The Future of Sales is Here
Driving Engagement and Getting Results

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SALESGLOBE

Today

- What's Changing in Sales?

- A Strategic View- Revenue Roadmap

- C-Level Goals and Your Challenges

  o **Breakout**

- The Modern Sales Structure

  o Setting Context – Drivers of Change

  o Sales Process

  o The Six Dimensions of a Sales Role

- Sales Roles

  o **Breakout**

  o Sales Models

- Modern Sales Management

  o Sales Capacity and Market Opportunity

  o Job Role Decontamination

  o **Breakout**

- Motivating Your Biggest Asset

  o Sales Compensation Principles

- The M&A Conundrum

Our Story- Solving Sales Challenges

why?

Why do companies repeat the same old solutions?

Why do they use benchmarks and current practices as the answer?

*Why do they leave themselves vulnerable to competition?*

- **Sales Go-to-Market**

- **Account Segmentation and Targeting**

- **Sales Process Optimization**

- **Sales Organization Design**

- **Sales Capacity and Goal Design**

- **Talent Assessment and Planning**

- **Strategic Account Programs**

- **Sales Compensation**

- **Quota Setting**

- **Technology Readiness**

> **We are rethinking sales.**
> **SalesGlobe is a data-driven problem-solving consultancy for sales that solves the biggest sales challenges. We work with you to design and implement solutions that give you the results and ROI you need.**

rethink

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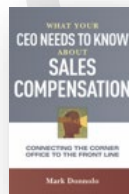
SALES ROLES...
WHAT'S THE STORY?

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THE FUTURE OF SALES IS HYBRID

1 DURING THE PANDEMIC, **60%** OF PEOPLE WORKED REMOTELY... AND FOUND WAYS TO WORK WITH CUSTOMERS VIRTUALLY

2 HYBRID SALES ROLES ARE THE FASTEST GROWING ROLE

61%
OF COMPANIES ARE INCREASING HYBRID SALES HEADCOUNT
PRE-PANDEMIC INSIDE SALES LED THE WAY

3 INSIDE SALES ROLES ARE NOT GOING AWAY. THE CENTER OF EXCELLENCE REMAINS IN FLUX!

43%
OF COMPANIES ARE INCREASING INSIDE SALES HEADCOUNT

4 BRICK-AND-MORTAR IS MAKING A COMEBACK AS CONSUMERS ADAPT TO AN OMNI CHANNEL WORLD

52%
OF COMPANIES ARE INCREASING RETAIL SALES HEADCOUNT ACROSS ALL ROLES

5 ORGANIZATIONS' HIRING IS NOT KEEPING PACE WITH PLANNED HEADCOUNT INCREASES
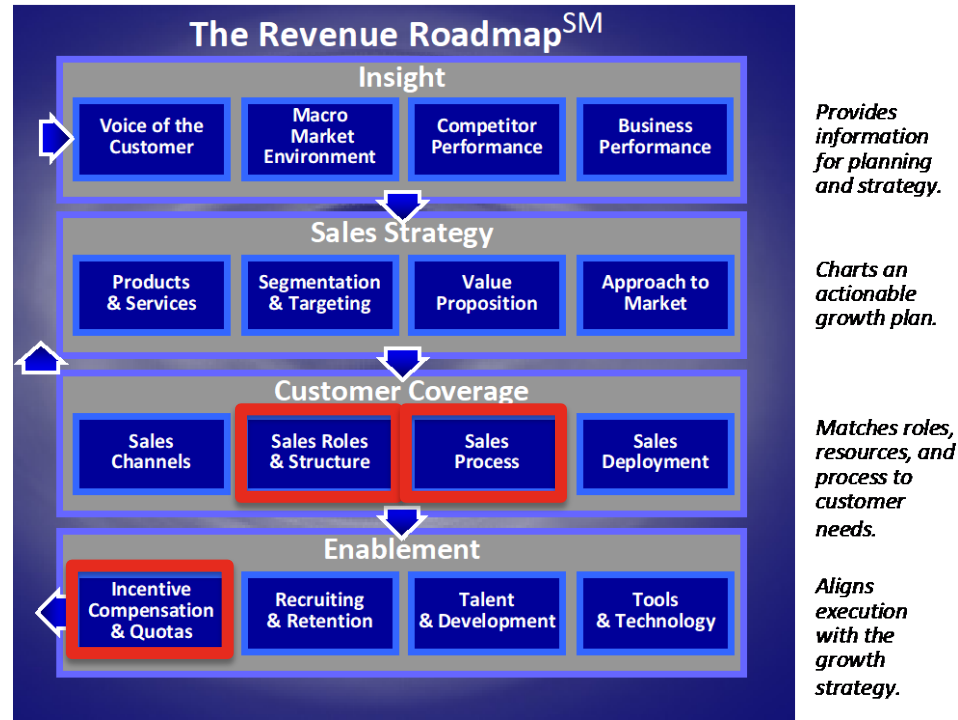
THE WAR FOR TALENT REMAINS ALIVE AND WELL DESPITE CHANGING MARKET CONDITIONS

6 SO THEY ARE TAKING MULTIPLE ACTIONS TO REDUCE TURNOVER AND ACQUIRE NEW TALENT
PAY LEADS THE WAY!

51%
OF ORGANIZATIONS ARE INCREASING BASE PAY

41%
OF ORGANIZATIONS ARE INCREASING INCENTIVE

7 THE SALES MODEL CONTINUES TO EVOLVE, REQUIRING NEW ROLES, SKILLS, AND COMPENSATION/EVP.

IS YOUR ORGANIZATION PREPARED FOR WHAT'S COMING?

A Strategic View on Sales Disciplines

Aligning to C-Level Goals – Your Starting Point

- What customer priorities do we have?
- How do we want to position ourselves to our customers?

- What do we offer today and what are our priorities?
- Are we selling solutions or are we price driven?

- How do we align talent with our objectives?
- Where will we invest?

- What are our priorities around roles, process, and engagement model?
- Do we have the capacity to grow to our goals?

- Where do we need to see growth?
- Are there financial initiatives underway?

Customer — Product — Coverage — Financial — Talent

C-Level Goals

Q: What are your C-Level Goals?

Q: What are your biggest sales challenges to achieving them?

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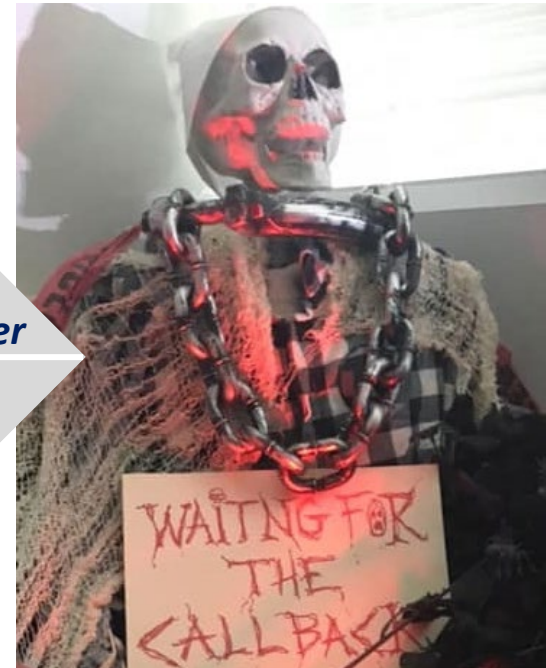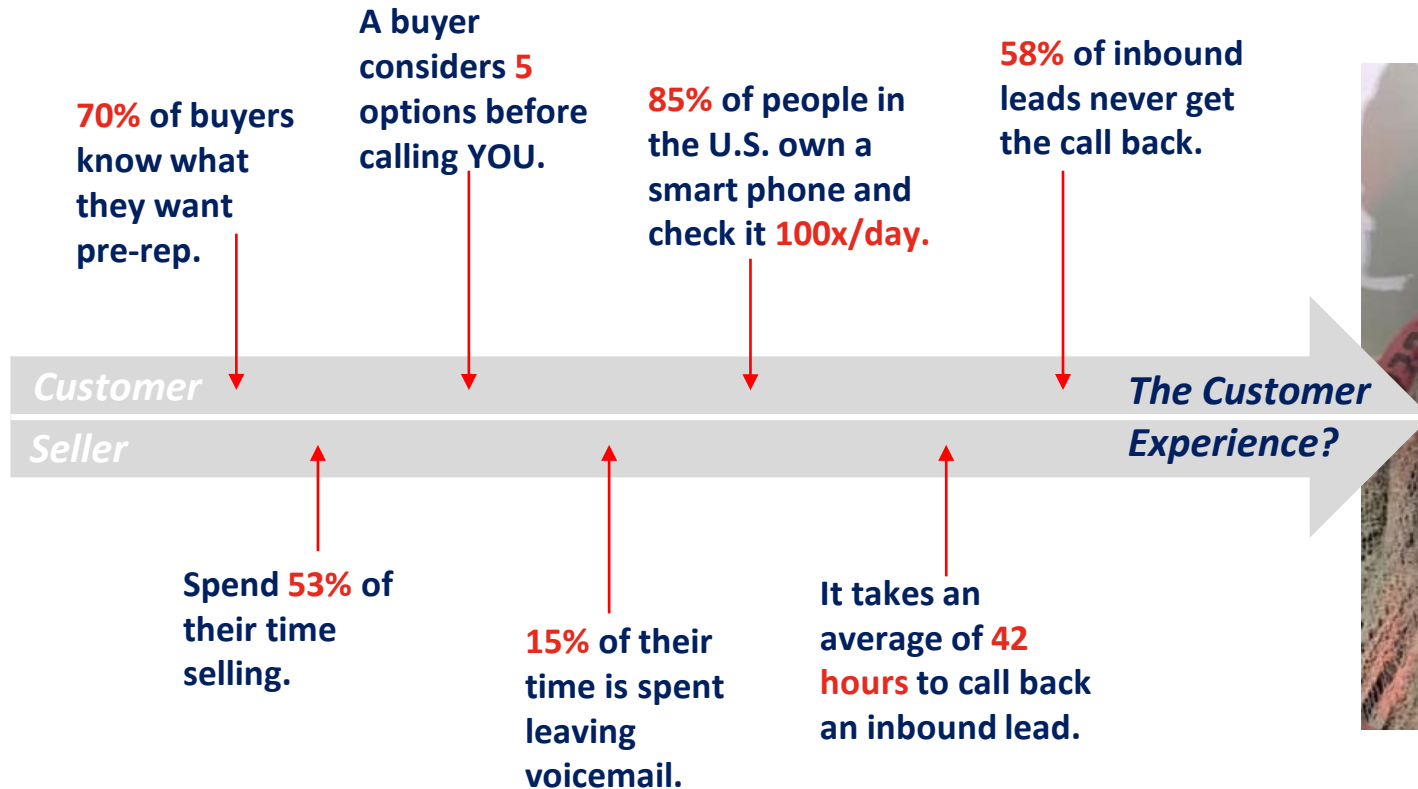# THE MODERN SALES STRUCTURE
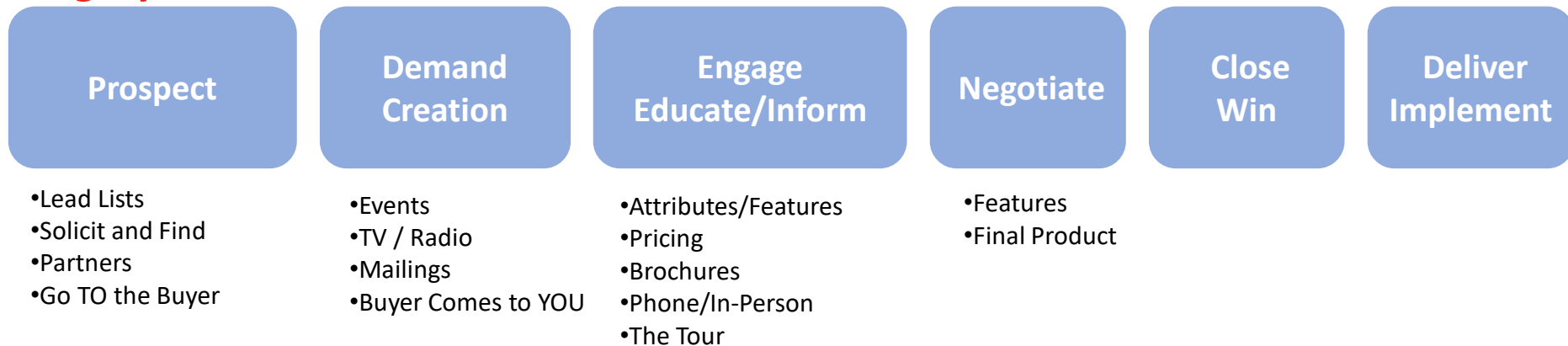
Factors Influencing the Modern Sales Structure

Sales Complexity (y-axis) vs **Time** (x-axis)

- Primarily Field
- Localization
- Catalog Phone Orders
- Globalization
- Inside Sales Growth B2B Center of Excellence
- Pressures for Efficiency
- Evolution of Trusted Advisor
- Technology Innovation
- Age of the Informed Buyer
- New Sales Roles Teaming
- Teleweb
- Evolution of Technology
- COVID Acceleration
- Omnichannel – Trusted Advisor Here to Stay

Technology Impact on the Buying Experience

70% of buyers know what they want pre-rep.

A buyer considers 5 options before calling YOU.

85% of people in the U.S. own a smart phone and check it 100x/day.

58% of inbound leads never get the call back.

Customer

Seller

The Customer Experience?

Spend 53% of their time selling.

15% of their time is spent leaving voicemail.

It takes an average of 42 hours to call back an inbound lead.

Changing Expectations – The Sales Process

Legacy

Prospect	Demand Creation	Engage Educate/Inform	Negotiate	Close Win	Deliver Implement

- Lead Lists
- Solicit and Find
- Partners
- Go TO the Buyer

- Events
- TV / Radio
- Mailings
- Buyer Comes to YOU

- Attributes/Features
- Pricing
- Brochures
- Phone/In-Person
- The Tour

- Features
- Final Product

Today

Omnichannel

Trusted Advisor

Plan	Engage	Discover Qualify	Value Proposition	Agree	Negotiate	Close Win	Deliver Implement

Evolution of Technology

Informed Buyer

Changing Expectations
The Buyer Seller Dynamic

Omnichannel　　　　　**Trusted Advisor**

| Plan | Engage | Discover Qualify | Value Proposition | Agree | Negotiate | Close Win | Deliver Implement |

- ✓ Audience Specific
- ✓ Targeted Messaging
- ✓ Where and How Buyer Wants to Engage
- ✓ **Omnichannel Ready**

- ✓ Authentic
- ✓ Knowledgeable
- ✓ **WHY Choose YOU?**
- ✓ **Personal Brand** Matters as Much as the Company Reputation
- ✓ Alignment with Buyer's Beliefs

- ✓ **Product Differentiation**
- ✓ What's Your Promise?
- ✓ What's Your Guarantee?
- ✓ Trusted Status Gained

Changing Expectations
The Buyer Seller Dynamic

*"**It's a very noisy world** and we're not going to get a chance to get people to remember much about us…*
***The way to do that is not to talk about [features and benefits].** It's not to talk about why we are better than [ ]...Remember, Nike sells a commodity – they sell shoes!!! And yet when you think of Nike you feel something different than a shoe company. In their ads, as you know, they don't ever talk about the product…*
Our customers want to know who [we are] and what we stand for".
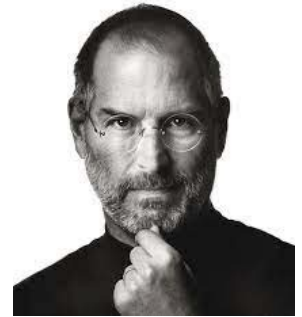
1997

The Six Dimensions of a Sales Role

The Six Dimensions of a Sales Role

Build referrals with the hospital, Dr, nurse, family and friends…

Administration CRM, forms and documents

Manage the **move-in**

Post-move in **satisfaction** check-ins

Deliver the best **tour** experience

Demonstrate differentiation

Digital marketing and inbound leads

Build connections with the ecosystem: adult child, caregiver, family, future resident…

Sales Strategy Responsibility

Management Responsibility

Marketing, Technical, Ops Responsibility

Product Responsibility

Market Segment and Channel Responsibility

Sales Process Responsibility

Sales Role Dimensions

Modern Sales Roles

| Plan | Engage | Discover Qualify | Value Proposition | Agree | Negotiate | Close Win | Deliver Implement |

1
Business Development Rep

2
Front-Line Sales Rep

3
Specialist

4
Client Success Rep

5
Client Support Rep

- Inbound lead response
- Outbound lead generation
- Lead qualification

- Deep discovery
- Value proposition
- Problem Solver
- Trusted Advisor

- Deep product knowledge
- Supports front-line sales rep
- Subject Matter Expert

- Manages renewals and changes in services
- Knows the client and anticipates their needs

- Manages and resolves issues
- The client "go to" for all non-sales related activity

"Teamwork makes the dream work"
John C. Maxwell

Q: What sales roles do you use today?

Q: What would you change?

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Sales Structures
Which Model is Right For You?

Inside ●
- Fast sales cycle, simple sales
- Popular with call centers, digital lead follow-up

Field Sales ●
- Relies on face-to-face interaction with prospects

Sales Support ●
- Decontaminates the field sales role
- Helps to manage sales activities, including post-sale

Sales Teaming ●
- Client views sales as "my team"

New Post-COVID Hybrid Models

Sales Teaming

Field Sales

Sales Support

Pre-Covid Trend

Inside Sales Evolving Roles

Inside Sales Transactional

High / Low — **Customer Experience**

Low / High — **Sales Impact**
Cost, Training, Level of Effort
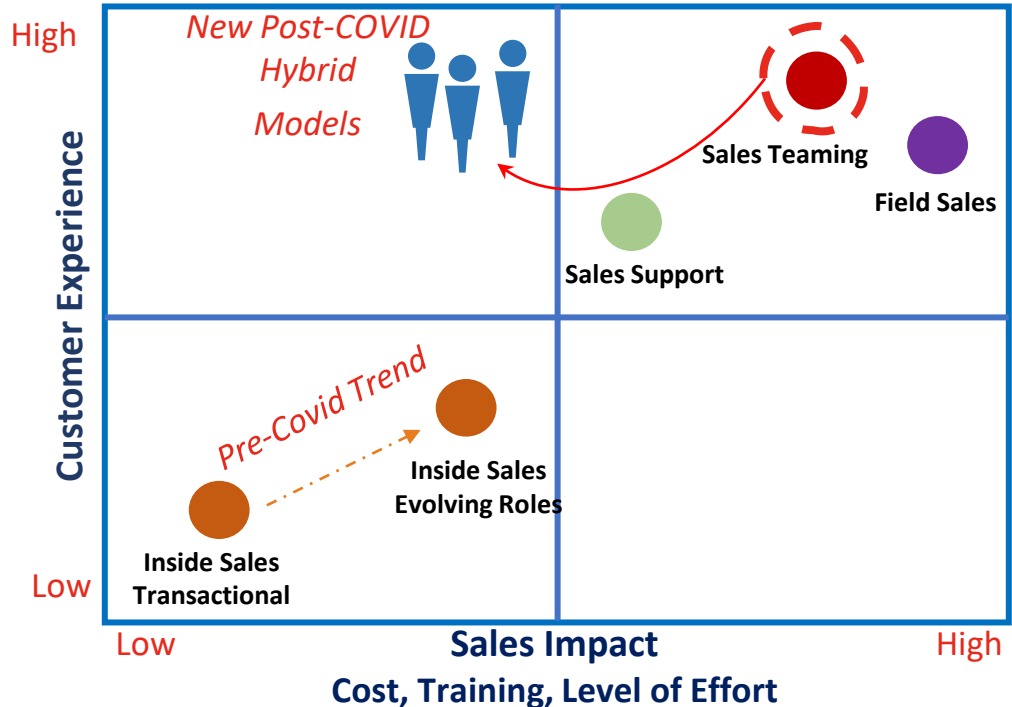
MODERN SALES MANAGEMENT

A Bird's Eye View on Sales Capacity and Market Opportunity
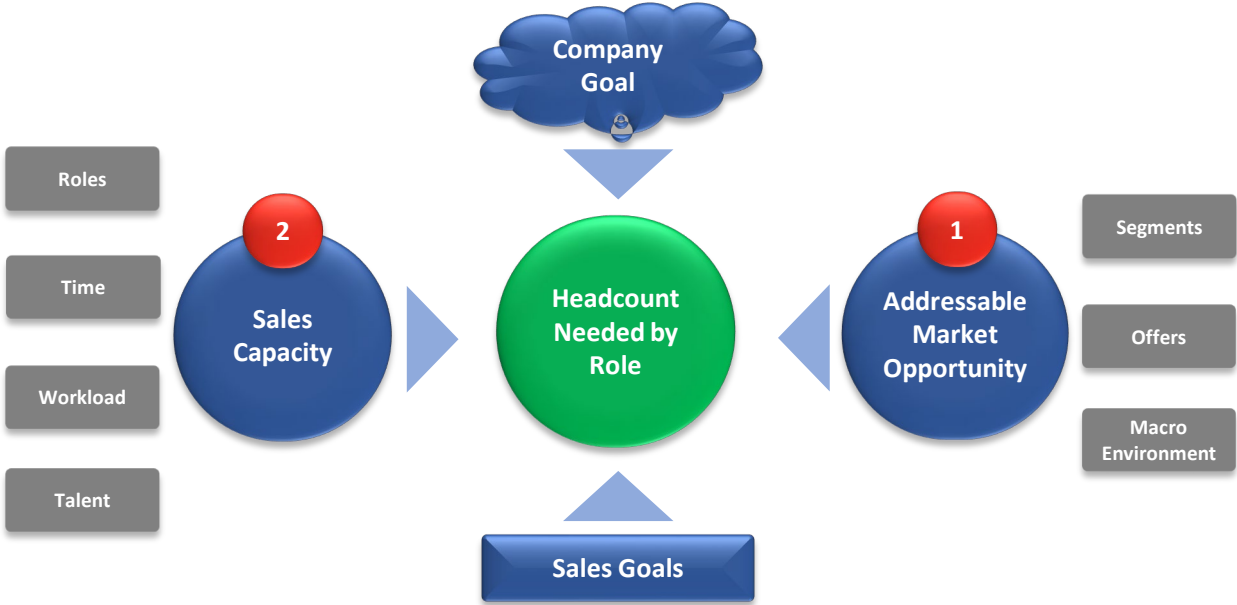
Determining Sales Capacity

$$\frac{\text{Sales Time}}{\text{Workload per Resident Won}} = \text{Number of Residents Won per Year} \times \text{Average Revenue per Resident} = \text{Annual Sales Capacity}$$

Determining Sales Capacity – An Example

$$\frac{\text{Sales Time}}{\text{Workload per Resident Won}} = \text{Number of Residents Won per Year} \times \text{Average Revenue per Resident} = \text{Annual Sales Capacity}$$

$$\frac{\substack{\text{1,000 hrs.} \\ \text{(2,000 hrs. x 50\% Sales Time)}}}{\text{42 hrs.}} = \text{24 Residents Won per Year} \times \$75,000 = \substack{\$1,800,000 \\ \text{per Rep}}$$

How can you increase sales capacity looking at the components above?

1. **Time.** Decontaminate roles to increase sales time.
2. **Workload.** Decrease workload per resident through pipeline management.
3. **Average Revenue per Resident.** Increase initial sale size or increase penetration for current.
4. **Role Improvements.** To shift and lift.
5. **Talent.** Inventory and develop your team.

Inputs – Understanding Where the Time Went

Capturing time by category can reveal where You are losing productivity.
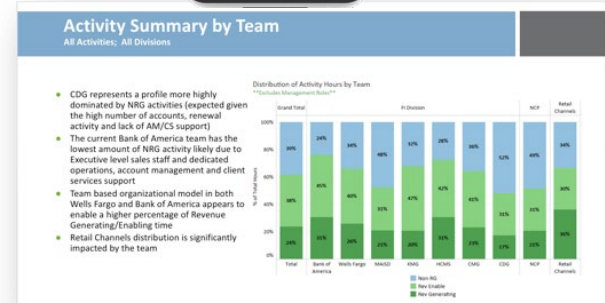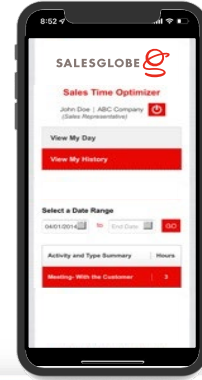
Understanding Where the Time Went – A Real Example

Revenue Generating Activities 44%
- Prospecting & Qualifying **34%**
- Analyzing Customer Needs
- Developing Solutions & Proposals
- Presenting Solutions
- Negotiating & Closing
- Solution Implementation

Revenue Enabling Activities 15%
- Call / Meeting Planning
- Client Entertainment
- CRM Updates
- Internal Solution Review & Approvals
- Tradeshow / Conference
- Training - Product or Solution
- Travel - Customer Related

Non-Revenue Generating Activities 41%
- Dealing with Customer Problem (Specify)
- Administration - Misc.
- Email Administration (non-customer related)
- Internal Meeting (non-customer related)
- Internal Reporting
- Order Management/Invoicing
- Training - Other (specify)
- Other (specify in comments)

Opportunity to decontaminate their Primary Sales Role

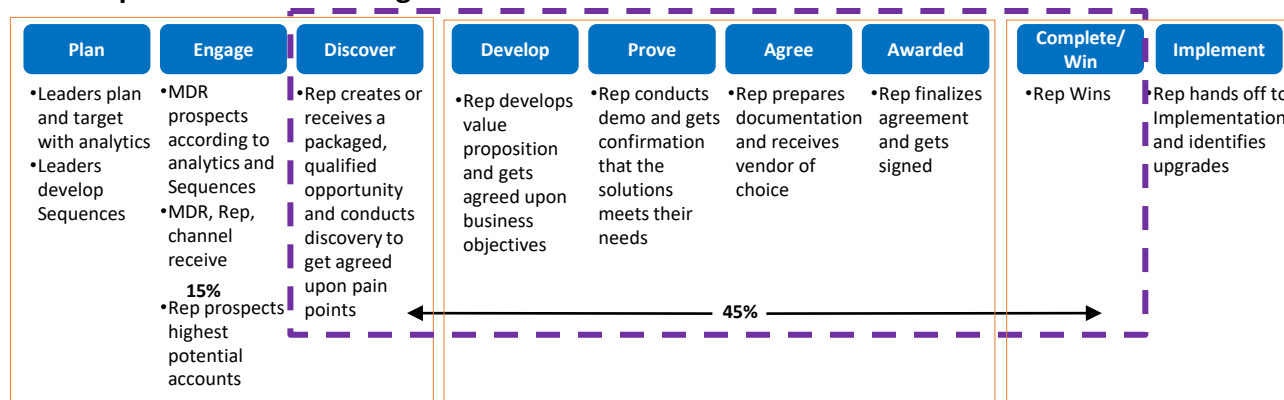# Putting it to Work in the Sales Process

ORIGINAL Process: Sales Rep function included marketing, prospecting and selling activities.

- **34% Prospecting**
- **25% Selling activities**
- **41% Non-selling time**

Sales Activity

Prospect	Create	Qualify	Develop	Prove	Negotiate	Complete/ Win	Implement
•Rep and SDR prospect •MRT, SDR, Rep channel receive	•Rep, SDR, MRT conduct discovery	•Rep, SDR, MRT create qualified opportunity	•Rep develops value proposition and conducts demo	•Rep prepares documentation	•Rep finalizes agreement	•Rep wins	•Rep hands off to Services and identifies upgrades
34%			23%			2%	

NEW Process: By leveraging MDR role for marketing and lead generation, Sales Rep time shifts to selling activities.

- **15% Prospecting**
- **45% Time spent on selling activities**
- **40% Non-selling time**

Plan	Engage	Discover	Develop	Prove	Agree	Awarded	Complete/ Win	Implement
•Leaders plan and target with analytics •Leaders develop Sequences	•MDR prospects according to analytics and Sequences •MDR, Rep, channel receive **15%** •Rep prospects highest potential accounts	•Rep creates or receives a packaged, qualified opportunity and conducts discovery to get agreed upon pain points	•Rep develops value proposition and gets agreed upon business objectives	•Rep conducts demo and gets confirmation that the solutions meets their needs	•Rep prepares documentation and receives vendor of choice	•Rep finalizes agreement and gets signed	•Rep Wins	•Rep hands off to Implementation and identifies upgrades
			45%					

Financial Impact of Increasing Selling Time

Sales Time Optimizer

If the Organization Increases Its Sales Time Percent to:	Each Rep Would Have This Many Hours of Sales Time:	Incremental Revenue per Rep Assuming 50% of Current Revenue Productivity Would Be:		Total Revenue per Rep Would Be:		Which Would Have This Incremental Revenue Impact to the Organization:
50%	1,000	$	-	$	1,800,000	$ -
51%	1,020	$	18,000	$	1,818,000	$ 216,000
52%	1,040	$	36,000	$	1,836,000	$ 432,000
53%	1,060	$	54,000	$	1,854,000	$ 648,000
54%	1,080	$	72,000	$	1,872,000	$ 864,000
55%	1,100	$	90,000	$	1,890,000	$ 1,080,000
56%	1,120	$	108,000	$	1,908,000	$ 1,296,000
57%	1,140	$	126,000	$	1,926,000	$ 1,512,000
58%	1,160	$	144,000	$	1,944,000	$ 1,728,000
59%	1,180	$	162,000	$	1,962,000	$ 1,944,000
60%	1,200	$	180,000	$	1,980,000	$ 2,160,000
61%	1,220	$	198,000	$	1,998,000	$ 2,376,000
62%	1,240	$	216,000	$	2,016,000	$ 2,592,000
63%	1,260	$	234,000	$	2,034,000	$ 2,808,000
64%	1,280	$	252,000	$	2,052,000	$ 3,024,000

Decontaminating sales roles can have a significant impact on productivity

For example, for an organization 12 quota bearing reps that spends only 50% of its time selling (the average across organizations), **for each additional 5% selling time at only 50% of the current revenue per hour yields an additional $1M in sales capacity.**

Q: How much time do your people spend selling?

Q: How much time should your people spend on sales activity?

Q: What should we start, stop and keep doing?

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MOTIVATING YOUR BIGGEST ASSET

Increasing pay is the top action to attract and retain talent
Sales role headcount continues to increase - but is not meeting projected hiring levels

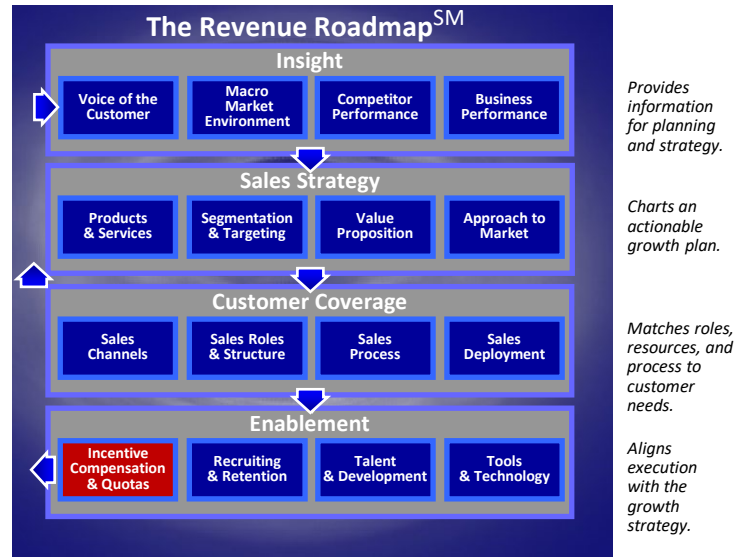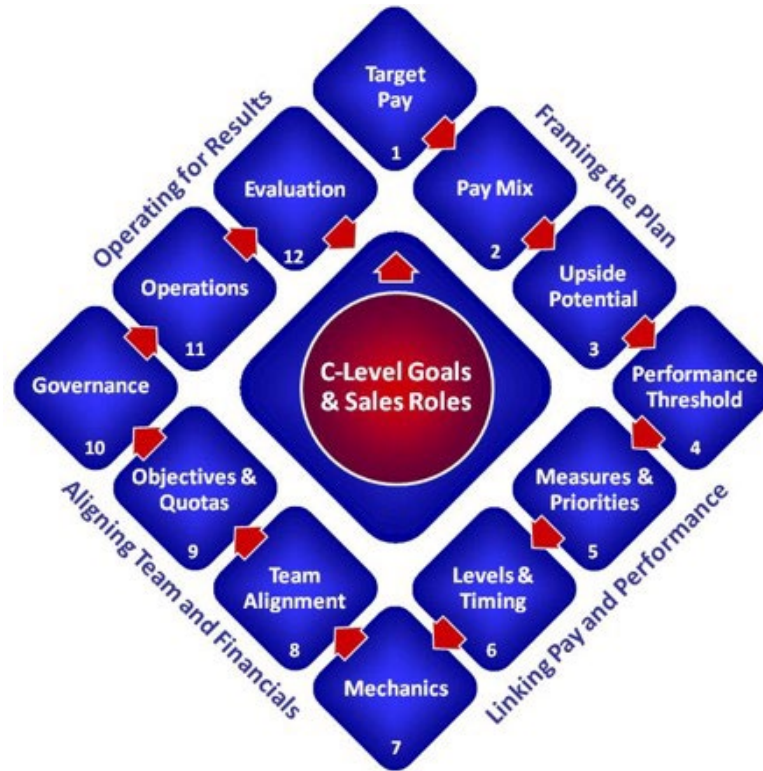### Actions to Reduce Voluntary Turnover

Action	%
Increase base pay	52%
Increase incentive earning opportunity	42%
Offer hybrid (part in office/part at home)	37%
Offer 100% remote position	26%
Enhanced rewards and recognition program	25%
Offer one time retention bonus	23%
Offer additional PTO	14%
Other	3%
We are not taking action	13%
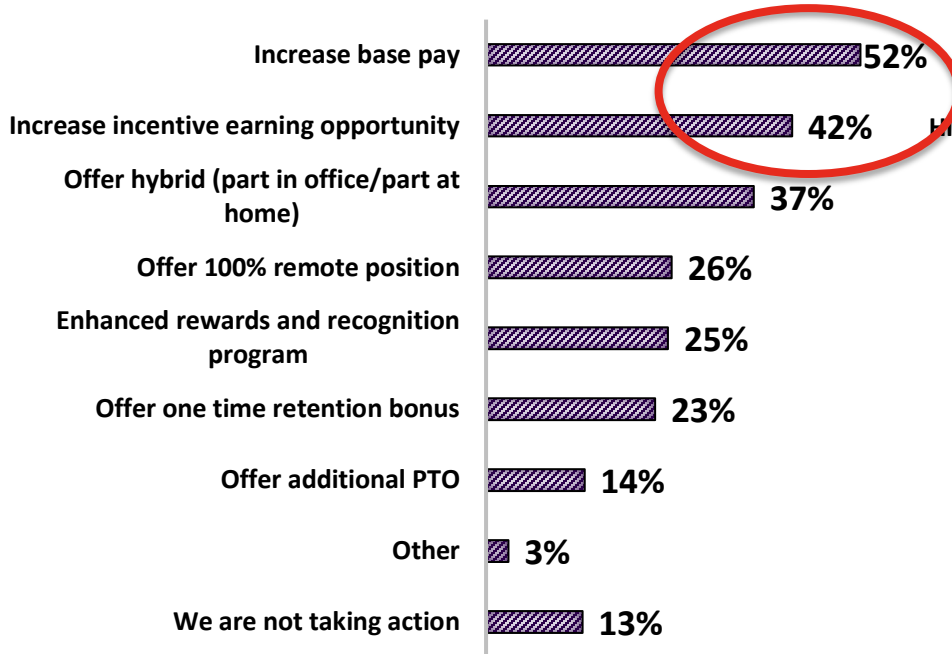
Actions to Acquire New Sales Talent

Action	%
Higher starting base pay	50%
Higher incentive earning opportunity	39%
Offer one time sign bonus	34%
Offer hybrid (part in office/part at…	33%
Offer 100% remote position	27%
Expand candidate pool (outside of…	24%
Offer additional PTO (outside of…	14%
Other	4%
We are not taking action	11%
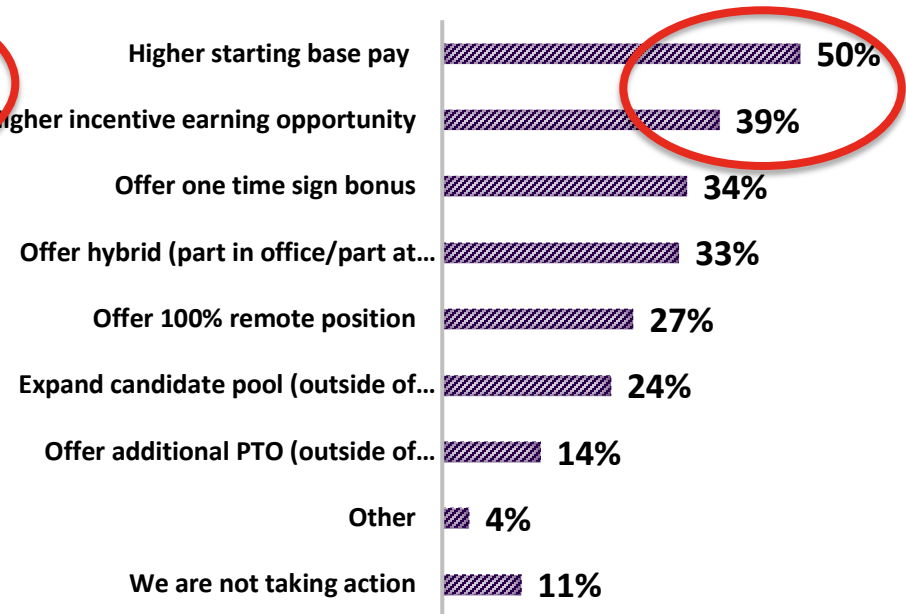
•SalesGlobe and WorldatWork Survey 2022 Sales Compensation Pay and Practices (600 Companies)

A Strategic View on Sales Disciplines

The Revenue Roadmap[SM]

Insight — Provides information for planning and strategy.
- Voice of the Customer
- Macro Market Environment
- Competitor Performance
- Business Performance

Sales Strategy — Charts an actionable growth plan.
- Products & Services
- Segmentation & Targeting
- Value Proposition
- Approach to Market

Customer Coverage — Matches roles, resources, and process to customer needs.
- Sales Channels
- Sales Roles & Structure
- Sales Process
- Sales Deployment

Enablement — Aligns execution with the growth strategy.
- Incentive Compensation & Quotas
- Recruiting & Retention
- Talent & Development
- Tools & Technology

The Sales Compensation Diamond

Building Blocks of Sales Compensation
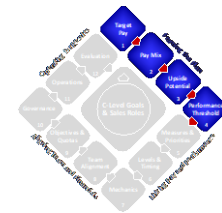
Target Total Compensation (TTC). The amount of pay that a role is expected to earn at 100% of expected performance. Using TTC provides a benchmark that you can use in comparison to external market data and evaluate internal equity for similar roles.

Target Total Compensation (TTC)

Upside Potential 30%+

Target Incentive 30%

Base Salary 70%
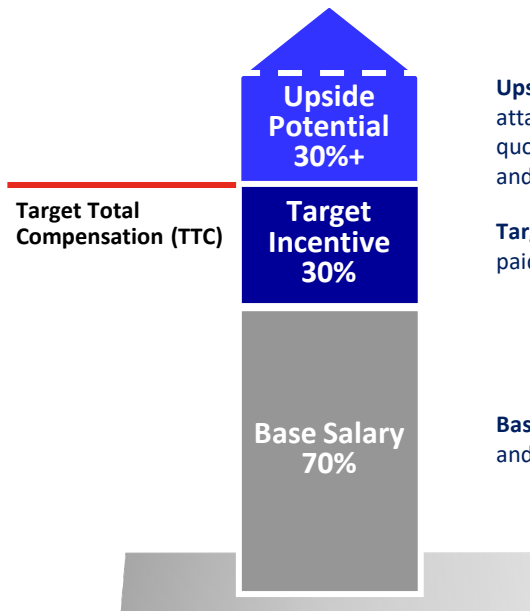
Upside Potential (aka Leverage). The earning level that can be attained by a top performer, typically at the 90th percentile of quota attainment. Upside potential refers to an earnings point and is not necessarily a pay cap.

Target Incentive (TI). The value of an incentive to be paid for attaining 100% of sales goal.

Base Salary. Pays for the core responsibilities of a job and some minimal level of sales performance.

A Pay For Performance Plan
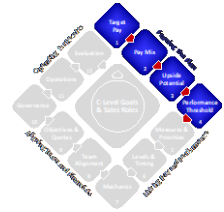
Key Points

- If a certain level performance is expected without the sales rep's involvement, typically a threshold is used. No incentive pay is earned until the threshold is reached.

- Once quota is reached, the rep earns 100% of target incentive.

- As performance increases, so does the incentive pay as determined by the excellence multiple.

Excellence
$150,000

Upside Pay

TTC
$100,000

Target
Incentive

Base Salary
$70,000

Pay

Threshold
$100,000

Quota
$400,000

Excellence
$900,000

Upside Quota

Performance
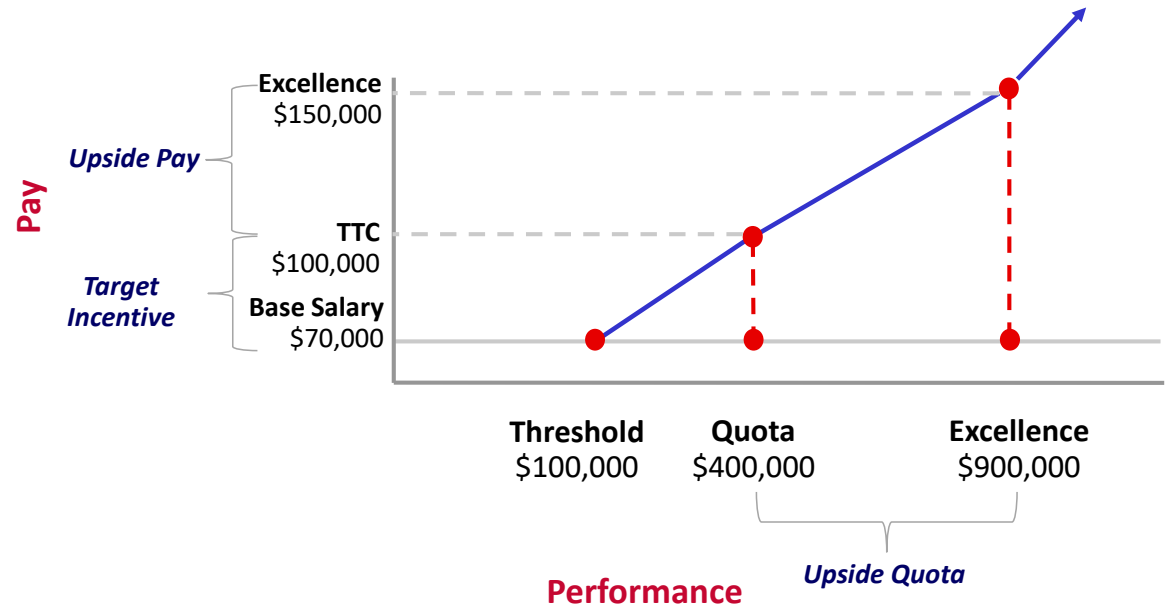
Some Best Practice Take Aways

- Align your plan to your C-Level Goals and roles.

- Create motivational pay at risk and upside.

- Keep your plans simple and easy to understand.

- Use 3 or fewer measures in your plan.

- Financially model your plans to deliver the ROI that you need.
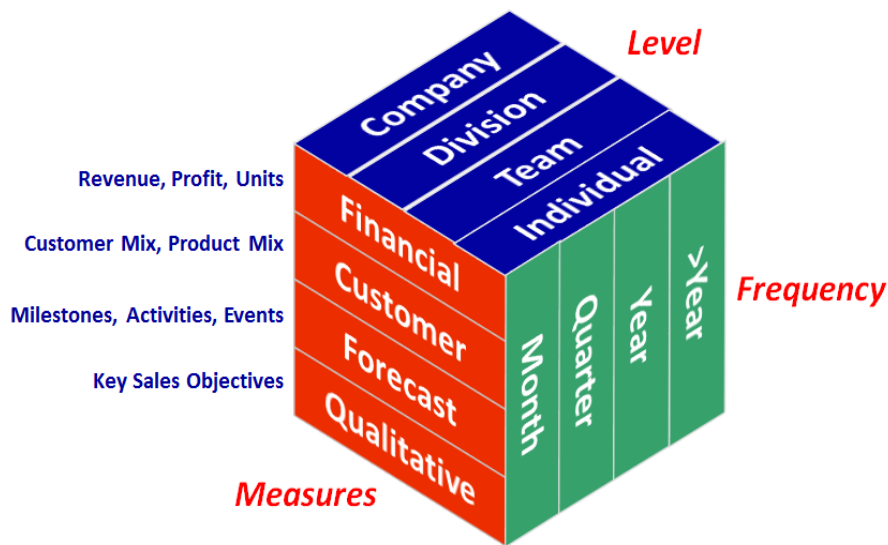
MERGERS
AND
ACQUISITIONS

What You Want To Know

Top M&A Challenges
Compensation - Role Alignment - Sales Team Integration

2021 was a top year for M&A activity- and is still going strong...
- More than $5T in volume (2021).

Outcomes for Sales
- Synergies
- Revenue growth
- Retaining acquired company revenue

Look to the challenges as your starting point to address the outcomes
- Start with role alignment
- End with incentive compensation alignment

Biggest Challenges for M&A **2022**

Challenge	2022
Role definition and alignment across the organizations	53%
Incentive compensation alignment	54%
Total target compensation and pay levels across the organization	53%
Integration of the Sales organization	47%
Cultural Differences	31%
Alignment on performance expectations	29%

3 Types of Synergy Expectations

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Cost Synergies

Reducing overall cost by combining the companies.

Revenue Synergies

Selling more products and services as a merged organization.

Capital Synergies

Reducing the cost of capital for the company.

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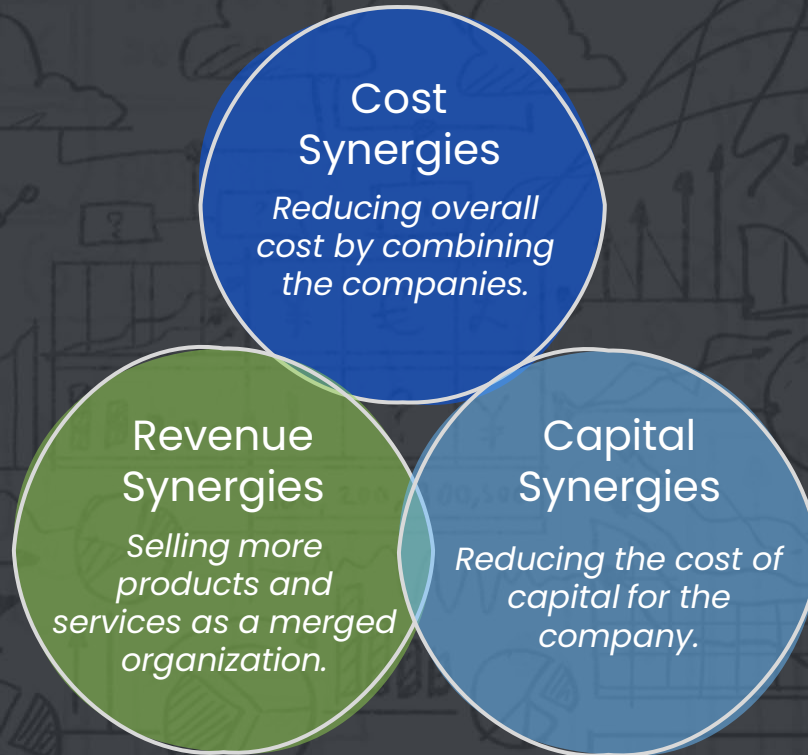
Outcomes that Depend on Sales

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Revenue Synergies
Selling more products and services as a merged organization.

- **Cross-Selling**

- **New Product Solutions, Bundles**

- **Geographic Expansion**

- **Segment and Sector Expansion**

Cost Synergies
Reducing overall cost by combining the companies.

- **Sales Capacity Improvement**

- **Headcount Reduction**

- **Streamlined Processes**

20% of revenue synergy potential comes from cross-selling

19% of companies achieve the cross-sell goal*

*2020 study McKinsey. Capturing Cross-Selling Synergies in M&A

Our Story: Problem-Solving for Sales

- Rethink Sales Podcast- M&A (Spotify, Apple)

- Get the books for great practices (Amazon)

- Talk with us for advice and action (SalesGlobe.com/contact-us)

Our Story: Problem-Solving for Sales

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Things We Have Learned That Really Work

1. **Create a Common Language.** Yes, you are going to have to build a dictionary! Build a simple terminology ledger for each company that includes language used today, and what you are building for the newly merged team.

2. **Develop Simple Messages.** Keep messaging clear and applicable to a CEO. Don't show a lot of complexity and detail (but have the detail to back it up).

3. **Maintain a Central Position of Truth.** Your team will respect and appreciate your point of view and clear expectations rather than being open and non-committal or vague.

4. **Analytics and Facts.** Make sure your communications are backed up with data and proof sources.

5. **Simplify Complexity.** Simple is Smart. Guide your team out of the complexity of what they're dealing with by simplifying how they should think about and approach the job ahead.

6. **Logic-Based Decisions and Step to Step Flow.** Your team has to be able clearly see how we are all getting from point A to point B.

6. **When Good is Good Enough: MVP.** You have to make the judgment call about when good is good enough and not try and get to perfect.

7. **Get Specific on Implementation and Operations.** Get beyond the big bullets and help the team convert directives into action.

8. **People and Change.** Just because we say it should happen and we want it to happen doesn't mean it will happen. <u>Pay attention to the people dynamics, buy-in, opposition, and the need for continuous communications and feedback.</u>

9. **Relationship and Trust.** Build relationship with your team and be honest and as transparent as you can. Don't air any dirty laundry. Support the vision and where we are going. If you don't know something, tell them you don't have an answer yet, and when you think that you will.