

Structuring Sales Operations

Choosing the Right Structure
for Your Organization

The Sales Leadership Forum Reports

Sample Report

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Insights for
Members of
The Sales
Leadership
Forum

Structuring Sales Operations

Choosing the Right Structure for Your Organization

Presented by:

The Sales Leadership Forum
www.TheSalesLeadershipForum.org

and

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Dear Members of The Sales Leadership Forum:

This report on Structuring Sales Operations 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 practices consulting through SalesGlobe. 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 and are held in-person and via live web.

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 to drive sales performance and are held in-person and via live web.

Coaching and Counsel 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. Consulting and advisory services are provided by SalesGlobe and The Sales Leadership Forum to corporate members and non-members and scoped to address their needs upon request.

This report on Structuring Sales Operations is based on a webinar held by The Sales Leadership Forum 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) 337-9897.

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Introduction

In this report from The Sales Leadership Forum we explore the topic of structuring sales operations through a webinar conducted with sales operations leaders as well as research conducted by The Sales Leadership Forum and SalesGlobe.

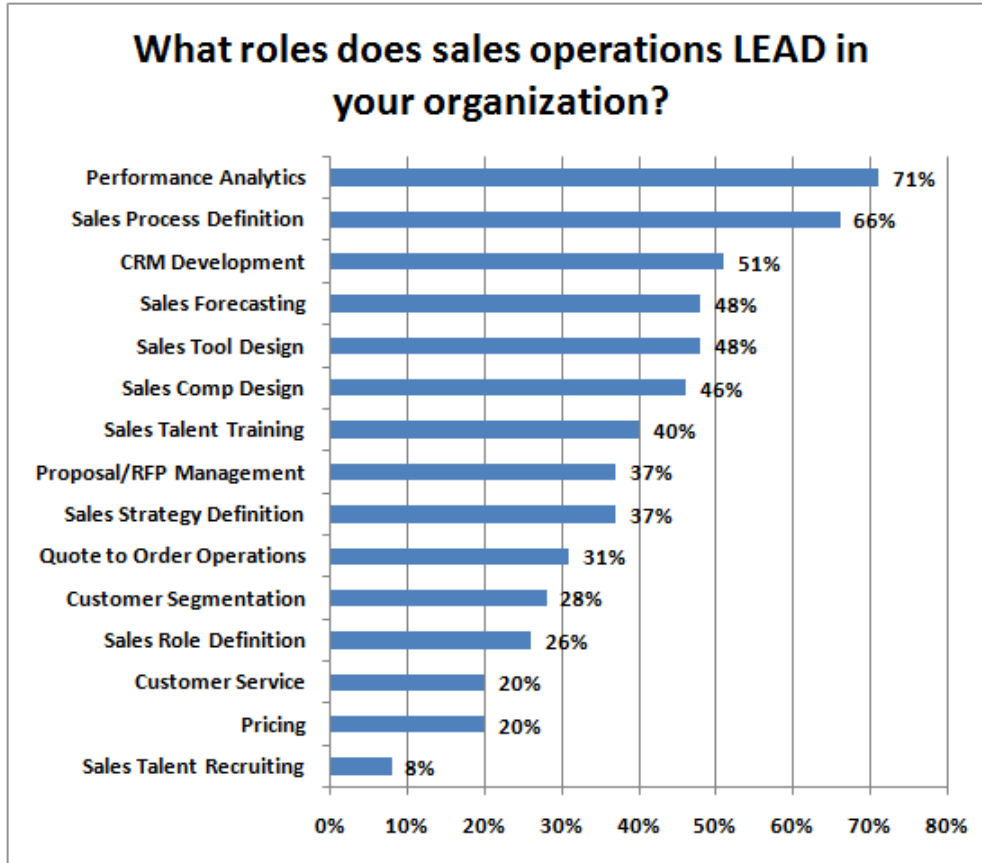
What is sales operations? The answer is complicated, because it can be highly varied across companies. Sales organizations, in contrast, typically have specific roles and certain job types that are fairly common across companies and industries. Many different sales organizations, for example, might have a major account organization in middle market and SMB. But when it comes to sales operations, when you look from company to company, the one thing you notice is inconsistency.

One reason for that is, of course, sales operations is still a relatively young field, and many companies are in different stages of development. Sales operations also tends to be a catch-all – and unfortunately sometimes a dumping ground – for sales and marketing. Anything that sales doesn't want to do, or anything that's taking away from sales productivity often ends up in sales operations.

Running a sales operations organization successfully is a challenge. Consider the end goals for sales and sales operations, the level of focus needed for both, and the level of disparity between the two. Sales, to be successful, has to look in one direction: basically to go out and sell. They've got to close deals and grow business profitably. Sales operations must support those goals, but the methods of support are multifaceted in terms of what sales operations has to do to support that very single goal of profitable revenue growth. But in high performing organizations, sales operations is a critical function. Sales operations must enable sales. In the absence of a sales operations organization, for example in very young companies, the sales people are tasked with sales operations functions which contaminates the sales job and takes away productivity.

Sales Operations Roles

The Sales Leadership Forum and SalesGlobe recently surveyed people in sales operations roles around country to learn more about their responsibilities and configurations. The roles within sale operations can vary widely. In mid to large size



Source: The Sales Leadership Forum and SalesGlobe.

companies, sales operations leads performance analytics (in 71% of companies), sales process definition (66%), CRM development (51%) and sales tool design and sales forecasting (48%). Following those top activities, sales operations also handles sales compensation design (46%), sales talent training (40%), proposal and RFP management (37%), quote to order operations (31%), and sales role definition (26%). We conducted this same survey last year, and the functions are relatively consistent from year to year. The responsibilities sales operations leads and supports make it necessary to interface with a number of other functions in the company. The primary intersection is, obviously, sales. In fact, sales is very often the function that sales operations reports into. It’s not a given, though. In many organizations sales operations reports into finance or even marketing. Wherever they are in the company, sales operations must cooperate with marketing; operations; human resources in areas like incentive compensation and developing people; and IT for tasks such as sales forecasting, dashboard management, and CRM.

Sales Operations Imperatives: A View from The Sales Leadership Forum

We recommend that companies consider the following key points when structuring and evaluating their sales operations organizations.

1. **Define clear objectives for the sales operations group.** While it's tempting to allow sales operations to become the dumping ground for all things unwanted by sales and marketing, its true purpose is to enable the productivity of the sales teams. Outlining the functions that sales operations should lead and the functions it should support can help set boundaries and clarify the role for an effective group. Determining how sales operations will be judged effective (i.e. increases in productivity per rep) is critical to establishing clear expectations.
2. **Manage to the metrics.** More and more, sales organizations rely on empirical information to set and achieve their goals. Historically, sales has been more art than science, but sales operations offers new intelligence and lucidity into what works and what doesn't in the sales organization. Develop a dashboard for sales and sales operations to ensure that the teams are reaching their objectives.
3. **Balance a centralized and localized structure.** Sales operations can create processes and streamline activities that used to be accomplished by IT, marketing, HR, operations and sales, and act as a connecting point between previously disparate functions. Sales operations can take those tasks and align them with the goals of the organization. In addition to these centralized roles there is also value in sales operations staying close to the sales organization in all of their locations to understand the challenges that need support. Balance the efficiency of a centralized sales operations structure with the frequent communication and sensitivity of a localized structure.
4. **Create sales operations roles that make sense for your company.** Because sales operations is a young and evolving function, compare and contrast your organization with others, but build your sales operations team with roles that match the priorities of your specific sales needs, whether IT-related, marketing related, or analytics.
5. **Measure the ROI for sales operations.** In most companies there is a direct connection between sales productivity and revenue growth. In high performing organizations sales operations provides a clear impact on sales productivity. Understand and articulate the RIO levers for sales operations and make investments in the key initiatives most connected to sales productivity.

For guidance or help on structuring your sales operations organization, please contact The Sales Leadership Forum and SalesGlobe.

In This Report

In addition to our research and recommendations, this report is based on a panel discussion from a team of experienced sales operations executives.

Panelists include:

- **Brad Kaegi**, Director of Sales Force Effectiveness and Training at Merial Limited
- **Ian Levine**, Senior Vice President of Sales Operations at Iron Mountain
- **Tom Maloney**, Vice President of Sales Operations at ARAMARK Uniform Services

We hope the findings in this report provide valuable insight for your business. If you have questions or require assistance in addressing sales operations challenges in your organization, please contact us at www.TheSalesLeadershipForum.org, www.SalesGlobe.com or (770) 337-9897.

Structuring Sales Operations Panel Discussion

The Sales Leadership Forum recently conducted a panel discussion with a group of experienced sales operations executives to explore the right structure for sales operations.

MARK DONNOLO: We have a few different topics to discuss today. We'll start off with an overview for the 2011 view and what's going on in the first quarter that's predictive of the rest of the year, and specifically how we are thinking about sales operations. I'd also like to talk about the structure of sales operations in each of our panelist's organizations and the various functions and challenges within sales operations. Then finally, we'll share some wisdom.

I'd like to ask the panelists to share some of their background.

PANELIST: I call myself the project manager and coordinator of all the cross functional groups that touch this organization, whether it's business intelligence or finance and analytics teams, IT and marketing teams. As for my direct reports, I have the inside sales team which we use as field development, or account management to help territory managers. As well, I have the sales training team and then all of the different institutional elements that impact the sales force from CRM,

SFA, and all the different implementations.

Our company is in a kind of exciting environment now. I think the 2011 year is off to quite a start. Everybody is feeling very positive about the economy. The competition is tough because everyone is going after what growth is out there.

Our biggest challenge is making sure people are staying focused to retain their numbers and not get distracted. We're really using a lot of different tools that we have in place, and obviously our sales compensation plan is one of the biggest tools we're leveraging here to keep that focus.

PANELIST: My background is really not sales operations. I'm coming in to sales operations from a sales, sales management, product development, and strategic planning sort of 20-year track record.

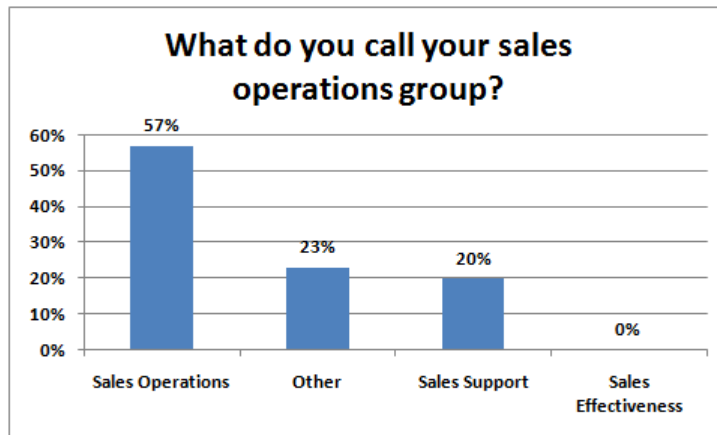
It's an interesting move, and I made the move because of a strong belief that sales operations is gaining ground as a science and a real dial-mover for sales. I'm very excited to have joined this company a year ago in this role. We are in a pivot right now: we have multiple acquisitions in the last 15 years all being integrated. And with that, sales operations did become a catch-all. It's very complex with the systems; there

are a few siloed environments and lots of reporting challenges. But it is a pretty mature group. I inherited a really solid team that was navigating all this complexity, but what we're trying to do now is move the organization much more to a strategic level, from a reporting level. And we're building out a sales enablement team. We're spending a lot of time on Salesforce.com and the process around that. We've taken over sales training and in general have created a mantra with my team that overall our job is to create capacity for sales. That's what we should be thinking about every day. And if our actions aren't doing that then we need to question our actions.

caught up in a lot of work and it's hard to keep your vision about what's really important.

PANELIST: I think that's true Mark. On my white board I have written, "How will this meeting accelerate revenue?" So sometimes when people come into my office I point to that and make them pause and consider what they're asking me to do.

PANELIST: I don't have a sales ops background, either. Most of my time has been in sales operations and marketing. So from a professional perspective, it's been a hybrid approach to look at what sales operations can do



Source: The Sales Leadership Forum and SalesGlobe.

MARK DONNOLO: I like how you described that vision, about creating capacity for sales and making sales more effective. I think sometimes we get lost in that as we get into the day-to-day, week-to-week operations. And, just as a general comment, I think the easiest way to tell the head of sales operations from anybody else in the building is he or she is probably the person who's running around the fastest and is there the latest. You get

for an organization.

We are kind of the newbie, I guess. The sales operations function wasn't even around when I came to this company about 10 years ago. It was formed in 2009. And we are very much an operations-driven, metrics-focused company, but it was actually surprising to me that we never really looked at using data to manage our sales force. It

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- **Sales Organization and Sales Process Design.** Creating the most effective roles and sales process for your strategy.
- **Sales Coverage Strategy and Channel Management.** Aligning the right channel mix and programs for your partners.
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Driving Sales Force Productivity in Competitive Markets

- *Sales Strategy*
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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 led 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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