

Inspect What You Expect

by Anna Marie Cwieka



Years ago I sold for a major global industrial services firm who decided they wanted to be able to go after “mega projects.” For several years, the organization ramped up across sales and operations to become a relevant player. With a great deal of zest and enthusiasm, we sold a boatload of business and thought we were quite successful. But we had a rude awakening—it wasn’t profitable work! And because we were focused on the deals and not the clients, our client relationships were weak and vulnerable to our competitors.

If we had invested that same level of effort and enthusiasm in growing our established clients, we would have yielded far better results for our shareholders and made far better use of our internal resources. Our strategy was to grow; our expectation was that profit would follow. But growing profitably requires a different mindset and, certainly, more rigor.

It’s a lesson that applies to many organizations, regardless of size or industry. *Do your stated goals and metrics match what you are really trying to accomplish?* Let’s utilize a simple “gap analysis” to answer this question.

Current State: The reality for many of us as we take our offerings to market

Do any of these sound familiar?

- Salespeople primarily interact with client procurement organizations and a small number (1-3) of “key users” (technical or project contacts.)
- Executive interactions focus on social exchanges, at best, without much strategic interaction.
- Sales/sales support organizes around bringing in and supporting the request for proposal.
- Sales support organization experiences high rate of burnout and turnover. “We chase anything that moves.”
- Salespeople focus on their *numbers*: the deals, their paychecks, and their bonus.
- Metrics point at deals won and new customers.



At CPS, when supporting clients to deploy effective Strategic Account Management, we often find this faulty focus is tied to inappropriate or non-existent metrics. Consider the following examples:

- Sales performance measurements and compensation are based on total revenue.
- Sales cost tracking system does not incorporate lead generation costs (inside sales, travel).
- Proposal costs required to close the deal are not forecasted nor accrued against “deal profitability.”
- A mechanism to account for true overhead costs of supporting a particular client is absent. And let’s be honest, some high-profile, big-name clients are bottomless pits in terms of required overhead support.

As a result, the true profitability of a client is often overstated if it is even known.

Future State: Where we need to be as we prepare to take our offerings to market

Let’s start with the future—what changes would make a difference to our performance?

- Clearly articulated parameters to define the ideal “target client” and “target deal”
- Organizational focus on delivering differentiated value to advance client success
- Salespeople focused on thought leadership and solution selling
- Cross-functional teams (from delivery through leadership) in tune with customer strategy and value leverage points

Key Initiatives: How we get there

This may sound like an insurmountable cultural shift for your organization. **But often the most crucial—and most overlooked—single step is measurement and compensation aligned to that measurement.** As the CPS partners like to say, “Inspect what you expect. Reward real results.”

What behaviors does your compensation program encourage? Don’t just look at the field sales program—look across the board: business unit leadership, marketing and sales support, customer service, and the project team.

- Is there a team component rewarding team results?
- Are there performance metrics that require customer value validation?
- Are you tracking and measuring productivity linked to value delivery?



Changing the elements of the compensation program and establishing the right metrics will quickly change individual behaviors and enable customer focus and value delivery. That's how you create long-term cultural change.

From there, take a fresh look at your client list based on your criteria for "target client." The ones that don't meet your parameters will jump off the page. Debate the list extensively across the organization. What can you do to improve profitability among these clients? If there's nothing to be done, fire them or, better said, carefully introduce them to your competitors. This isn't something you do lightly—understand all possible strategic implications. Even if you don't get as far as the "80/20 Rule," jettisoning your few most cumbersome clients can free up significant resources to support your most profitable clients.

Finally, can you measure your impact on your customer's success? In *Building a Successful Selling Organization: the Critical Path to Extraordinary Results*, the CPS partners discuss the criticality of aligning the account team's goals around the client's strategic goals. If you aren't contributing to your client's success, then you probably aren't going to be around long. Better to be squarely aligned with a "favorite few" than to be painfully wed to those costing you money.

ABOUT CPS. Critical Path Strategies helps clients improve the effectiveness of their sales organization. Our portfolio of services addresses the strategic, organizational, and relationship issues that impact selling performance. Our powerful processes enable clients to transform their sales culture, enhance their competitive position, and accomplish strategic business initiatives. Our clients—emerging companies and members of the Fortune 500 alike—typically measure 100 to 500 times their CPS investment in revenue growth.



Read more about how to define and establish sales performance parameters in *Building a Successful Selling Organization: the Critical Path to Extraordinary Results* written by Art Wilson and the CPS partners. [Please visit our website to learn more about Building a Successful Selling Organization.](#)

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