

Managing the Sales Process

Ten Recommendations for Business-to-Business Sales Managers

Sales Performance Defined

Continuous top-line growth
without sacrificing
asset quality or margins

The Evolution of a Sales Force

<i>Reacting to Market Opportunities</i>			<i>Creating Market Opportunities</i>
<i>Stage One</i>	<i>Stage Two</i>	<i>Stage Three</i>	<i>Stage Four</i>
<p>Stance:</p> <ul style="list-style-type: none"> • Waiting for business to come in 	<p>Stance:</p> <ul style="list-style-type: none"> • Seeking business part of the time 	<p>Stance:</p> <ul style="list-style-type: none"> • Seeking business regularly 	<p>Stance:</p> <ul style="list-style-type: none"> • Actively seeking business
<p>Methods:</p> <ul style="list-style-type: none"> • Walk-ins • Irregular lead generation • Referrals from long-time customers or “well-worn” referral sources 	<p>Methods:</p> <ul style="list-style-type: none"> • Some referrals from customers • Generating leads from any and all businesses • Building new referral sources 	<p>Methods:</p> <ul style="list-style-type: none"> • Effective use of customer base as a referral source • Focused lead generation • Building new referral sources 	<p>Methods:</p> <ul style="list-style-type: none"> • Actively building referral network and systematically using it • Actively prospecting the best prospects • Actively seeking “niche” opportunities
<p>Characteristics:</p> <ul style="list-style-type: none"> • Infrequent calling • Look to someone in-house for leads • Little planning or structure to calling effort 	<p>Characteristics:</p> <ul style="list-style-type: none"> • Lots of calls, but little focus or preparation • “I’ll take whatever I can get” orientation 	<p>Characteristics:</p> <ul style="list-style-type: none"> • Regular calling on a target group; persistent effort toward a few highly valued customers/prospects • “I know the customers I want, I’ll work until I get them” orientation 	<p>Characteristics:</p> <ul style="list-style-type: none"> • Always aware of new business opportunities • Always thinking one year ahead • Carefully thought-out plan for the development of new business

Sales Success is Simple

The Right People
using the
Right Processes

The Right People have Seven Attributes

- Well developed critical thinking skills
- Well developed language skills
- Well developed social skills
- An aptitude for technology
and . . .
- A high degree of personal discipline
- Passion and interest for what they do
- A sense of urgency

Improving Sales Performance

The rest of us need a “process”.

A process that implements Stage 3 sales behaviors every day.

Improving Sales Performance

But, all sales people use a “process”.

For average-performers, the process they use is often out of step with the market dynamics of today.

Improving Sales Performance

Today's habits are usually yesterday's
best practices.

Improving Sales Performance

Average-performance defined.

- High-performers: < 150% of goal (10%)
- Average-performers: 80% to 120% of goal (80%)
- Low-performers: > 60% of goal (10%)

Assuming goals are set appropriately!

Improving Sales Performance

For sustainable top-line growth. . .

The “habits” of yesterday must be replaced with the best practices that match the dynamics of today’s markets

Building Sustainable Top-Line Growth

Ten Recommendations for Building Sales Team Performance

A Hypothetical Situation

Stated Objectives for Sales Force

- Significant growth in loans, low-cost deposits, and fee-based services in the under \$10,000,000 to \$50,000,000 sales-size segment
- Build wallet share within customer base by aggressively cross-selling/up-selling both the business and the business owner
- Build market share by acquiring more of the “right” businesses

A Hypothetical Situation

The Key to Success. . .

Improving the performance
of the average-performers

“Manage” the Average-Performers

- Build the Right Process
- Manage the External Motivators
- Balance your time, improve sales results
 - ➔ Actively manage the average-performers
 - ➔ Quickly deal with the low-performers
 - ➔ Continually recognize the high-performers

Recommendation

One

Provide Clear Direction

- Build and articulate “explicit” targets that will attain business objectives
 - Top 10% customers
 - High Potential customers
 - Key Prospects that match “target profile”
 - Centers of Influence
- Make the target the “primary focus” for your sales team
- Continually reinforce the sales focus

Recommendation

Two

Clearly Define Your Focus

Key Customer

- Have good credit quality
- In the top 10% in profit contribution

High Potential Customer

- Have good credit quality
- Have significant cross-sell/up-sell potential. Have the potential to be in the top 30% in the next 18 months

Current COI

- Have given you one booked deal in the last twelve months

Prospective COI

- Have the potential to give you one booked deal per year
- Is actively referring deals to another financial institution

Clearly Define Your Focus

Target Industries

- 👉 Wholesalers
- 👉 Distributors
- 👉 Professional Services
- 👉 Architect, Consulting, Engineering Firms
- 👉 Media
- 👉 Business Services
- 👉 Manufacturers
- 👉 Transportation Businesses
- 👉 Communication Businesses
- 👉 Technology

Clearly Define Your Focus

Target Businesses

- 👉 In business over 3 years
- 👉 Sales revenue between \$10,000,000 and \$100,000,000
- 👉 Employing more than 15 people
- 👉 Located within 25 miles of a branch location
- 👉 Privately held
- 👉 Experienced management team with defined organizational structure
- 👉 Borrowing needs in excess of \$1,000,000
- 👉 Satisfactory commercial borrowing-track record
- 👉 Profitable for at least two consecutive years
- 👉 Deposit balances average more than \$100,000
- 👉 Using or needing 3 or more commercial products

Provide On-Going Guidance

- What are the value propositions that will win in the target markets?
- Assure that you have clearly articulated the value proposition you want your sales force to use. For example. . .

“We are Advisors. The Advisor identifies, defines, and proposes solutions to a business owner’s needs before they become a request.”

Recommendation

Three

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Provide On-Going Guidance

- Set activity targets that focus selling time on the “sales focus”
 - ➔ 20 face-to-face scheduled calls per month
 - ✓ 60% on KCs, HPCs
 - ✓ 20% COIs
 - ✓ 20% KPs
- Track the metrics that confirm the sales focus

Recommendation

Four

Managing for Short-Term and Long-Term

	<i>% from Source</i>	<i>% of Time</i>
Customers Key Customers, High Potential Customers <i>0 to 3 Months</i>	60%	~ 60%
COIs Current COIs, Prospective COIs <i>4 to 9 Months</i>	20%	~ 20%
Prospects Key Prospects, Prospects <i>9 to 18 Months</i>	20%	~ 20%

Provide On-Going Guidance

- Build, articulate, and continually refine your sales process
- Make process as important as results
- Talk process every day
- Watch the process “indicators” as well as sales results
- Coach to the “process”

Recommendation

Five

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Metrics Drive the Guidance

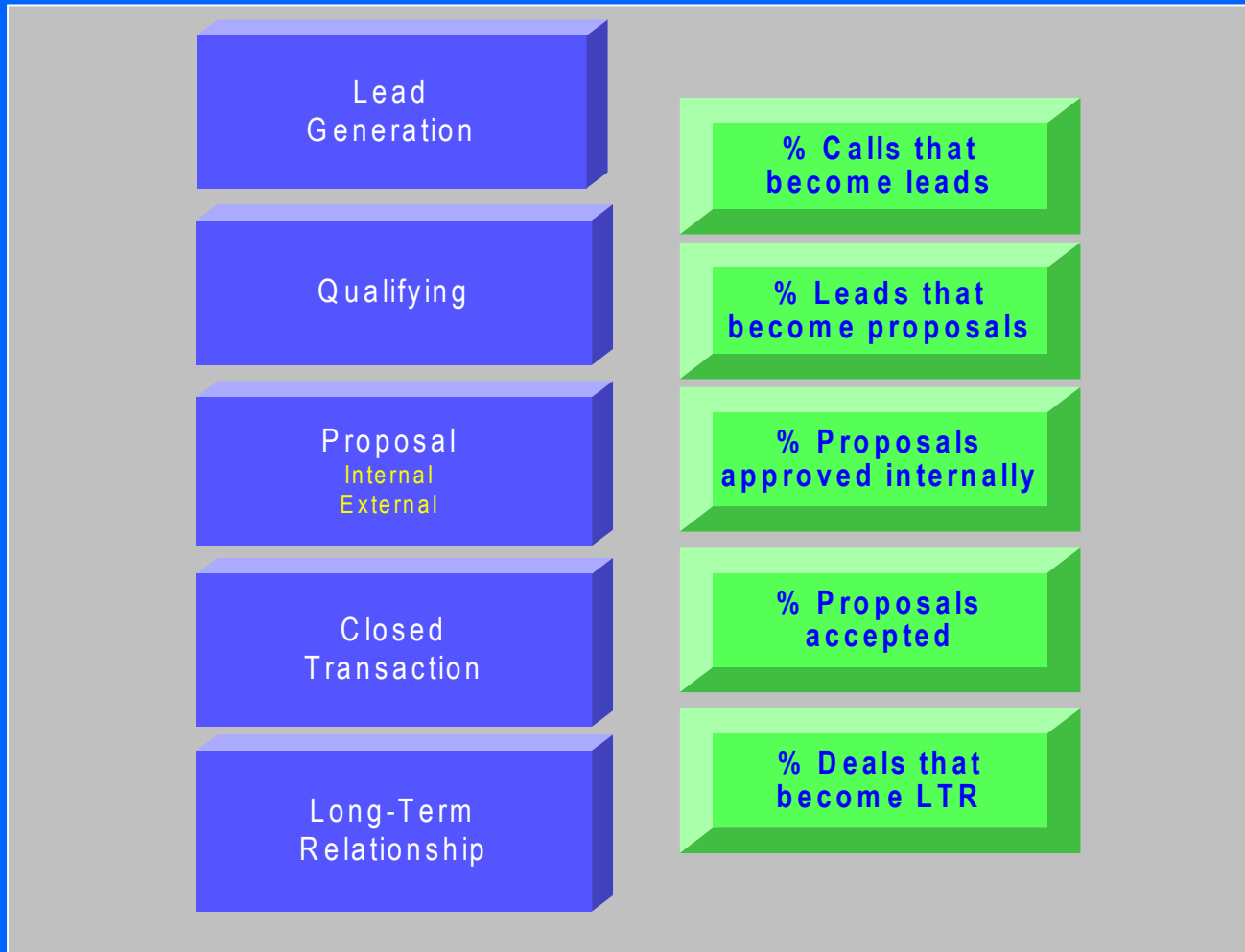
- **Leads** start the process
- **Pipeline** demonstrates how effective lead generation activities are
- **Closed business** is the marker for effective pipeline management
- **Cross-sell** is a demonstration of effectiveness in building business partnerships

Always watch the metrics.

Metrics Drive the Guidance

The **metrics** tell you
where the **coaching** is required

Coaching is Driven by Metrics



Keep the Team on Your Focus

- Each hour spent chasing non-targets, is an hour that could have been spent on targets
- There are many distractions, you have to stay focused to keep them focused
- Be the “keeper” of the “process”

Recommendation

Six

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Keep a Focus on “Relationship” Opportunities

- Dig deep into business operations
- Focus on the relationship of the five-year view, current objectives, and current business operations
- In prospecting, look for the “best way in the door”, the need that will begin a relationship (not necessarily a loan)

... Look at the post-call questions you ask

Recommendation

Seven

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Set High Expectations

- “Challenging goals” are a critical motivator
 - ➔ Set targets for process *and* results
- Individual goals are critical to sales team success
- Make goals objective and quantifiable
- Use monthly, quarterly, and annual goals

Recommendation

Eight

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Hold People Accountable

- “Expect” that goals and targets will be met
 - ➔ Build esprit d’ corps
 - ➔ Don’t accept mediocrity
- Use sales meetings as an accountability tool
- Use peer influence to motivate behavior
- Reward performance improvement
- Recognize high performance

Recommendation

Nine

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Get the Right People

- Every market has top 25% performers
- All the good employees are already taken
- Identify market “high-performers”
 - ➔ Ask clients, prospects, COIs . . . build a list
- Get to know the “high-performers”
 - ➔ They aren’t always satisfied
 - ➔ Stay top-of-mind

Recommendation

Ten

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Focus on Lead Generation

- Manage pipeline, *drive* lead generation
- The cultural bias is to prioritize the internal processes (the pipeline)
 - ➔ “What are you doing this week to generate leads”
 - ➔ A cyclical pipeline is the result
- Focus on lead generation
 - ➔ “What are you doing this week to generate leads

Recommendation

Bonus