Services — 32%
- Financial Services — 13%
- Healthcare — 14%
- Information Technology — 22%

Geography

- North America — 92%
- EMEA — 6%
- APAC — 2%

Revenue Band

- $0 - $10MM — 14%
- $11MM - $50MM — 9%
- $51MM - $250MM — 9%
- $251MM - $750MM — 8%
- $751MM - $2B — 25%
- $2.1B - $10B — 21%
- More than $10B — 14%

Role

- Chief sales officer (CSO) — 28%
- EVP/VP Sales — 12%
- First-line sales manager — 29%
- Sales operations roles — 18%
- Second-line sales manager — 13%

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Activity: Data Discoveries

SiriusPerspective: High-performing organizations focus on the time spent with buyers and clients; they use this as the denominator when measuring sales activity.

Key Stats

37%

Meetings and Buyer Interactions for high growth

→ **Leads to higher sales calls and buyer alignment**

Indication: Outcomes and buyer progression

Net/Net:
The results of measuring activity outcomes are only as good as the organization's understanding of the buyer's journey.
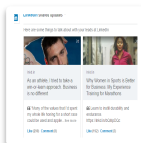
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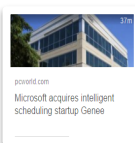# Sales Navigator Activity Impact

More Activity
- Complex search and alert criteria enables deep targeting
- First mover alerts on job changes and mentions
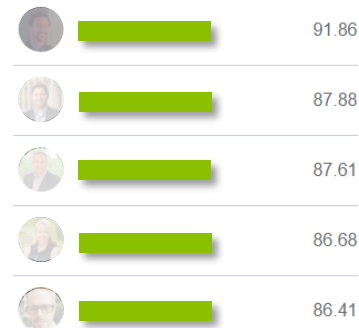- More interactions

Better News
- Target accounts mentioned in the news plus...
- What the prospect is sharing plus…
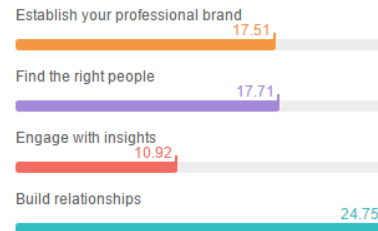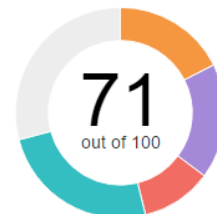- What there people are saying and sharing

Better Prepared
- Insights that spark discussion
- Acquisitions
- Divestitures
- Major announcements
- Never be Blindsided

Top Team Members

	91.86
	87.88
	87.61
	86.68
	86.41

Average team SSI (score out of 100 possible points)

71 out of 100

Establish your professional brand — 17.51
Find the right people — 17.71
Engage with insights — 10.92
Build relationships — 24.75

4.1K Total results	341 Changed jobs in past 90 days	237 Leads with TeamLink intro	69 Mentioned in the news in past 30 days

Pipeline: Data Discoveries

SiriusPerspective: The idea of having more opportunities to work from fits a set of beliefs tied to the law of averages, but it does not correlate to productive sales reps.

Key Stats

32%
4X or greater pipeline to quota ratio

→ **Lower Than Average Win Rate**

3X
3X sales pipeline

→ **Higher Than Average Win Rate**
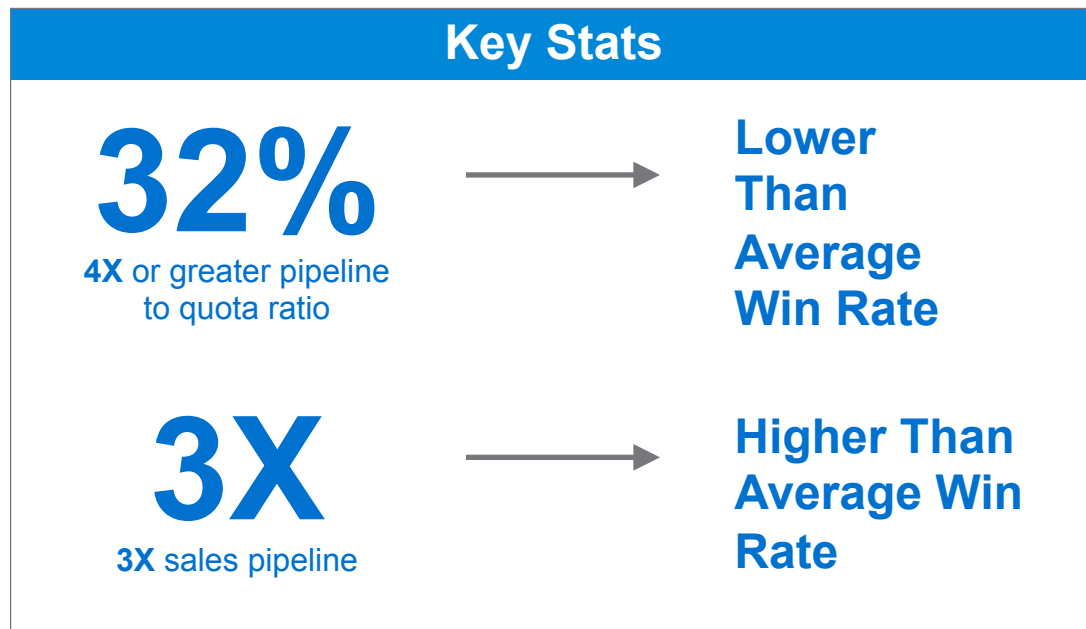
Net/Net:
It's about efficiency, not hitting the "more" button

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Enablement: Data Discoveries

SiriusPerspective: The value of time to competency and time to productivity are negated when organizations are in a constant process of rep replacement.

Key Stats

45%

Rep Turnover of over 30% or greater

→ **Creates Low Performance**

Time to Quota

→
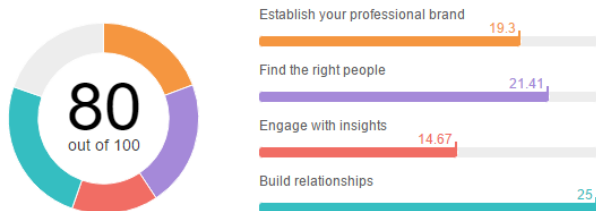- **Certification**
- **Hiring Practices**
- **Retention**

Net/Net:
Enablement accelerates performance through time efficiency and accelerated experience.

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Sales Navigator Impact on Time to Quota

New Rep hired during Q4 – Highest SSI of our 2016 class of reps:

Average team SSI (score out of 100 possible points)

80 out of 100

Establish your professional brand — 19.3
Find the right people — 21.41
Engage with insights — 14.67
Build relationships — 25

"Uncovered and sold a $50k+ deal before the quarter ended"

Now, 6 months into his tenure:

#3 On our actual production leaderboard (out of 60+)

#2 On our forecasted full year production leaderboard (out of 60+)

Performance: Data Discoveries

SiriusPerspective: To improve performance, a sales organization must determine how to impact the largest percentage of its sales force.

Reward

77%

More than **50%** of reps at or above quota for organizations above target

Net/Net:

Stop spending all your effort on your players and move the herd.

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Sales Navigator Correlation with Performance

SSI Rank ▼	Name ▼	Performance Note ▼
1		Promoted
2		#5 in bookings
3		
4		Team Leader
5		Million+ club
6		#2 in NCVI
7		Promoted
8		Exceeded quota
9		promoted
10		
11		promoted
12		promoted
13		NCVI Rookie of the Year
14		Promoted
15		Promoted
16		Promoted
17		Winner's Circle
18		Promoted
19		
20		Winner's Circle

Top 20 SSI scores from over 1 year ago – what has happened to them

- 9 of the 20 were promoted based on their performance – SSI scores are not used in performance evaluations for promotions

- Several top performers in multiple categories made the list

- The #1 rep did not make the top 20 but still had an SSI over 70

Demand: Data Discoveries

SiriusPerspective: The value of demand creation is properly calculated when viewed from the top of the Demand Waterfall® to conversion, then to closed business.

Key Stats

44%
Effective Demand
Impact on Win Rate

→ **An Effective Waterfall Impacts Sales Productivity**

19%
Aligned organizations growth above peers

* 2015 Alignment Study

→ **Alignment = Growth**
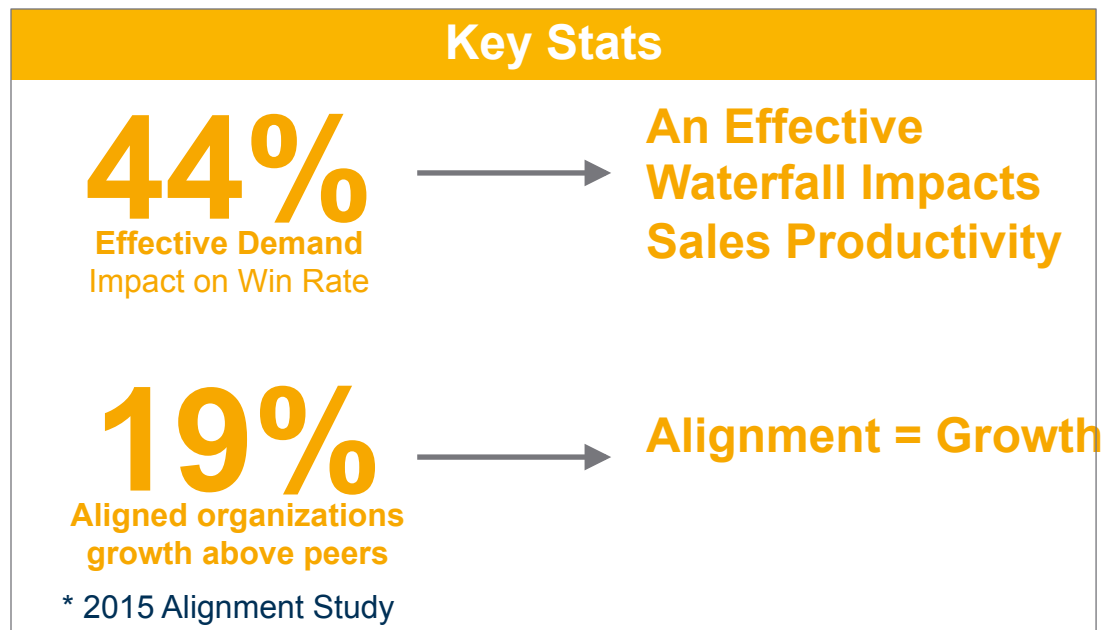
Net/Net:
Marketing-contributed demand creation is essential to sales productivity.

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Polling Question

- Which of the five productivity quotient categories does your organization measure best?
  - Pipeline
  - Performance
  - Enablement
 - Demand
  - Activities

Productivity Quotient in Action

Profiles, scoring and the quotient

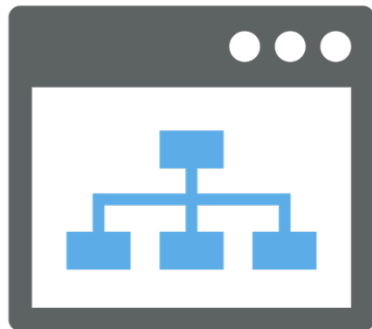# Taking Action: Profiles, Scoring and the Quotient

SiriusPerspective: Sales leaders must measure against a profile, score themselves, then use the data to define productivity enhancement initiatives.

Productivity Profile

- Industry
- Revenue
- Average Selling Price
- Average Growth
- CAC
- LTV
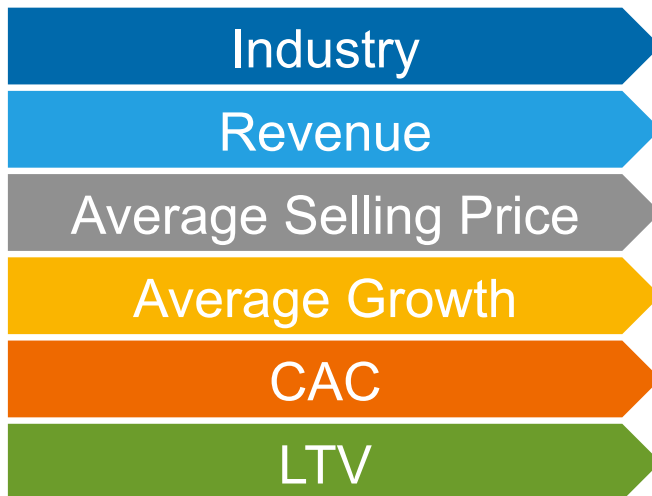
Benchmark Data:

- Peer lens
- Future view
- Cross-industry

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Scoring: Using the Productivity Profile

SiriusPerspective: To drive focused action, sales leaders must measure against a profile, score themselves and then use the data to define productivity enhancement initiatives.
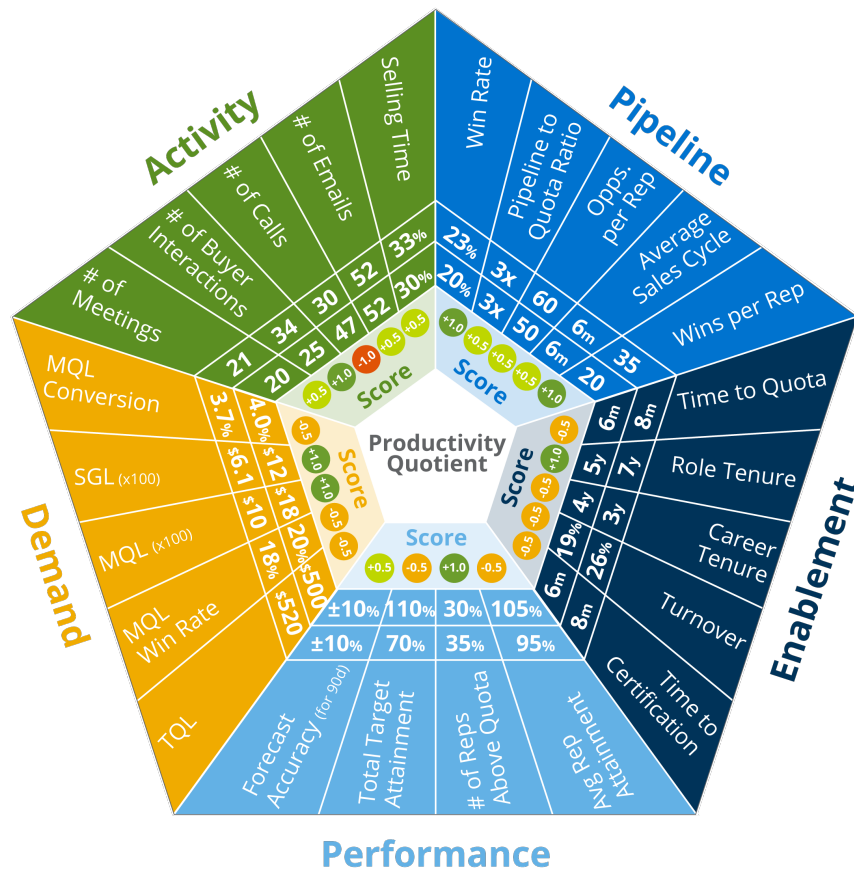

Beat the Benchmark:

- Better then the benchmark by > 10% = +1.0

- At or better then the benchmark by < 10% = +0.5

- Miss the benchmark by < 10% = -0.5

- Miss the benchmark by > 10% = -1.0

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Productivity Quotient in Action

SiriusPerspective: Sales leaders desire data-driven analysis constructed through peer-set comparisons to support decisions on change initiatives.

Action Items

- **Marketing**
  - Recognize that demand creation and sales enablement have a strong effect on sales productivity
  - Use low scores in demand as a launch pad for generating ideas for increasing conversion
- **Sales**
  - Take initial quotient findings and begin cross-category correlations for deeper intelligence
  - Prioritize productivity initiatives based on capabilities and impact value to the organization

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