



# How to build a high-performance sales force

By Troy G. Miller and Eric P. Gist

Even in the toughest of markets at the worst of times, sales can exceed expectations—but only with a strategy based on deep customer intelligence and implemented by a competent, confident sales force equipped with the tools and processes it needs.

■ Today's typical sales organizations operate in a much different world than they did only a few years ago. In a battered economy, many have been hobbled by staff reductions and cutbacks in marketing budgets. Their customers are trying to save money by hunting for bargains or deferring purchases altogether. Meanwhile, increased competition has turned last year's product innovations into this year's price-shopped commodities.

But the economy is only part of the problem. Surprisingly few organizations appear to be tackling the real culprits behind lackluster sales performance: misdirected resources, the rising cost of sales and the poor return on technology investments made during more prosperous periods.

This is borne out by Accenture research (see page 44). Only 20 percent of respondents to a recent survey, for example, said they were planning to make a significant investment in improving customer information or refocusing sales efforts. This is despite the fact that 43 percent acknowledged that better information would improve their sales performance, and that one-third cited the importance of refocusing on higher-value customers and opportunities.

Our research revealed something else: While most companies in the business-to-consumer sector of the economy have made a priority of managing and analyzing customer data more effectively, most of their counterparts in the business-to-business arena are just now waking up to the importance of acquiring sales intelligence.

There is good news, however. Although successful selling undoubtedly is far

more difficult in a down economy, it can be done—but only with a sales strategy that is based on deep customer intelligence and implemented by a competent, confident sales force equipped with the tools and processes it needs. It is as simple as, well, ABC: alignment, behavior and capabilities. Because when the ABCs come together, sales organizations perform, even in tough times.

## Alignment

Conventional wisdom suggests that, on average, 80 percent of business development investment results in zero revenue. The issue here is alignment—focusing salespeople and programs on the customers and channels most likely to produce results.

Who are the decision makers? How do they decide what to buy? How do they justify their decision? These are the questions that need to be answered with customer data and analysis that goes beyond past performance. In a soft economy, it's not the past that matters, it's the future. Customers should be viewed in terms of both their potential value and their propensity to buy.

Alignment involves identifying the relationships that produce the most profitable revenue today and the relationships most likely to do so in the future, then reaching these customers through the most effective channels, with messages and approaches appropriate to the customer's buying process and business problems.

Proper alignment pays off. A major software company faced rising sales costs even as its high-value opportunities diminished. But by aligning sales resources to identify and focus on the 5 percent of its clients who delivered 81 percent of its revenue, this company managed to exceed



sales targets without increasing headcount or operating costs.

Even without changes in behavior or technology, realigning resources can yield impressive returns. Alignment is not easy to achieve, however. Identifying the top 5 percent of your current customer base sounds simple and may even be simple. But accurately predicting which customers will make up next year's 5 percent—the ones you want to focus on now—is far more challenging.

### Segments and clusters

Consider, for example, Bouygues Telecom. For five consecutive years, the company had seen dramatic growth in its share of the French mobile market. Still, Bouygues knew it could no longer rely solely on new-customer acquisition to grow. To increase its chances of converting leads to sales, the company had to be more targeted with its messages and campaigns. This was not possible with its current mass-marketing, mass-customer acquisition model.

So Bouygues began reorienting its sales efforts by defining the data it would need to analyze and predict customer behavior, identify consumer trends, and pinpoint interest in particular products or services. Next, the company focused on customer segmentation. Bouygues already had established three basic segments, but these were not granular enough to provide in-depth customer insights. To complement these three segments, the company defined several hundred clusters—small customer groups with similar needs and behaviors.

After segmenting its customer base into clusters, Bouygues created a marketing plan and supporting processes that enabled it to shift focus from a mass-market model within a few large segments to a

“real-time” model focused on the current needs of each customer cluster. More critical still, Bouygues also developed a marketing automation system that helped it orchestrate and manage the complexity involved in targeting three customer segments, hundreds of customer clusters and multiple offers communicated through multiple interaction channels.

As a result, the company can now make more accurate predictions of customer behavior, personalize its marketing campaigns and messages, and calculate in advance the cost/response ratios for every marketing campaign it conducts.

These new capabilities quickly translated into quantifiable business benefits for Bouygues. The number of customer contacts rose 450 percent, the accuracy of segmentation tripled, and the time needed to create and execute campaigns dropped by 75 percent. Perhaps most important, Bouygues' average revenue per customer went from last place to first in the French telecom market.

### Behavior

The right behavior can multiply the bottom-line benefits of correct alignment. Compensation and performance monitoring, for example, play their part in changing behavior. But in our experience, training—performance simulation, in particular—seems to produce the biggest and fastest gains.

Historically, sales organizations have used two training techniques to improve how their salespeople behave: classroom instruction and role playing. However, neither method is much help in reinforcing new habits once the class is over. In part, this is because training seldom addresses behavior at all.

One study of industrial product companies, for example, showed that, on average, salespeople in this industry get 32 hours of training annually. But most of this training focuses on increasing product knowledge rather than on improving selling and service skills.

### Step by step

Behavior change requires a step-by-step approach. First, identify the desired behaviors. Second, evaluate sales personnel and identify gaps between current and desired behavior. Next, use training and support initiatives to help salespeople close the behavior gap. Finally, use performance measurement processes, metrics, compensation and rewards to reinforce desired behaviors.

People learn best by doing. Salespeople, in particular, benefit from the opportunity to practice new techniques in a risk-free environment.

BT Group has an especially ambitious training program, dubbed the “BT eXperience.” Through simulated customer interactions, account managers and account directors in BT's business sales group refine their ability to understand customers' needs, propose appropriate solutions and successfully sell the company's new customer service management offerings.

BT trained 3,000 account professionals to sell using the new proposition. In less than three weeks, the company not only increased “learning productivity” by 400 percent, but those who completed the program also achieved a significant and rapid increase in sales revenue. According to company management, the program has boosted the workers' confidence in their ability to discuss and sell new services.

Based on these dramatic results, BT expanded this innovative program to other sales and customer service areas, implementing 10 simulated training course modules over a three-year period. To date, the BT eXperience program has helped generate 80 percent more sales, increase customer satisfaction by 16 percentage points, increase rental contracts by 220 percent, reduce order entry errors by 20 percent and reduce training time from six weeks to five days.

## Capabilities

Essential capabilities include new or enhanced processes for managing

sales leads, account planning, forecasting and so on. They include tools that automate nonproductive activities, and they make sales performance easier to track and measure. And they include solutions for managing and analyzing customer data and delivering the “sales intelligence” the sales force needs to focus on the right opportunities and decision makers, using the right messages and sales tactics. As the experiences of companies such as Bouygues and others illustrate, capabilities are what make alignment possible.

Take Cisco Systems, for example, the worldwide leader in Internet

networking. During 10 years of rapid growth, many nonstandard systems and processes had sprouted in Cisco’s sales organization. Each region, for instance, had its own method of targeting accounts. A fragmented operating environment made collaboration difficult. Customer information was underused.

Notes John DiLullo, vice president of worldwide sales productivity at Cisco, “We had to gain consensus on common, standardized platforms for the field, and we had to start treating customer information more like a precious asset.”

## About the research

In early 2003, Accenture worked with The Economist Intelligence Unit on a global survey of 178 executives about the issues confronting their sales forces. Our findings suggest that most companies will remain vulnerable to poor sales performance, even after the current economic slump ends, if they do not address fundamental shortcomings in selling alignment, behavior and capabilities (see story).

Most companies have focused their sales resources on current customers and expanding share in their current market, rather than on trying to penetrate new markets. At the time of the survey, their biggest challenge in meeting these objectives was the behavior of their customers, rather than competitive factors or technology. When asked to identify their greatest challenge, for example, 27 percent named customers who are deferring purchases, 25 percent identified the economic slump and 22 percent cited customers demanding more for less money. When asked to name their biggest operational concerns, respondents identified inadequate tools and processes for qualifying and managing leads.

Nevertheless, the majority of companies clearly believe there is great potential to improve sales performance through better analysis and use of customer data. In terms of organizational change, they believe the best opportunities for improving performance involve training their sales forces to think and operate more strategically—for exam-

ple, to focus on high-value customers, or to sell solutions instead of products.

A second piece of original research, “The 2002/2003 Accenture High-Performance Workforce Study” (the latest in a series of annual surveys), provides a number of other interesting insights. For the majority of the companies that participated in our study, the most valuable workforces are sales and customer service. Sixty-one percent rated the sales force as making a “very significant” contribution to the company’s bottom line, while 43 percent gave the same rating to customer service workers.

No wonder, then, that so many companies focus their human resources and training efforts on boosting sales and customer service performance. Yet only 17 percent of our respondents claimed to be “very satisfied” with the results of these efforts.

One reason for such modest satisfaction levels may be that many companies—40 percent or more, according to our survey—are not measuring the impact of their training against business results, and therefore lack the means to determine whether their investment is meeting the critical needs of their sales and customer service workforces. In fact, although customer service is noted as a valuable workforce, less than half of the respondents said they regularly measure the impact of training on customer satisfaction.

Cisco tackled these challenges through a global, two-year initiative called “E-Sales,” which was designed to increase selling efficiency, effectiveness and customer intimacy. The centerpiece of this program is a dynamic, personalized Web portal that provides salespeople with all the capabilities they need—online services, applications and information—to manage their business. Having these resources in one place increases efficiency and helps salespeople understand the sales situation better, so they make more effective decisions. Thousands of field representatives now use this portal. Compared with the multiple tools used before, this single set of processes and tools helps salespeople focus on a common strategy aligned with customers, and they are more productive as a result.

E-Sales is also helping Cisco improve customer satisfaction and intimacy by streamlining and accelerating interactions. It is eliminating time-consuming and nonproductive tasks, such as following up on sales credits, and it is addressing hundreds of data-accuracy issues by ensuring more consistent data capture and management across the organization.

Other functions, including manufacturing, marketing and finance, also are benefiting by having more relevant and timely data to support their own business decisions. “In that way, E-Sales has really exceeded our expectations,” says DiLullo.

Cisco also created a comprehensive change management plan designed to influence the behavior of its salespeople—specifically, by motivating them to begin using the new program sooner. The investment paid off quickly. Company research shows that the top users of the

E-Sales portal convert more leads to sales and reach a higher percentage of their annual sales goals.

Cisco is not the only company to have reaped the rewards of attention to the ABCs. Oracle Corporation recently reorganized its 5,500-person North American sales and consulting staff. Now salespeople are organized according to customer regions and technology requirements, and they place a stronger emphasis on customer service.

One Oracle sales executive sums up the logic of the reorganization this way: “I can make the sale and be a hero, but I can’t go back in and expand that sale if it’s of no value to the customer.”

Consider the experience of BEA Systems, a leading application infrastructure software company. The company fended off a major competitive threat, wrested an unprecedented 56 accounts away from its competition and closed 18 deals worth \$1 million or more—double the number of deals of this magnitude the company closed a year earlier—all in the dismal third quarter of the 2002 fiscal year.

What did BEA do to get these results?

**Alignment.** The company segmented its customers, realigned the sales force, focused on underpenetrated markets like manufacturing and government, reduced the number of accounts per representative and targeted higher-value customers.

**Behavior.** BEA changed its sales approach from product or opportunity selling to solutions-based selling, trained the sales force in new sales processes and revised the compensation model.

**Capabilities.** The company used sales automation to increase account

and pipeline visibility, share information across account teams, reinforce the standard BEA sales process, and increase the efficiency and accuracy of forecasts.

Examples like these show that even in the toughest markets at the worst of times, a sales force can perform beyond expectations—thanks to a deceptively simple framework. ■

## About the authors

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