



## **STRATEGIC GROWTH SALES PLATFORMS: SELF-AUDIT**

The purpose of this audit is to highlight critical strategic and tactical elements so that a business executive can properly align strategies, tactics, personnel, resources, and overall support. The audit in of itself is not comprehensive, nor can any executive simply look at these answers and construct a plan from them. As with any audit, the intent is to bring clarity to the key issues, and stimulate the meaningful action that leads to proper planning that culminates in superb execution. Although we offer an evaluation at the audit's conclusion, the data is highly interpretative. Accordingly, should you wish to learn more about how you can create a more efficient growth engine for your company, please feel free to contact me: [MBerman@cpathsolutions.com](mailto:MBerman@cpathsolutions.com), or 212-532-4800 (extension 225).

### *Exercise Question Set 1*

***Given the definitions from the accompanying article, would you currently define your company as (check one):***

- A cultivating organization***
- A selection organization***
- An “and” organization (cultivating and selection)***
- Other (please specify)*** \_\_\_\_\_

### *Recruiting and Retention*

***Recruiting and retaining the right people is essential, and although there is any number of legitimate philosophies, we find that organizations hire and keep people that fit based on three criteria:***

#### ***a) Competencies***

***Skill sets are properly matched to the job, its role, and overall functions***

**b) Characteristics**

***They possess the traits and qualities that match company culture***

**c) Contributions**

***With specific performance metrics in mind, we believe they will tangibly contribute to the company's performance at the time of hire and as employees.***

*Exercise Question Set 2*

***Restricting your answers only to your firm's recruiting strategies and policies for sales and business development professionals –***

- ***List the competencies you look for when hiring a new sales or BD professional:***
  
- ***List the characteristics you consider vital for hiring a new sales or BD professional:***

***At key intervals, what are the specific contributions you expect from new sales or BD hires:***

***After one week on the job?***

***After one month on the job?***

***After one quarter on the job?***

***After six months on the job?***

**After one year on the job?**

**Considering all sales and BD professionals hired by your firm since January 2001, what has your turnover rate been?**

**Total number of people** \_\_\_\_\_

**Percent of total** \_\_\_\_\_

*Exercise Question Set 3*

**Restricting your answers only to tenured, on staff, sales and business development professionals:**

- **List the additionally acquired competencies you expect from your tenured sales and business development professionals.**
  
- **List the additionally acquired characteristics you expect from your tenured sales and business development professionals.**

**At key intervals, what are the specific contributions you expect from your tenured sales and business development professionals?**

- **Weekly**
  
- **Monthly**
  
- **Quarterly**
  
- **Annually**

### Sales Pipeline

**Some call it pipeline, others call it a funnel, but the visual image is one of fluidity. However, in far too many instances – particularly for companies practicing the “and” method for sales and business development – these reports more closely resemble sales swamps or even cement shoes.**

**While sales pipelines are leading indicators and should offer snapshots of a more distant future, to be fluid the process itself must focus on the immediate future. Managed by a “Who, How Much, By When?” principle, the discipline of effective pipeline management requires that all participants isolate and focus on their priorities.**

**Unless sales pipelines are managed through a priority imperative neither management nor sales people will be able to accomplish very much. Keeping volatile buying-selling dynamics fluid is a rigorous, disciplined, active process.**

#### *Exercise Question Set 4*

- **What is the range of your firm’s sales cycle time (measured in days, weeks or months)?**
  
- **What is your firm’s average sales cycle time?**
  
- **What process do you use to manage your sales pipeline?**
  
- **How often will management and staff review the sales pipeline together and how is this conducted?**
  
- **What criteria does your firm employ to distinguish viable prospects from suspects?**
  
- **What action items come out of your company’s scheduled pipeline meetings?**
  
- **How long has the current pipeline process been in place?**

- **Over the past 5 years, how many times has your sales pipeline management process changed? What was the catalyst for these changes, and what results did you see as a result of these changes?**

*Exercise Question Set 5: Key Miscellaneous Questions*

- **What percent of your total revenue do your five largest customers, combined, contribute?**

**With respect to these five large customers, would you consider your personal involvement (check one):**

- If I were not deeply involved with every aspect of these accounts, my firm would lose the business***
- I am well informed, periodically involved, and the customer knows they can reach me when they need me***
- I delegate the managerial responsibility to others on my staff, but do maintain at least semi-annual contact with them***
- I'm kept informed by my staff but other than that have no real knowledge of these accounts***

**With respect to these five largest customers, consider the role your assigned sales professional plays (check one):**

- If not for this sales person and their deep knowledge of the account, we would lose the business.***
- The sales person is a positive spokesperson for our company, well liked by the customer, but the real work is done by others (i.e. technology, support, and engineering staff).***
- Our sales person has been able to spot new opportunities and grow these accounts as a result***

- At best, I do not know the value our sales person is adding here.***

***Please detail the characteristics of your five largest accounts.***

- On average, how many years have you had their business?***

***Over these years has pricing (check one):***

- We have been able to take price increases***
- Been stable***
- We have periodically reduced our prices***

- What primary factor(s) do you attribute to how you answered in the second question?***

- How would you gauge your key customer's level of commitment to your firm?***

***Is your firm's primary 2003 growth strategy (check one):***

- Grow by market share expansion***
- Grow by customer share expansion***
- AFAB(Anything For A Buck)***

## Self-Evaluation

**The reader must look for consistencies in their hiring and managerial practices. Inconsistencies are most evident in firms that identified themselves as “and” companies in exercise question set #1 as well as those who admitted theirs was an “AFAB” company in exercise question set #5.**

**Those identifying their organizations as selection must then carefully evaluate whether or not they aggressively managed the contributions (exercise question set #2) as well as the sales pipeline (exercise question set #4). As an example, the NY Yankees are a selection organization. While a baseball insider might tell you that Jeff Weaver is a very talented work in progress, he is lustily booed for failing to perform at the highest levels. Selection companies must consistently expect superior performance from all members at all times.**

**By contrast, cultivating organizations should have more realistic expectations from their sales and BD personnel, especially in the early intervals. While this does not mean that performance standards should be lowered, cultivating organizations must be more patient when developing personnel. Management must be deeply involved, showing people how, summoning the courage to let employees fail, yet always evaluating capabilities, competencies and characteristics to make sure the individual is worth investing in.**

**Particularly relevant for smaller/mid-sized firms is the matter of concentrated contribution. Many of the miscellaneous questions (set #5) get at the heart of this matter, and when the revenue contributions from the 5 largest customers exceeds 33% it's a warning sign. It becomes an imminent threat if your company has had to periodically reduce prices to hold these key customers and/or you are not entirely confident with your customer's level of commitment.**

**Concentrated contribution is also a highly relevant factor regarding customer ownership. Companies without properly aligned strategies and tactics typically suffer from the “delegating up” syndrome, in which senior management has little choice but to get deeply involved with key customer relationships.**

**Taken together, although growth by customer share expansion or market share penetration are not exclusive, how one answers these questions will determine whether her/his firm is better suited to grow by selling more to existing customers or if their path to revenue growth is to be paved by acquiring new customers.**