

INTRODUCTION TO SALES FORCE EFFECTIVENESS

Sales force effectiveness addresses both top line growth and bottom line profitability. Still today, many companies just announce a specific sales target and spread it across all sales people and hope that they will deliver. A structured approach can, however, add structure to customer targeting, analysis, processes and tools and help improve sales productivity. Some organizations have experienced double digit EBITDA growth by addressing sales force effectiveness, usually through a combination of sales growth and margin improvement.

What is sales force effectiveness?

Revenue can usually be enhanced by merely adding more sales people but there is no guarantee it will add to profitability. A more effective approach, to increase sales productivity and profitability, is to address five areas:

- **Market and customer focus:** focusing on the right customers with the right offerings through the correct channels and meeting customers' needs
- **Organization & deployment:** appropriate balance between front and back end resources, territory alignment & sizing, roles, skills, training & coaching, and incentives alignment
- **Sales planning:** having effective sales pipeline, lead generation, marketing, account planning, and target setting processes
- **Support, tools & processes:** having effective processes, tools, guidelines, and IT systems
- **Measurement & tracking:** measuring and tracking the right metrics and using them effectively in the decision process



The opportunity

Most organizations could gain from addressing sales effectiveness. One can also expect a number of non financial benefits including clear sales focus, effective lead generation and planning, aligned organization, effectively meeting customer needs, efficient sales support, and focused performance tracking.

You may wonder whether your organization could benefit from addressing sales effectiveness – the fact is that most organizations can. Examples of ‘red flags’ indicating opportunity may include:

- High or increasing cost of sales
- Sales people spend too little time with customers
- Unclear sales roles or focus
- More deals lost today than in the past
- Unhappy customers

These are just a few observations that would indicate ample room for improvement, through addressing sales effectiveness.

Structured approach

Our approach to sales force effectiveness covers a comprehensive set of areas as described above. Some companies prefer to conduct a diagnostic to understand wherein the largest opportunities lie while others prefer to address a specific area (e.g. improving win loss ratio, realign sales territories, or better understand customer needs).

For more information

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