

*The New Reality*

by Ken Evans



I recently worked with a seasoned sales executive who has experienced his fair share of business cycle highs and lows. Better for it, he likes to say, “Opportunity’s favorite disguise is trouble” and “A downturn is a terrible thing to waste.”

Glimmers of improvement in the economic landscape are increasingly apparent. So how do you reshift your thinking from the recent head-down, in-the-bunker survival mode to gear up for a growth play? Having reduced operations and SG&A cost structure down to shiny metal, what do you and your sales organization need to do to emerge hand-in-hand with your customers?

Here’s what some of our clients are doing to prepare customer-focused growth plans best suited for their new reality.

▶ **Rigorous voice of the customer interviews.**

A greater understanding of your customers’ perceptions and needs helps unearth new ways for you to provide value, enhance relationships, identify unmet needs, and grow revenue. Conducting one-on-one, in-depth interviews with your selected customer executives helps you discover their experiences and attitudes about their business—what they buy, why they buy, and why they align to particular suppliers. It’s a productive way to explore with them where and how they see value created and approaches that differentiate preferred suppliers from the rest of the pack.

▶ **Market segmentation.**

The market impacts and directs all aspects of your activities. It may have been “reordered” in the wake of recent economic swells. Accurate and specific information about your market segments, industry trends, and potential threats is critical to the success of your existing businesses—and to the creation of new ones. What are the major factors impacting your customers? How are your customers responding to these factors?

▶ **Market alignment.**

Clear information about the potential in your market segments helps illuminate the playing field and identify which opportunities to pursue and how to maximize them. Establishing a good coverage strategy that is able to withstand changes in customer preferences, product lines, and economic conditions is the basis for your selling organization’s success and momentum.



### Creating value propositions for the marketplace.

The game is value. The judge is the customer. The winner is the one who delivers the greatest value to the customer. But not all customers value the same things. So how do you ensure that what you are delivering is of value to the customer? Value will differ from one customer to the next—the challenge is to produce and deliver value messages that link your activities and results to your customer’s most critical needs, creating both qualitative and quantitative benefits for your customer. What can you do and what have you done to make a significant impact on your customer’s business?



### Sales playbook reengineering.

Your selling teams today face a competitive rate of change that includes reduced barriers to entry, the ability of competitors to meet or beat pricing, add components, develop alliances that enable quick turnarounds and, seemingly, respond to any customer need. This competitive environment requires your sales teams to possess an in-depth understanding of product and service knowledge, including features and benefits and the ability to demonstrate and articulate value to the customer. Successful sales leaders are spending a great deal of time and energy evaluating game plans to prepare their teams to respond to a variety of competitive situations. Are you?



### Sales skills enhancement.

Do your salespeople possess the skill set critical to success with your customers? Are your sales managers providing day-to-day leadership? By defining the skill requirements to do the job you expect of individuals, assessing each individual contributor, providing personalized access for skills improvement, and establishing career paths and succession planning, you enhance your teams’ performance. You can share this insight in formal classroom training, by mentoring, sharing top performers’ practices, and field coaching.



### Competency certification.

Your salespeople are asked to respond to customer problems, develop and execute sales and account strategies, prepare for and execute sales calls, deliver and implement products and services, and demonstrate value at every point of contact with the customer. How can you be sure they possess these customer-facing competencies and know how and when to use them to be successful?



### Sales management recasting/certification.

Your sales teams are constantly reinventing themselves to align with their customer’s environment. When they are at their best, they are in sync with the customer’s tactical and strategic initiatives. But in these recent days of commercial flux, your teams may be struggling to get their bearings. Increasingly, companies are recasting their sales managers as human capital coaches and developers. They keep their teams on track by giving them advice and resources when required and recognizing their achievements along the way, improving their performance and odds of success.



### Management by metrics.

Timely, trusted data and actionable metrics drive your sales decisions, both strategic and tactical. Timely decisions drive increased sales performance, leading to greater revenue and profit. So it is crucial for you to identify and measure key mathematical performance indicators that will help you pinpoint problems and proactively manage change. What new metrics do you need to track the new realities in your market?



### Communicating benchmarks for success.

Accessing, consolidating, and evaluating data from lagging, in-process, and leading performance indicators combine to reflect a single version of the truth, enhancing your timely decisions and, ultimately, the sales performance of your selling organization. These key indicators are valuable for diagnosing problems, redirecting salespeople, and planning future activities. They provide insight into trends, opportunities, and risk. Many companies translate these metrics into dashboards for rapid, visual, high-impact communications.



### Recruiting, reward, and recognition redesign.

A well-designed sales compensation plan is critical to attracting, retaining, and motivating your sales force, and is a key driver to improving sales performance. With business objectives changing in the new environment, many companies expect to make changes to their sales incentive plans' performance measures, weightings, and incentive formulas and mechanics. Do the new realities in your marketplace suggest a review of your recruiting, reward, and recognition programs is in order?

Recent market indicators suggest the economic forecast appears brighter. And those flexible enough to deal with change stand to enjoy some just rewards. But understanding customers and being able to anticipate what they want is critical. If you do not create value for your customers, you will be relegated to the "old reality" and suffer the unending cost-cutting cycle associated with a commoditized business.

**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.

