

Driving Sales Results in Any Economy

Executive Summary of the 2010 Miller Heiman Sales Best Practices Study

For most businesses, 2009 was a tough year. Virtually every industry felt the effects of this historic recession. Companies cut costs and tightened their teams to unprecedented levels. Amazingly, there were businesses that actually thrived. But how, you ask? How did companies achieve results in such a challenging economy? What did their sales organizations do differently that produced results?

Miller Heiman, the leading sales performance consulting and training company, answers these questions every year in an annual study that produces thought-provoking results. This year was no exception. The *2010 Miller Heiman Sales Best Practices Study* engaged respondents ranging from account managers to high-level executives with the objective of analyzing how the behavior of a World-Class Sales Organization is different from that of the average sales organization. To qualify as a World-Class Sales Organization, the companies followed a wide range of best practices in six key sales performance areas. This year, only 4.6 percent of respondents qualified as World Class as opposed to 7 percent in 2009, leading to the conclusion that during a time of economic turmoil, many organizations found it challenging to stick to proven sales best practices.

2010: Best Practices of World-Class Sales Organizations

When looking at the data from this year's study, three key findings emerged that differentiated World-Class Sales Organizations. These three areas are highlighted by strictly following best practices that keep the customers in the center of their sales process and executive leaders actively engaged in sales development.

Defining a World-Class Sales Organization in 2010

World-Class Sales Organizations are companies that adhere to a broad array of best practices to ensure the best possible sales results. Here is a look at how the activities in this study are organized.

- Creating Opportunities**
 World-Class Sales Organizations keep their sales funnels filled with high-quality opportunities by applying well-defined prospecting plans.
- Managing Opportunities**
 World-Class Sales Organizations have a clearly defined methodology to guide them in winning new business.
- Managing Relationships**
 World-Class Sales Organizations are proactive in managing relationships and spend more time with key accounts, especially at the executive level.
- People and Organization**
 World-Class Sales Organizations know why their top performers are successful and use that information to improve their sales force's performance.
- Support and Enablement**
 World-Class Sales Organizations utilize infrastructure, technology, and programs to enhance sales performance.
- Management Execution**
 Management in World-Class Sales Organizations align their organization to meet the needs of their customers and executive leadership takes an active role in the sales process.



Working Smart

In World-Class Sales Organizations, the sales organization was clearly aligned with business objectives in driving their top-line number. The study indicated that 2009 saw sales organizations diving into lots of activity driven more by panic than by planning, such as cold calling and discounting. On the other hand, World-Class Sales Organizations were four times more likely to apply comprehensive prospecting plans that focused on customers with a higher probability of moving through the sales cycle.

Furthermore, World-Class Sales Organizations engaged their executives through formal programs to align them with the client's executives at strategic points in the sales process, not in reactive roles. Overall, World-Class Sales Organizations simply worked smarter by staying disciplined in applying best practices. As a result, these organizations were more likely to see revenue growth.

Fig. 1



Fig. 2



Fig. 3



Demographics

Included in this analysis are 1,502 responses collected between September and October 2009. The responses are exclusive to those selling in a complex selling environment.

Job Title

C-Level Executive, President/GM

15%

Sales VP/Director, Sales Manager, Sales Operations

49%

Sales Reps, Business Development, Account Management

28%

Training, Marketing, Human Resources, Client Services

8%

Sales Force Size

1-9 Salespeople

32%

10-24 Salespeople

16%

25-99 Salespeople

19%

100-249 Salespeople

12%

250-749 Salespeople

11%

750+ Salespeople

10%

Customer is King

The study, once again, validates a trend that has been seen year after year where World-Class Sales Organizations make their customer the highest priority and keep them at the center of their sales process. Nearly all, 97 percent, of World-Class Sales Organizations say they have intimate knowledge of why their customers buy from them. What's more, 90 percent have a solid understanding of their customers' needs, which enables them to more easily adapt to any changes in their customers' world.

At a high level, World-Class Sales Organizations know that it is not just about creating the better product or service in relation to their competition. Rather, World-Class Sales Organizations understand how they can fit with each customer's business needs. When asked about initiatives in 2009 that produced results, the World-Class participants responded that getting closer to customer's issues and involving higher-levels of decision makers were the top two most effective initiatives that produced results. On the whole, making the customer a high priority helped World-Class Sales Organizations stay strong and competitive.

Fig. 4

We know why our customers buy from us.

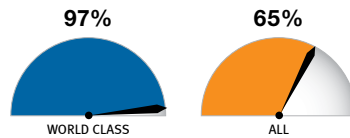


Fig. 5

Our organizational structure allows us to easily adapt to our customers' changing needs.

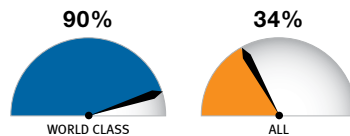
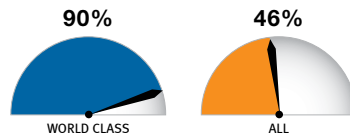


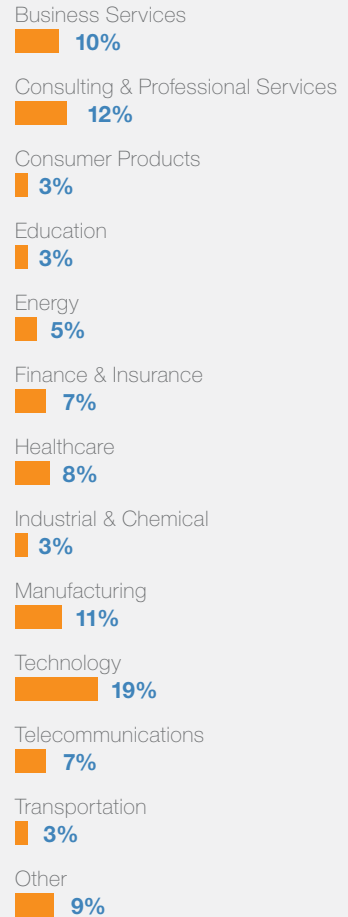
Fig. 6

Our salespeople have a solid understanding of our customers' business needs.



Demographics (continued)

Industry



Follow the Leader

Leveraging executives in a formalized manner has proven to be a key element that sets World-Class Sales Organizations apart from other organizations. More than 94 percent of World-Class Sales Organizations report that executives are actively involved in the sales process. This tactic not only ensures strong relationships but it helps executives understand the needs of the customer more intimately. Furthermore, it ensures the sales team is getting the support and resources they need to be effective.

Managers in a World-Class Sales Organization are four times more likely to spend time coaching their teams in behaviors that drive results. What's more, managers leverage the tactics of their top salespeople in their team's development strategy. In summary, the more consistently managers and executives were involved with their teams, the better the result.

Fig. 7

Our executive leadership is actively engaged in our sales process.

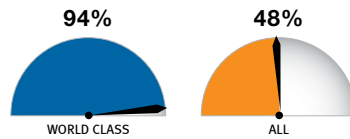


Fig. 8

In an average month, our sales managers definitely spend adequate time coaching each individual on the sales team.

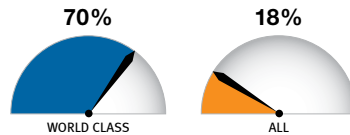
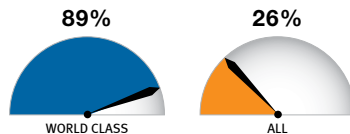


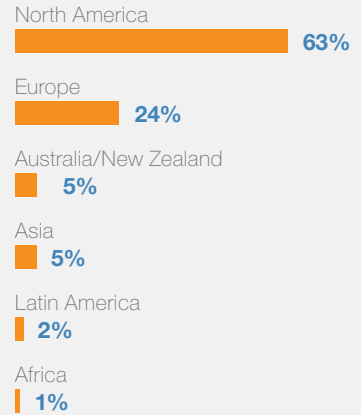
Fig. 9

We leverage the best practices of our top performers to improve everyone else.

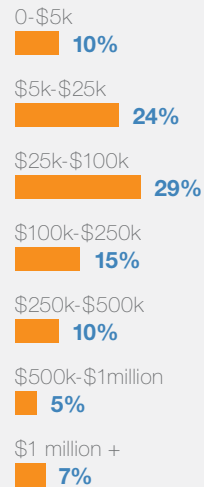


Demographics (continued)

Geography



Average Deal Size



A Disciplined Approach Increases Results

The 2010 Miller Heiman Sales Best Practices Study found direct links between applying best practices and achieving results in the metrics that influence an organization's revenue growth.

We examined each of the elements in this Study for its impact on driving these metrics.

Element	Metric
Creating Opportunities: Targeting and gaining access to prospects, scoping their needs, and qualifying opportunities.	Number of Qualified Opportunities 60% (World Class) vs 38% (All) Percentage of respondents who reported year over year growth
Managing Opportunities: Resourcing qualified opportunities and managing the sales process through closing.	New Account Acquisition 77% (World Class) vs 47% (All) Percentage of respondents who reported year over year growth
Managing Relationships: Protecting and growing strategic accounts	Average Account Billing 46% (World Class) vs 32% (All) Percentage of respondents who reported year over year growth
People & Organization: Organizing, staffing, developing and managing a high-performance sales force.	Quota Achievement 48% (World Class) vs 26% (All) Percentage of respondents who reported year over year growth
Management Execution: Aligning the organization and driving behaviors essential for success.	
Support & Enablement: Providing infrastructure and programs to enable sales productivity improvement.	Forecast Accuracy 60-79% (World Class) vs 40-59% (All) Average accuracy reported by respondents

The Study indicates that, even in a down year, World-Class Sales Organizations were still able to produce results in the areas that matters the most, including revenue growth. By being invested and committed to their best practices, World-Class Sales Organizations were better situated to weather the storm of 2009 and position themselves for growth in 2010.

Sales Best Practice Benchmarking

Compare your organization against the Miller Heiman Sales Best Practices Study benchmark data. Our custom benchmarking services provide sales leaders with a powerful, interactive change management tool to aid in data-driven decision making and the transference of best practices. Miller Heiman clients use custom benchmarking reports to define new initiatives, modify existing strategies, and provide validation to overcome resistance to change.

Applying the principles- where do you go from here?

How can Miller Heiman help your organization become a World-Class Sales Organization?

Miller Heiman is the proven leader and innovator in sales execution, with more than 30 years of helping businesses grow profitable sales. Our easily repeatable methodologies, combined with a tradition of research and thought leadership, helps firms of all sizes win complex sales. The renowned *Miller Heiman Sales System*® provides companies with a framework to help them reach tangible results such as lower cost of sales, shorter sales cycles, and improved close rates.

Headquartered in Reno, Nevada, Miller Heiman has additional corporate offices in the United Kingdom and Australia and offers programs worldwide in 15 languages.

For more information on how Miller Heiman can help your organization meet its sales performance objectives visit www.millerheiman.com.