

Sales Transformation

Changing the Sales Organization
for a Changing Marketplace

The Sales Leadership Forum Reports

Sample Report

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Insights for Members of
The Sales Leadership Forum

Sales Transformation

Changing the Sales Organization for a Changing Marketplace

Presented by:

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Dear Members of The Sales Leadership Forum:

This report on Sales Transformation provides our members with exclusive insights on this topic from our sessions and research. The Sales Leadership Forum is a sales leadership community and sales effectiveness advisory organization that provides its members with exclusive access to senior sales and marketing executives in leading growth companies, actionable research, and best practice consulting. We work with our academic partners from leading business schools and our board of advisors from member companies to provide services that directly address member needs to increase sales productivity and profitable revenue growth.

The Sales Leadership Forum provides the following services to member companies:

Senior Executive Community. Community and sessions with senior executives in sales, sales operations, human resources, marketing and general management from leading companies across industries. Forum sessions bring executives together for member-driven discussions on hot topics, access to best practices and advisors, and relationship building. Sessions are held both in-person and via live web.

Sales Compensation Community. Community and sessions that include sales, sales operations, human resources and compensation experts. Sessions focus on the in-depth exploration of important issues in sales compensation.

Sales Operations Community. Community and sessions that include sales, sales operations, human resources, and compensation executives and experts. Sessions focus on in-depth exploration of important issues in sales operations.

Field Sales Management Community. Community and sessions that include senior executives and field sales. Sessions focus on the in-depth exploration of important issues in sales management.

Executive Coaching for Management. Sales effectiveness coaching from our leadership team who is experienced in working with organizations across industries in areas that include sales strategy, growth planning, performance management, sales channel management, sales organization design and development, sales productivity improvement, and incentive compensation.

Fast Cycle Research. Focused research and surveys on topics of interest to members, or issues for which they need quick input.

Match Making. Connections within the member group to confidentially gain information and facilitate discussions on hot questions from members.

Consulting and Advisory Services. Project-based consulting services in areas that include sales strategy, market coverage, job design, sales operations management, sales productivity improvement, sales compensation and quotas.

This report on Sales Transformation is based on sessions of The Sales Leadership Forum held in Atlanta and Dallas as well as research from The Sales Leadership Forum and SalesGlobe. We hope you find this information valuable. For additional perspectives and answers to questions, please visit www.TheSalesLeadershipForum.org, www.SalesGlobe.com or contact us at (770) 335-9225.

Sincerely,

Mark Donnolo

Eddie Birchfield

Partners and Founders
The Sales Leadership Forum

Table of Contents

Sales Transformation: Changing the Sales Organization for a Changing Marketplace.....6
 Sales Transformation Imperatives: A View from The Sales Leadership Forum.....8

Transforming Ahead of the Curve, Boland T. Jones.....13

Continuous Transformation: People, Processes and Psychology, Mark Schortman27

Expert Panel Discussion:39

Sales Transformation: Changing the Sales Organization for a Changing Marketplace

In this report from The Sales Leadership Forum, we explore the topic of sales organization change through sessions conducted with sales leaders and panels of experts as well as research conducted by The Sales Leadership Forum and SalesGlobe.

In our work with companies, we hear numerous calls for change in organizations.

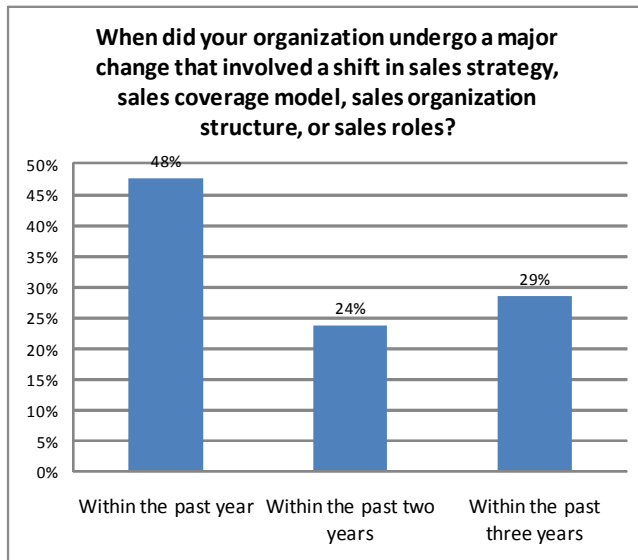
“We’re going to evolve to meet the demands of our customers.”

“It’s time to make a game-changing move in our industry.”

“We need to present one face to the customer.”

“After these acquisitions, we operate like several companies in silos that don’t communicate.”

Companies make major changes in their sales strategies and their sales organizations for many good reasons. Our research of The Sales Leadership Forum member companies indicates that about 48 percent of companies have been through a major change in the



Source: The Sales Leadership Forum and SalesGlobe.

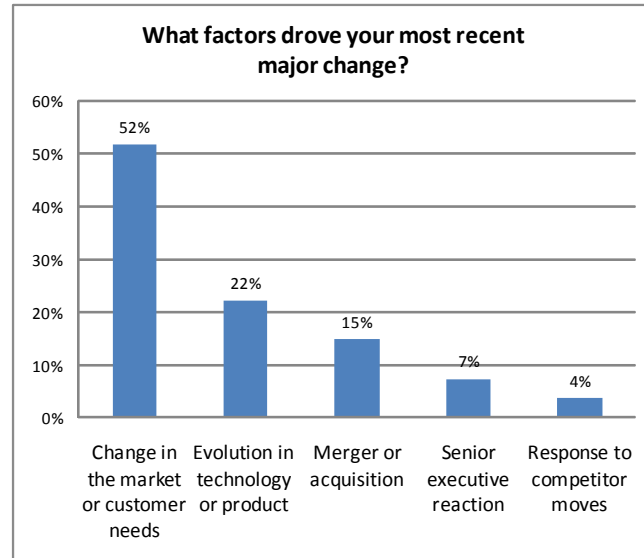
past year, and nearly 75 percent have been through a change within the past two years. Major sales transformation is not an infrequent event among leading businesses.

Why do these organizations put the time and resources into making these types of changes? Some changes are based on aspirations to reach a future next-level of development. Other changes are urgent imperatives to survive or repair damage amid a fiercely competitive environment. We see change driven by the following major factors:

- **Change in the market or customer needs (52% of companies).** Adjusting to customer needs is the largest driver of transformation. Shifts in customer demands provide organizations with an opportunity to better reflect the needs in their markets. Organizations may make these adjustments in terms of their

value proposition to the customer, the alignment of their sales processes to the customers' buying processes, and the sales or service roles they use.

- Evolution in technology or product (22% of companies).** Over time, advances in product development or technology can mandate a sales organization change to keep the sales model current with the offer and buying process. A development in technology or a new method in how the company positions its product can move the organization's approach from a simple transactional sale to a consultative sale. This may create a more complex buying process or require deeper expertise in product application that causes the organization to re-think its sales model.
- Merger or acquisition (15% of companies).** Advances in product development or technology can also drive change by bringing groups from previously separate entities together. A range of approaches are common, from operating acquired organizations independently for some period to immediately integrating acquisitions. Cultures, brand strength, and existing alignments to markets and customers can sometimes determine the company's approach to transformation from merger or acquisition.
- Senior executive reaction (7% of companies).** Responses to high priority situations from business leaders can sometimes be the source of change in the organization. Typically, the senior executive mandate is driven by other larger causes such as market, technology, or merger and acquisition. As we've seen in some cases, the senior executive response is to address "unfortunate events" which have occurred that threaten the near-term health of the company. In these situations, rapid transformation with unwavering leadership is the key.
- Response to competitor moves (4% of companies).** Changes in competitor strategy or tactics themselves can be drivers of transformation in the sales organization. Like senior executive reactions that drive change, a competitor's move may also coincide with larger shifts in the market, product or technology....



Source: The Sales Leadership Forum and SalesGlobe.

Major Sales Competency	Key Considerations*
Strategy <ul style="list-style-type: none"> • Sales Strategy • Value Proposition and Offer • Segmentation and Targeting • Growth Capacity Plan 	<ul style="list-style-type: none"> ○ How actionable is our plan by the field and sales channels? ○ Is our offer and message clear and differentiated? ○ Have we created customer segments the sales organization can address within the plan? ○ What level of resources will we require to reach our objectives?
Coverage <ul style="list-style-type: none"> • Sales Channels • Sales Roles • Sales Process • Deployment and Territories 	<ul style="list-style-type: none"> ○ Are we managing our channels effectively with the change? ○ What can make our sales roles more productive? ○ How should our sales process reflect the buying processes of each customer segment? ○ Have we “decontaminated” our sales organization to reduce non-selling time (operations, service, administrative) and increase selling time? ○ What types of territories and account assignments will be most effective, and how should we transition?
Enablement <ul style="list-style-type: none"> • Sales Compensation • Talent Assessment and Recruiting • Talent Development • Supporting Tools 	<ul style="list-style-type: none"> ○ How can our sales compensation plans motivate the right behaviors to support the strategy? ○ Is our sales compensation plan effective and helping us to attract and retain top talent? ○ What is our inventory of current talent, and what gaps do we have to plan? ○ How should we develop the capabilities of the organization to support the strategy? ○ What technology, communications and demand generation tools do we need to be successful?

*Please contact The Sales Leadership Forum or SalesGlobe for more detail and a focused assessment of your organization.

In This Report

In addition to our research and recommendations, this report features two keynotes and panel discussions from a team of experienced sales executives. Our keynotes highlight unique perspectives on sales transformation.

Boland T. Jones, founder, chairman and CEO of Premiere Global Services, describes transformation to stay ahead of both competitors and emerging trends that may yield new threats. Mark Schortman, vice president and general manager of Coca-Cola Enterprises and chairman of the board of Coca-Cola Bottlers' Sales and Services Company, discusses his approach to continuous transformation and evolving the organization on a frequent basis.

Our panel discussions, facilitated by Mark Donnolo, cover the collective experiences of top sales and marketing executives when avoiding the pitfalls of change and making transformation work in the organization. Our panels include conversations with:

- York Baur, Chief Marketing Officer, TAS Group
- Mike Inman, Executive Vice President, Fiserv
- Chris Jones, Chief Sales Officer, PROS
- Todd Mitchell, Senior Vice President, Crossmark
- Patrick Murn, Senior Vice President of Commercial Sales, LexisNexis
- Mike Pangia: Senior Vice President, Chief Sales Officer, Harris Stratex
- Jana Schmidt, Senior Vice President of Sales, Harland Clarke

We hope the findings in this report provide valuable insight for your business. If you have questions or require assistance in addressing sales transformation challenges in your organization, please contact us at www.TheSalesLeadershipForum.org, www.SalesGlobe.com or (770) 335-9225.

Transforming Ahead of the Curve

Boland T. Jones
Founder, Chairman and CEO
Premiere Global Services

I probably shouldn't be the person talking to you guys, as I listened to everyone around the room [introduce yourselves] and all your accomplishments. I'm not sure what you can learn from me, but I can be good entertainment for a half hour on a Friday morning.

I appreciate you all having me here.

I can talk about our company's history and the transformations we've gone through in sales. I am a sales person. I consider myself a sales person. I started selling at a young age, negotiating with my parents on each and every item they always tried to discipline me with. I've got three kids myself: two rules-followers and a negotiator. There's my payback.

Transformation is a great subject, a wide open subject. There's no real way to go through sales transformation training or information, other than this: a conversation process.

This is a conversation – feel free to butt in any time.

I like to start out on a lighter note. So when you talk about transformation and

talk about sales forces and companies that are entrenched or companies that are new or companies that are entrepreneurial, they all have different ways to look at transformation. I always like to refer back to the Catholic Church when I start talking about transformation. Jokingly. I grew up Catholic. They transform themselves once every 500 years whether they need to or not. It's a little bit different in business.

Each of us personally knows what transformation is like. We joke about it constantly, but as we grow in our personal lives and business lives, you reach transformation points that all of us look back on and recognize and reflect.

The transformations are clear and obvious. There are the young years when, in my case, fear wasn't something I studied. I was too stupid to think through things all the way, so I really never had fear.

Transformation is ongoing. If you're not transforming you're probably losing ground. I'm a huge proponent of that....

Continuous Transformation: People, Processes and Psychology

Mark Schortman

**Vice President and General Manager of Coca-Cola Enterprises
Chairman of the Board of Coca-Cola Bottlers' Sales and Services Company**

I'm delighted to be here. It's a pleasure to be here with peers. We all struggle to get to the next bottom line dollar for a corporation. Some of us might be privately held, but I think the passion of the shareholders is the same: they want more every quarter, every single day, every year.

So as a sales organization, my lens will be around more the people, processes and psychology than the tools and technology. I just thought it would be important, especially when you think about our business model. We sell something pretty basic: soft drinks. And we have a myriad of products, from Dasani water, to all the water over to functional drinks. Some might say it is a pretty easy sale. It might be, but the difficulty is selling the same amount or more each year and selling it at a higher cost and generating the gross margins requirement and the bottom line for our shareholders.

So how do you motivate? How do you actually have the right people in your business model? How do you get the right leadership at the helm to drive this business?

To give you a bit of perspective of the Coca-Cola business globally, the Coca-Cola Company sells the concentration to bottling companies around the world. The model was built back at the turn of the century, and it is a fascinating model because it separated the company marketing from the assets.

It's different from the beer industry because the beer industry actually makes the product and then distributes it downstream. In the Coca-Cola system, Coke sells us concentrate products, and from that point forward bottlers manufacture, distribute, sell and collect all the cash. So if you aggregated all the bottlers from around the world we'd be hundreds of millions in sales. But our forefathers decided to separate the marketing arm from the assets and delivery mechanism.

I think every company has a framework. I'll show you our framework, who we are, and what our name is for. I think there are three key building blocks. I mentioned the people and the processes and the psychology, and so I'll talk about that. I'll talk about books – we're actually transformed by using books that we believe drive us where great leaders should be....

Expert Panel Discussion

Sales Transformation: Changing Sales Organizations for a Changing Marketplace

York Baur, Chief Marketing Officer, TAS Group

Mike Inman, Executive Vice President, Fiserv

Chris Jones, Chief Sales Officer, PROS

Todd Mitchell, Senior Vice President, Crossmark

Patrick Murn, Senior Vice President of Commercial Sales, LexisNexis

Mike Pangia, Senior Vice President, Chief Sales Officer, Harris Stratex

Jana Schmidt, Senior Vice President of Sales, Harland Clarke

The Sales Leadership Forum conducted a panel discussion with a group of experienced sales and marketing executives to explore sales transformation.

MARK DONNOLO: I'd like to thank you for joining us at The Sales Leadership Forum for this panel discussion. We're excited to have a great panel of experts to explore sales transformation with us.

We'd like to start with what drives sales transformation and understand how we actually transform the sales organization. We'd also like to identify the critical success factors we see for making it work, as well as what we've learned that perhaps has not worked so well. With our panelists, I'd like to get to some practical points we can all use as we think about our organizations.

As we get started, please tell us a bit about yourselves.

YORK BAUR: I'm the CMO of TAS Group. Before joining TAS Group, I was executive vice president at a consumer company called Zango, so I've done both executive sales and executive marketing roles. It's a both-sides-of-the-fence kind of thing. I worked for a lot of different software companies, ran the enterprise and consumer sides of things, for better or worse. It's been challenging at times but it's given me a good breadth of expertise.

So, if you're familiar with the TAS methodology, it's actually a 20-year-old sales methodology. In its latest incarnation it existed as a training company, which was then bought by Seibel, which was then bought by Oracle and became a shadow of its former self. It became the red-headed stepchild. It was an \$80 million business when it was bought by Seibel. It was a sub-\$10 million business when we bought the assets from Oracle in 2006 and incorporated it into software we call Dealmaker. So we're a software company that has incorporated sales

methodology and process into our platform which integrates with CRM. We're all sales people, I'm a sales person as well. And we follow our own behavior, and we tend to rely too heavily on our force of personality. But there's a whole science part. We can replicate the best practices and performance management. And if you think of it from a leading indicator perspective – revenue is a lagging indicator. So what are the leading indicators of performance? Maybe that's something we can talk about today.

MIKE INMAN: I run a strategic relationship management team for Fiserv. I joined Fiserv through an acquisition. Fiserv has grown up over 25 years through many acquisitions. So there's been quite a bit of dysfunction in the organization. Up until about three years ago, it operated more or less as a holding company. So it had all these different companies within the business with their own practices and disciplines and processes. About three years ago, we started consolidating and integrating. We're making great progress, but we still have a long way to go.

I'll talk about some of the things we're doing from a sales and management perspective, but really my focus is with a select group of customers, the top 30 banks. It's a finite group of customers. It's a consultative type of approach. We primarily rate our performance on three metrics. One is obviously new sales; you've got to grow the business. One is revenue; you've got to retain the business and hopefully grow the long-

term business. The third, which is more implicit, is MBOs from the customer side and cross-selling. Those are measured in more strategic terms. I focus on the customer face-to-face and run the organization.

CHRIS JONES: Good morning everyone. My name is Chris Jones. I am the youngest of four boys, so I'm from a big family. And I always had my older brothers beating up on me, so I credit them for my tenacity and toughness.

I have been in technology 20 years, 17 of those years in sales organizations, and that's across MCI and Microsoft. I feel very fortunate that I've worked for a number of companies with the kind of training programs that don't seem to exist anymore.

Forty-five days ago I embarked on a new journey with a much smaller company, a \$75 million company that really – those of you that follow Geoffrey Moore – it hasn't crossed the chasm yet. It's in the price management and optimization space so it's just an open field of opportunity for transformation.

TODD MITCHELL: I'm with Crossmark. We're a privately held company, been in business a little over 100 years. The company started in Arkansas and made our way across five different countries, and now we have 22,000 employees.

We started as a manufacturer's representative. So, if you think back to the early 1900s, people had stuff on the backs of trucks and needed people to sell it. They were producers and needed someone to sell. As years went on, the...



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The Sales Leadership Forum. We sponsor The Sales Leadership Forum, a leadership and advisory organization of senior sales executives. Our Board of Advisors includes executives from top companies and business schools.



What Makes Us Effective? We apply years of experience from our team which has lead and supported hundreds of sales effectiveness programs across industries. **We** focus on real improvements to achieve substantial ROI. Some typical results:

- **Sales capacity and productivity increases** of 20% or more, through improvements in sales coverage and sales process.
- **Sales compensation payout improvements** for top performers with overall return on expense of 10% to 20% or more with better alignment to business strategies.
- **Sales growth increases** of 10% to 15% through improved customer acquisition, penetration, and churn management.

Clients. Our team works with major domestic and multi-national companies across industries including technology, manufacturing, business services, telecommunications, media, financial services, and healthcare.

Team. We focus experts, with decades of experience, on your initiatives. Our team includes professionals who have operated organizations and who have consulted with numerous complex organizations on challenging sales effectiveness issues.

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