

# *Sales Excellence Council*

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## Executive Summary

A fundamental objective of ABC Company is to leverage existing and effectively deploy additional resources to profitably grow sales. This objective can be achieved with a Sales Process Engineering (SPE) initiative executed by a Sales Excellence Council. ***SPE, when properly implemented, can consistently generate an 8 to 12% annual, incremental increase in effective sales capacity.*** As shown in the example in the next section, a 1% improvement in opportunity funnel conversion rate and velocity can produce a four year internal rate of return in excess of 150%.

The effectiveness of The YPS Group's SPE methodology implemented by a Sales Excellence Council (SEC) is based on three core principles:

- Continuous improvement of the sales process is a fundamental necessity
- Objective metrics are required to determine the amount and rate of improvement
- A well defined sales process is required to determine meaningful sales metrics.

The SEC's fundamental tasks are therefore to:

- Identify the sales best practices most closely correlated to producing results and organize them into a repeatable process documented in a "Sales Knowledge Mine."
- Define appropriate metrics and map them and the sales process into a CRM system to enable tracking of performance trends across the entire sales force.
- Lead the implementation of the sales process, metrics and tracking system
- Develop and deliver training and education regarding all of the above
- Manage the deployment of [Sales Process Media](#) to support all sales personnel

It is the responsibility of The YPS Group to apply and provide its intellectual property as required, and to facilitate the activities of the SEC to ensure its efficient and effective operation. The SEC's responsibility is to methodically and relentlessly drive continuous improvement of the ABC Company sales process.

The ABC Company SEC should be comprised of selected members of the sales and Relationship Management teams including the Director of Sales and, at least for the initial meeting, the CEO. To ensure the group's productivity, the SEC will follow a proven methodology and be facilitated by a seasoned professional thoroughly familiar with that methodology and its supporting tools.

The first phase of an SEC consists of a one and a half day kickoff session followed by six one to six hour meetings/web conferences, each followed by a series of ongoing assignments and follow-ups. If required, one or more training seminars can be conducted to supplement SEC activity. Typically this initiation/implementation phase is completed within a four to six month period and is followed by ongoing execution and continuous improvement.

As noted above, investment in a Sales Excellence Council can yield an effective sales capacity increase of 8-12% annually. Benchmarks will be established during the initial phase, and the long term success of the SEC will be judged against this standard.

## Value Proposition & Illustration

Given a highly focused, consistent application of Sales Process Engineering principles, ABC Company can expect to generate an 8 to 12% annual, incremental increase in effective sales capacity. After correcting for general economic conditions, competitive factors and other unanticipated external/uncontrollable events, ABC Company can also expect a similar recurring increase in total sales and profit.

For this example, we will assume that currently \$8 million in sales flows through a six-step funnel as follows:

	<b>Cycle Time (Days)</b>	<b>% To Next Stage</b>	<b>Funnel (\$000)</b>
<b>Identify Opportunity</b>	N/A		47,000
<b>Gain Prospect's Attention</b>	90.0	50.0%	23,500
<b>Establish Prospect's Interest</b>	44.0	50.0%	11,750
<b>Conduct Discovery</b>	17.0	60.0%	7,050
<b>Present/Propose</b>	14.0	70.0%	4,935
<b>Close</b>	15.0	80.0%	3,948
<b>Total Cycle Time</b>	180.0		
<b>Annual Revenue</b>			8,006
<b>Annual Gross Profit</b>	@	27%	2,162

While the actual number of cycle-time days and percent of opportunities that advance to the next stage may be different, the *net change* in these factors is the relevant source of value. This example will assume a relatively conservative 1% improvement in cycle time and conversion rate for each stage.

	<b>Cycle Time (Days)</b>	<b>% To Next Stage</b>	<b>Funnel (\$000)</b>
<b>Identify Opportunity</b>	N/A		47,470
<b>Gain Prospect's Attention</b>	89.1	51.0%	24,210
<b>Establish Prospect's Interest</b>	43.6	51.0%	12,347
<b>Conduct Discovery</b>	16.8	61.0%	7,532
<b>Present/Propose</b>	13.9	71.0%	5,347
<b>Close</b>	14.9	81.0%	4,331
<b>Total Cycle Time</b>	178.2		
<b>Annual Revenue</b>			8,872
<b>Annual Gross Profit</b>	@	27.3%	2,419

**Sales increase: \$886,000    Profit increase: \$258,000**

In this example, ABC Company realizes a 10.8% increase in sales capacity. Assuming no impact from external/uncontrollable factors, this translates into a 10.8% increase in total sales and an 11.9% increase in gross profit due solely to Sales Process Engineering. Note that *managing the sales process at an incremental, detailed level enables improvement at the micro level which in turn can produce dramatic results at the macro level*. In other words SPE drives many small improvements that when combined, can produce a dramatic cumulative effect.

The resulting cash flow including the investment in YPS services and estimated CRM, training, travel, etc. expenses could be as follows:

(\$000s)	Year 1	Year 2	Year 3	Year 4
<b>Investment</b>	\$100	\$100	\$100	\$100
<b>Return</b>	\$0	\$258	\$289	\$292
<b>Net Cash</b>	(\$100)	\$158	\$189	\$192
<b>Cumulative</b>	(\$100)	\$58	\$246	\$439
<b>Annual ROI</b>	-100%	158%	189%	192%

**4 Year NPV @ 5%: \$369**  
**IRR: 159%**

Achieving results like these is dependent upon *aggressive, successful implementation of Sales Process Engineering* principles.

# Activities, Resources, Schedules and Deliverables

## ***Sales Excellence Council***

YPS will assign a Managing Partner to work with ABC Company to implement Sales Process Engineering via the Sales Excellence Council. (See Appendix C for a sample biography) This partner will facilitate and support operations of the SEC.

### **Process Initiation**

- ❖ Activities (Includes results illustrated in months 1 through 6 in the “Typical Timeline” section)
  - Conduct required initial planning (YPS)
  - Review currently available sales practice/process documentation, reports and metrics (YPS)
  - Conduct one and half day Kickoff Meeting: (face-to-face) (YPS & ABC Company)
    - Provide training in Sales Process Engineering, The YPS Group’s Methodical Sales Process and SPE tools including an introduction to [Sales Process Media](#)
    - Begin mapping the initial set of Sales Best Practices into a customized “Sales Knowledge Mine”.
    - Establish the initial set of sales funnel metrics
  - Develop and deliver the initial version of the Sales Knowledge Mine (web-based documentation ) (YPS & ABC Company)
  - Develop and deliver (or coordinate delivery of) required sales training and education (***NOTE:*** YPS involvement in the *delivery* of training and education is beyond the scope of this proposal and will be proposed separately.)
  - Conduct six (6) monthly, one to four hour Sales Excellence Council meetings/web conferences (Strongly recommended that at least 3 SEC meetings are face-to-face) (YPS & ABC Company)
    - Continue to develop, review and update Best Practices/Best Process
    - Continue to develop Metrics
    - Identify and develop sales tools to support execution of best practices - with a focus on e-Rep
    - Develop follow-up plans
    - Develop requirements for customization of the CRM system
    - Assist with implementation of the CRM system
    - Develop a “ABC Company Selling System” implementation plan, including a “CRM” system and facilitate the implementation
    - Update the Sales Knowledge Mine documentation
  - Conduct ongoing telephone checkpoint and follow-up calls with SEC members as needed (YPS)
  - Establish the foundation for a formal “ABC Company University of Sales”
- ❖ Deliverables
  - Electronic copy of basic SPE materials

- Customized “Sales Knowledge Mine” including updates (in web-based format, hosted by YPS or ABC Company)
- CRM system implementation plan
- Recommended follow-up and implementation plans

## **Continuous Improvement**

**NOTE:** The Continuous Improvement phase is primarily concerned with ensuring that the work of the Sales Excellence Council becomes standard operating procedure for the sales organization.

### ❖ Activities

- Conduct ongoing Sales Excellence Council meetings/web conferences
- Determine required SEC actions, develop action plan and execute
- Develop formal case studies of ABC Company sales successes
- Maintain and update the Sales Knowledge Mine
- Deploy e-Rep for all sales personnel

### ❖ Deliverables

- Continuously updated Sales Knowledge Mine
- Other - To be determined

## **Additional SPE, Training & Special Projects**

**NOTE:** Flexibility and adaptability are important in a Sales Process Engineering initiative. The sequence of key events may be modified. Specific action plans will be developed to reflect ABC Company’ unique requirements and environment.

### ❖ Activities – to be determined – Potential activities could include:

- Sales Compensation Plan development
- One-On-One Mentoring/Coaching
- Making an Effective Sales Call Seminar
- Targeted Sales Training and Education
- Account & Territory Planning (Seminar and/or Facilitation)
- Customer Focus Enhancement projects

### ❖ Deliverables – To be determined

## ***Typical Timeline***

***Note:*** The objective of The YPS Group is to drive implementation of SEC plans and programs as rapidly as possible while maintaining effectiveness and ensuring “buy-in” by the entire ABC Company sales team. The rate of learning, buy-in and integration into day-to-day activities varies widely among different organizations. (The timeline indicates typical accomplishments as of the end of Month X.)

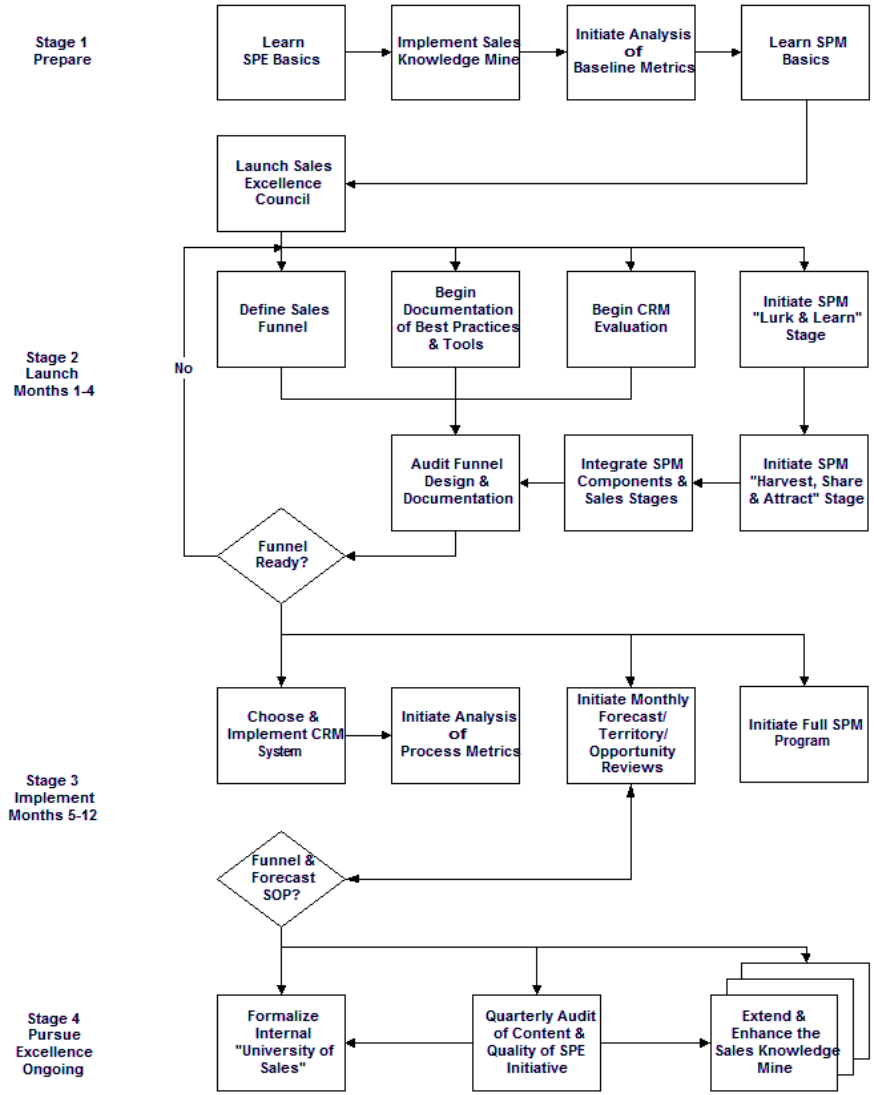
Flexibility and adaptability are important in a Sales Process Engineering initiative. The sequence of key events may be modified. Specific action plans will be developed to reflect ABC Company’s unique requirements and environment.

- ❖ By End of Month 3
  - The SEC is successfully launched with participation and commitment to achieve success by the top executive champion
  - SEC members are fully committed to the group’s success
  - All sales personnel are aware of the SEC’s objectives and overall strategy to lead continuous improvement of the sales process
  - CRM requirements evaluation begun and “Long List” of CRM vendors is identified
  - Relationship and “Sales Flaws” baselines established
  - Development of the overall architecture of the “Funnel” portion of the sales process is complete (i.e. Completion Criteria and base Metrics)
  - Several basic e-Reps implemented
  
- ❖ By End of Month 4
  - A substantial number of best practices and several sales tools are documented
  - CRM requirements clarified, “short list” of vendors is established and demos are scheduled
  
- ❖ By End of Month 6
  - The “work-in-process” Sales Knowledge Mine is made available to all sales personnel
  - A formal presentation is made by the SEC to all sales personnel to communicate objectives, strategies and progress to date
  - CRM system is chosen and implementation is underway
  - Development of the initial version of a working sales process, including a robust set of best practices and a significant number of sales tools is complete
  - CRM system is implemented and all sales personnel are trained in its use
  - Monthly Territory Reviews and funnel reporting & ranking begins
  - A ABC Company University of Sales, operated by the SEC, has been established
  
- ❖ By End of Month 9
  - Initial version of the Sales Knowledge Mine is complete
  - Monthly, detailed metrics reporting begins
  - All sales personnel are trained/educated of all key aspects of the “ABC Company Selling System”
  - Consistent use of the the “ABC Company Selling System” becomes “Standard Operating Procedure.”
  - e-Reps implemented for most sales personnel



- ❖ Months 9+
  - “Selling System” is fully implemented and sales personnel are educated in its use
  - Baseline performance benchmarks established
  - SPE-based sales management extended
  - Quarterly/annual audits of SPE initiative begin
  - Sales Knowledge Mine is extended and enhanced
  - Full deployment of e-Reps

## Implementing Sales Process Engineering "The Ideal Sequence"



March, 2015

## Investment

- ❖ For **Process Initiation**: \$30,000 plus expenses  
(One and one half day Kickoff plus six subsequent meetings/web conferences plus meeting follow-up and deliverables as described in the “Process Initiation” section)
  - \$10,000 upon agreement to proceed
  - \$10,000 following the third SEC meeting/web conference
  - \$10,000 following the sixth SEC meeting/web conference.
  - Expenses due upon billing
- ❖ For **Continuous Improvement**: (Following Process Initiation and subject to change based upon future requirements)
  - \$4,000 billed monthly
  - Expenses due upon billing
- ❖ **Additional Training and Special Projects**: To be determined

## Additional Value

By implementing this proposal ABC Company can accrue substantial and sustainable value. The major areas impacted are:

- ❖ **Grow Revenue and Profit Margin** – First and foremost, a well-executed Sales Excellence Council can generate an 8-12% annual, incremental increase in effective sales capacity.
- ❖ **Reinforce Accountability** – Sales Process Engineering means implementation of formal sales process metrics *that are highly correlated to sales growth*. This enables targeted, quantitative assessment - at an individual level - of the quality of execution of each key stage of the sales process.
- ❖ **Leverage Basic & Professional Sales Skills** – Since your own sales personnel are intimately involved in designing and implementing the process, “buy-in” will be high. The continuous cycling of sales ideas and innovations among your sales reps and sales managers will result in quick and pervasive implementation of sales best practices and a sales best process.
- ❖ **Increase Retention** – Many clients experience increased retention of sales personnel because the process enables higher levels of performance at lower levels of stress and creates an environment of continuous learning and improvement.

# Appendix A - Overview of Sales Process Engineering

## *The Three Core Principles*

**Principle 1:** Continuous improvement of the sales process is a fundamental necessity.

This is a basic management tenet. It can only be ignored if the sales performance of your competitors is steadily degrading. If, on the other hand, their sales practices are improving, and yours remain stable, you will be falling behind on a relative scale.

**Principle 2:** Objective metrics are required to determine the amount and rate of improvement.

Simply stated, one literally cannot know either the amount or the rate of improvement *without* quantitative measurements.

A more subtle implication of this second principle relates to the number of metrics needed for effective sales management. The more metrics used to analyze alternatives, the greater the quality of the decision. The best rule of thumb is to “use a few more than are currently being used.”

(NOTE: The power of the above rule may not be immediately obvious. As an example, assume you must decide what type of sales training to provide for the bottom half of revenue producers in ABC Company. The key question is, “What topics should be covered?” If the only available metric is revenue, the quality of your answer will be based primarily on luck and intuition.

Now assume that data regarding call-making skill is available. The quality of your answer will improve. If a metric regarding financial justification skills were also available, your answer would be better still. What if you also had data regarding the number of calls made? Product knowledge? Proposal-writing skill? Negotiating skill? Ability to establish and develop professional relationships? etc., etc., etc. Each metric considered will improve the quality of the training content decision.)

Finally, it is essential to analyze the correlation of performance for each metric to improvement in results. Metrics with a high correlation deserve intense focus. Those with a low correlation should be eliminated or ignored.

**Principle 3:** A well defined sales process is a pre-requisite for determining meaningful sales metrics.

By definition, a company has a sales process only if it is documented, thoroughly understood by the entire sales force and is consistently executed by them. If any of these three components is missing, then for all practical purposes, a sales process does not exist and truly meaningful metrics cannot be defined.

(NOTE: The power of principle 3 is most easily understood by considering an unfamiliar process. For example, if you are not knowledgeable about the sport of cricket, try naming a few metrics to judge the performance of a wicket-keeper. Without knowledge regarding the wicket keeping process, wicket-keeping metrics cannot be defined. If you are not familiar

with music, try naming a few metrics to judge the performance of a bassoon player. Without knowledge regarding the bassoon playing process, bassoon-playing metrics cannot be defined.)

### ***Implications of the Three Core Principles of SPE***

Accepting the first principle, the fundamental need for continuous improvement and pursuit of excellence in sales, *requires* acceptance of the other two principles. Without principle two, metrics, the amount and rate of performance improvement cannot be determined. You could not even know if your team is getting better or worse. Without principle three, a well-defined process, appropriate metrics cannot be deployed. Again, the amount and rate of performance improvement cannot be determined.

*Unless your sales process is well-defined and documented, you cannot claim to be dedicated to continuous improvement. Likewise, if you do not have at least a dozen or more relevant sales performance metrics, you cannot claim to be dedicated to continuous improvement.*

## Appendix B - Sample Sales Knowledge Mine Outline

Sample Sales Knowledge Mine Contents:

- ❖ Sales Issues & Inhibitors
  - Market Segmentation
  - Competitive Information
- ❖ Field Sales Operations
  - Identify Opportunities
    - Completion Criteria
    - Metrics (Performance Standards)
    - Best Practices
    - Sales Tools
  - Gain Prospect Attention
  - Establish Prospect's Interest
  - Conduct Discovery
  - Present/Propose
  - Close
- ❖ Customer Satisfaction
  - Deliver/Implement
  - Support Customer Operations
  - Develop Relationships
- ❖ Sales Support
  - Account & Territory Management
  - Support Field Operations
  - Human Resources Management
  - Quality Assurance
  - Process Management & Metrics
- ❖ Sales Tools
  - Value Statements
  - Differentiators
  - References
  - Call Scripts
  - Common Customer Issues
  - Common Objections & Responses
  - Proposal Boilerplate
  - PowerPoint Presentations
- ❖ Product Information
- ❖ Action Plan

NOTE: These four items are repeated for each sub-section under Field Operations, Customer Satisfaction and Sales Support

## Appendix C - Sample Consultant Biography

**Todd Youngblood**  
**Managing Partner & CEO**  
**The YPS Group, Inc.**

Todd Youngblood is obsessed with sales productivity. His 30+-year career in Executive Management, Sales, Marketing and Consulting has focused on selling more, better, cheaper and faster. He spent his first fifteen years rising through the sales ranks at IBM. This included assignments as an instructor in IBM's renowned Sales School, as a Sales Manager in both the "big iron" and Networking Services divisions, as a Branch Manager and as a Regional Manager for Computer Integrated Manufacturing. He exceeded his quota in each of those years, earned a Manager of the Year designation and was twice invited to the prestigious IBM Golden Circle.

In 1991, Todd took the entrepreneurial plunge and successfully established and operated an Information Technology Outsourcing firm. In retrospect, he believes that the challenge of moving to a start-up from a firm with over 400,000 employees was his greatest learning experience. Meeting the payroll, mastering the art of recruiting, hiring, training and retaining a cadre of technical professionals and dealing with the fact that "the buck *really does* stop here" are lessons learned that have continuing value for him and more importantly his clients.

After four years of entrepreneurial profitability, Todd was lured back to a bigger business. He joined an electronic commerce firm serving the insurance and healthcare industries as Vice President of Sales & Marketing. In addition to fulfilling the traditional role of sales leader, he also managed a vendor partnership that generated over \$300 million of annual telecommunications revenue and negotiated a new five-year, \$260 million technology outsourcing partnership.

Todd founded The YPS Group in 1999 and currently leads this federation of experts in sales process engineering, interpersonal communications and business planning. His broad background in working with small and medium-sized companies as well as Fortune 500 firms across the Information Technology, Distribution, Manufacturing, Telecommunications and Insurance industries gives Todd a unique perspective in enhancing his clients' productivity, performance and profits.

Todd earned a Bachelor of Science degree in Biology from Brown University where he played four years of varsity football. Todd regularly brags about his two grown daughters, enjoys cycling, and serves on the Board of Directors of the Georgia Symphony Orchestra.

## Appendix D - Sample SEC Member Invitation Letter

Dear XXX,

Congratulations on your selection as a charter member of the XXX Sales Excellence Council. It reflects the quality of your past efforts and your continuing value to our sales team. Perhaps most importantly, we have specifically designed the program to provide you, one of our key sales leaders, with a personal development experience that will be of continuing value throughout your career.

The core objective of the "SEC" is to generate an 8 to 12 % annual increase in XXX's effective sales capacity. The overall strategy will be to identify our sales best practices, ensure the widespread, high quality execution of those practices and to measure the results produced.

To assist us in this effort, we have retained XXX of The YPS Group. He will facilitate the effort starting with a two-day Sales Excellence Council kickoff meeting at 8:30 AM on XXXXX, XX, XXXX in our ??? location. Subsequent monthly meetings will be held at one of our other offices or via web conference.

Again, congratulations on your selection. I look forward to celebrating the sales growth that this program will produce in your sales territory and those of other XXX sales pros.

Sincerely,

Vice President of Sales