SHOW ME THE MONEY, BUT THE RIGHT MONEY PLEASE!

PART 4: HOW DO I GIVE SELLING TIME BACK TO MY SELLERS?

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In our series, "Show Me the Money, But the Right Money Please!" A&M Private Equity Performance Improvement Managing Director, Cliff Hall, discusses the framework behind an effective commercial strategy that drives profitable sales, margin improvement, customer success and cash flow.

Given the complexity of the current economy, shaped by the challenges of rising interest rates and inflation, marked by volatile markets, shifting business models, and financially strained vendors and customers, it' is essential for organizations to take proactive steps now to drive profitable sales and commercial performance. Interest rates and inflation have become dominant forces steering economic dynamics.

Companies must gain a clear understand of where they are making money and be strategic around how and where they go to market. This forms the basis for a holistic approach to identify and apply the levers to create value and transform the commercial function to deploy it cost effectively.
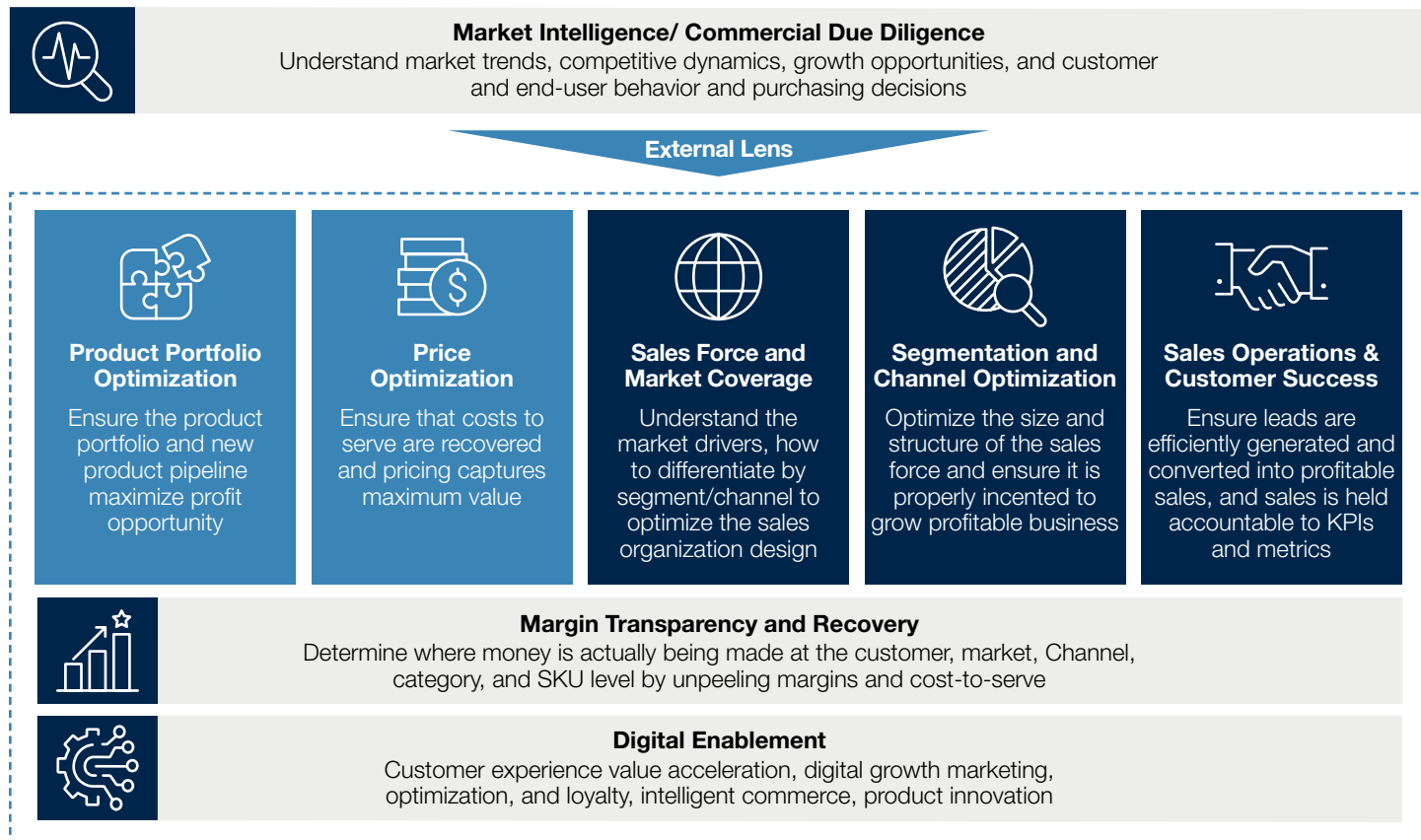
In Part II of our series we talked about the structure and model of your sales organization, and in Part III we introduced optimizing selling time for sellers to drive profitability. In Part IV, we expand on how the Sales Operations Organization and digital experience can be leveraged to achieve tactical revenue expansion to answer five key questions:

- **Does your sales operations plan and processes give selling time back to your sales team?**
- **How much time does your sales team spend on non-revenue generating activities?**
- **Does your digital experience complement your sales strategy?**
- **Does your customer journey create customer stickiness to reduce cost-to-serve?**
- **Do you have a robust sales dashboard to help drive accountability?**

A&M COMMERCIAL EXCELLENCE APPROACH
A&M's strength in execution drives a differentiated commercial excellence approach, divided into six key areas

We identify and drive end-to-end cross-functional change for sustainable EBITDA growth

Market Intelligence/ Commercial Due Diligence
Understand market trends, competitive dynamics, growth opportunities, and customer and end-user behavior and purchasing decisions

External Lens

Product Portfolio Optimization	**Price Optimization**	**Sales Force and Market Coverage**	**Segmentation and Channel Optimization**	**Sales Operations & Customer Success**
Ensure the product portfolio and new product pipeline maximize profit opportunity	Ensure that costs to serve are recovered and pricing captures maximum value	Understand the market drivers, how to differentiate by segment/channel to optimize the sales organization design	Optimize the size and structure of the sales force and ensure it is properly incented to grow profitable business	Ensure leads are efficiently generated and converted into profitable sales, and sales is held accountable to KPIs and metrics

Margin Transparency and Recovery
Determine where money is actually being made at the customer, market, Channel, category, and SKU level by unpeeling margins and cost-to-serve

Digital Enablement
Customer experience value acceleration, digital growth marketing, optimization, and loyalty, intelligent commerce, product innovation

Once you have set your corporate growth goals and you can clearly communicate them to the organization, it is time to clear the path for execution! The main objective is giving your sales force the ability to do what they do best; **SELL.**

DOES YOUR SALES OPERATIONS PLAN FOCUS ON GIVING SELLING TIME BACK TO YOUR SALES TEAM?

A successfully executed **sales operations plan** has a continual focus on giving back selling time to the sales team. By continuing to ask yourself where in the process you might have overlaps, inconsistencies, and/or gaps, you will identify areas of improvement and time savings that can lead to EBITDA expansion.

There are six primary areas of the sales process, and it is key to understand where your sales organization is spending the majority of their time.

SELLING TIME SURVEYS: HOW MUCH TIME DOES YOUR SALES TEAM SPEND ON NON-REVENUE GENERATING ACTIVITIES?

Prospecting	**Negotiations**
Call/Meeting Preparation	**On-Going Relationship Management**
Sales Cycle/Follow-Up	**Non-Selling Activities**

Selling Time Surveys are used to analyze what percentage of a sales force's time is dedicated to revenue generating activities in order to get a pulse for where possible pain points may be occurring. Whether a seller is a hunter or a farmer, or an Inside or an Outside sales representative, **the time each commits every day to revenue generating activities should be 70-80 percent.**

When you implement a new process or add a step for compliance or strategy, you need to evaluate how the new processes impact your sales organization. Are your internal processes maximizing the sales force's daily allocation of selling time, or are they adding extra administrative tasks to the sales process?

Some of the key analytics to understand in a selling time survey are how much time / how many steps does it take your sellers to complete the sales cycle:

1. Enter a lead or prospect into CRM
2. Prospect/ Client research
3. Setup / attend tradeshows
4. Create a sales presentation
5. Log and report on KPIs
6. Request marketing materials
7. Check a price
8. Create a proposal
9. Place an order
10. Solve or escalate a service issue
11. Create an expense report
12. Handle a billing or collections issue
13. Mitigate an internal IT challenge
14. Attend recurring meetings / calls
15. Hand-off to the order execution team

In a recent engagement, an optimization strategy that developed a new role to free up sellers time, create continuity in the relationship management process, and enhance the customer experience, showed seller capacity increased by ~20 percentage points. This capacity can now be used to hunt new propsective clients, drive margin expansion initiatives, or spend time providing enhanced service to a client or partner.

DOES YOUR DIGITAL EXPERIENCE COMPLEMENT THE SALES, GTM, AND GROWTH STRATEGY?

One of the ways you can give selling time back to your sellers is to provide them with an effective and automated **Digital Assets and Digital Experience** strategy, one that is integrated into a seamless experience from brand awareness and engagement through sales conversion and customer support. This digital experience starts with lead generation, SEO/paid search, and social media, helping to generate warm leads for the sales organization. Your sales and service efforts should be aligned with a mobile app experience for ordering, self-service, data collection, marketing, etc. Your digital footprint should complement the efforts of your sales and service organization, with a UX/UI experience that helps to automate the sales process once a customer is within your ecosystem. A successful digital experience will help give back more selling time to your sellers, create more loyalty with your clients and partners, and drive recurring business.

CUSTOMER SUCCESS: DOES YOUR CUSTOMER JOURNEY CREATE A STICKINESS THAT REDUCES COST-TO-SERVE?

Part of a successful digital experience is understanding the **Customer Journey** to ensure customer success. Having clear insight into each customer touchpoint and how it affects the customers experience will guide your digital transformation efforts and sales strategy. An optimized customer journey will create stickiness with your customers, clarify your true cost-to-serve, identify continuous process improvement levers, drive recurring business, and reduce churn rate. A solid alignment between customer touchpoints, including sales, legal, implementation, operations, supply chain, customer care, digital experience, etc., is critical for long-term revenue expansion. How do all parties work together for a seamless customer experience? When executed properly, you will be able to see the measurable impact that a clean customer journey has on your overall NPS (Net Promoter Score).

When thinking about a Customers Journey Map, many organizations don't consider all customer touchpoints, or identify inconsistent customer service processes across locations and business lines. This causes overlap of responsibilities, resulting in multiple resources handling the same process, driving up cost-to-serve, and causing a direct hit to EBITDA and overall customer satisfaction.

In Part II we talked about customer segmentation and how a customer or prospect aligns to the sales organization. **The customer journey map shouldn't end at the point of sale, it should be just beginning. Below are some of the questions you should ask to support the creation of your customer journey map.**

| What is the process to on-board a new client? | When issues arise is the client going back to the sales resource for help or is there an efficient service model in place? | How does a customer engage with the company when there is a day-to-day issue vs an escalated problem? | How are invoices sent and A/R collected? | What is your referral process and is there an incentive to drive new business? | How does your digital footprint complement the efforts of the sales and service team? | Do you have an off-boarding process to leave a great impression even when a client is leaving you? |

To be sure these workflows are aligned and provide for an ideal customer experience, you need a targeted sales operating model that operates with key levers, including process improvements/standardization, differentiated levels and access for support, and organization structure harmonization. This includes standardizing order entry, reducing downstream administrative work, and paving a path to continual long-term improvement.

Data transparency is central to a successful Sales Operations organization. Analyzing the cost-to-serve model of customers and products will inform go-to-market strategy. Analyzing the sales and organizational process will help drive EBITDA growth and build a culture of collaboration with your sales and service organization. **The key to data transparency, is that is must be a two-way street.** Many organizations do a good job at tracking the sales team KPIs, pipeline, call notes, pricing guidelines, etc. However, just as important is the data that is shared with the sales organization to help them make informed decisions.

DO YOU HAVE A ROBUST SALES DASHBOARD THAT PRODUCES THE RIGHT DATA TO DRIVE ACCOUNTABILITY?

Sales Dashboards are essential for sales organization visibility and generating the right activities. Once you have developed an enhanced sales support structure with governance and operating cadences, it is important to provide sales management the tools to drive accountability. This data needs to be at a seller level to help achieve revenue and margin targets.

The Sales Leadership and Management Dashboard should provide the ability for your sales leaders to understand (by rep), at a quick glance:

- Number of new business prospecting calls
- Pipeline metrics (dollars and number of deals)
- Sold/won conversion rates
- A measurement of customer facing activities
- How the metrics rank by rep, leader, region, division, etc. (performance rankings) vs. internal targets/ goals

The Sales Rep Dashboard should provide tools and data that help guide the sales team's day and make the salesforce more productive. Data should drive behavior – **On-going transparency into customer revenue, profitability, potential risks, and keys to successful growth will empower your sellers to make the best day-to-day decisions to drive EBITDA growth.**

THE SALES REP DASHBOARD SHOULD SHOW EACH SALES REP AN INDIVIDUAL SNAPSHOT
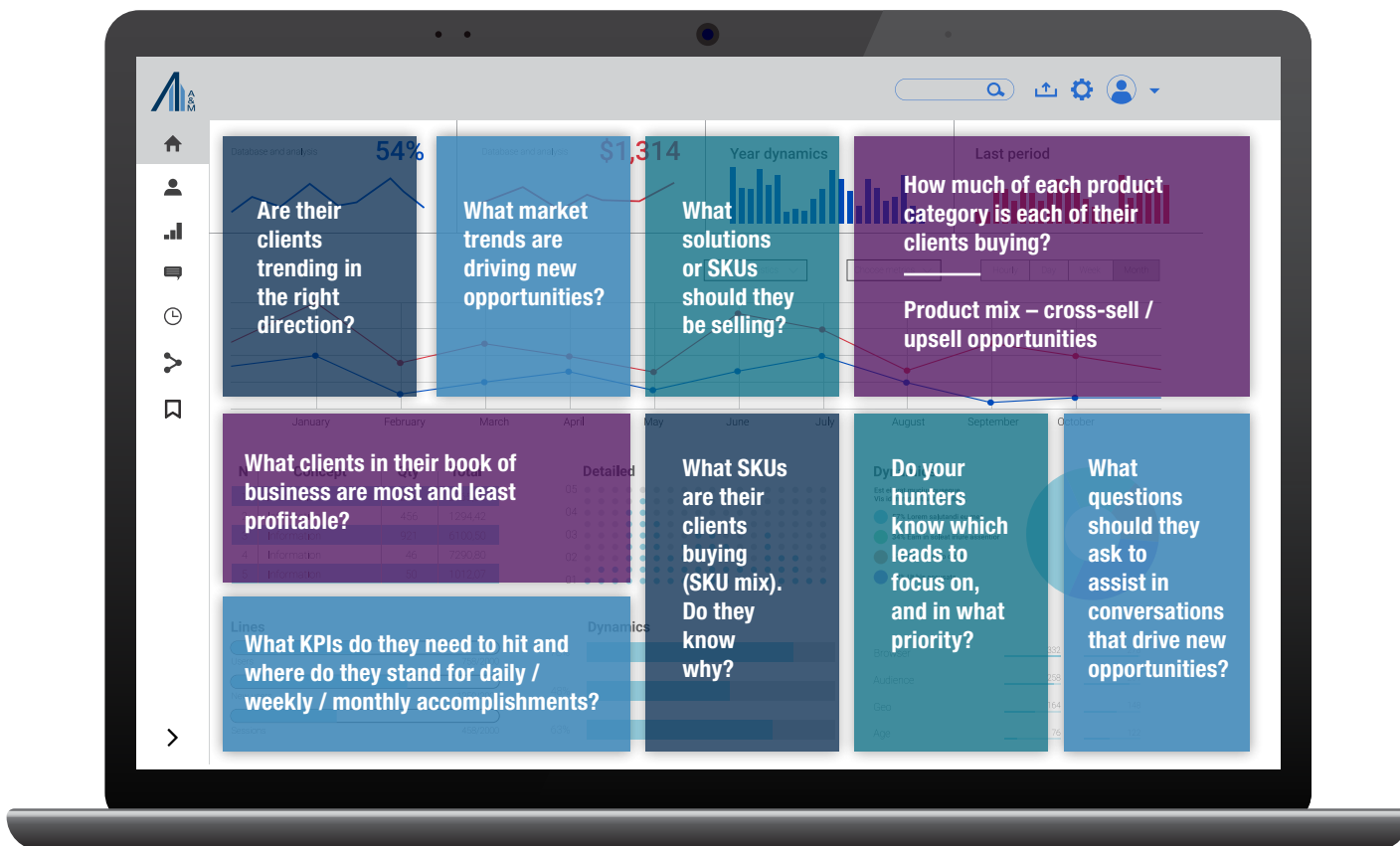
Your sales dashboard should also include real time insight into the **Sales Incentive Plan**. Salespeople are competitive by nature, and they are driven by compensation. As discussed in Part III of our series, y**our sales incentive plan should be crafted to align to your corporate goals and stive for pay-for-performance.**

With the constant evolution of business today, it is critical to clearly and effectively, communicate the goals and objectives of the organization to the sales team, and how the larger corporate goals impact them as individual team members. It is just as important for the sales team to communicate to leadership with data that can be used for analysis and decision making.

We have found that implementing these action-oriented levers, with two-way communication, will help ensure that everyone is rowing in the same direction, creating a successful sales organization and driving tactical revenue and margin expansion.

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With over 9,000 people providing services across six continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.
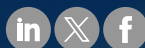
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