Targets that motivate sales

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Theory on target setting

1. Clarity: Clear & concise

2. Challenge: Challenging to the right level

3. Commitment: Accepted by the individual

4. Feedback: Timely and accurate performance feedback

5. Task-Complexity: At right level and broken down in bit-size chunks

Source: Locke & Latham

Every sales and sales organization has a mix of three traits

Profile = mix of behavioural preferences

Business developer
Using external and internal context and resources to create new business

Farmer
Maximize share of wallet in the known environment in a proactive way

Service
Using post-sales and service to build loyal relationships that generate new opportunities

Case: Sales Profile

Mix of three traits per region
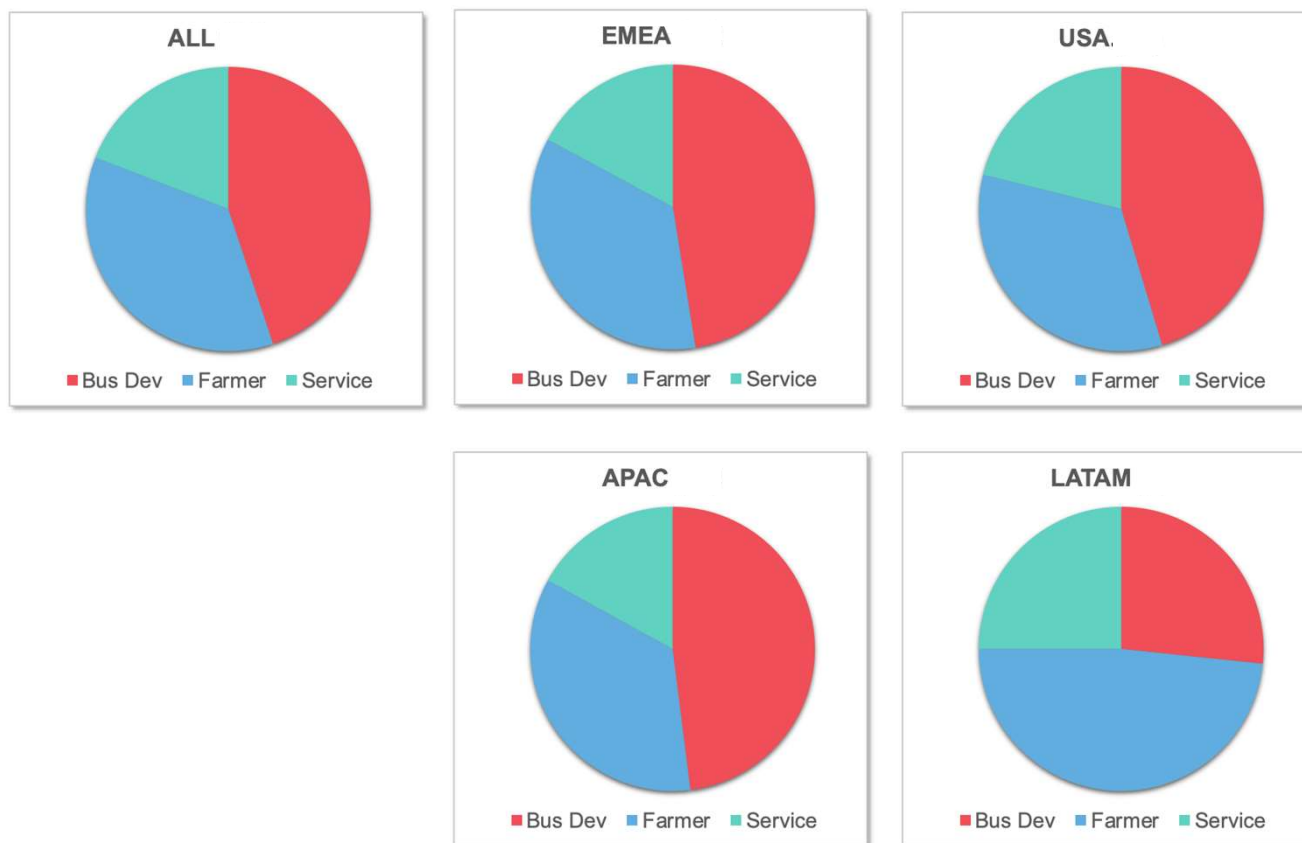
Case: target setting in line with energizers

Team 1   Team 2

Autonomy

Involvement

Learning & development

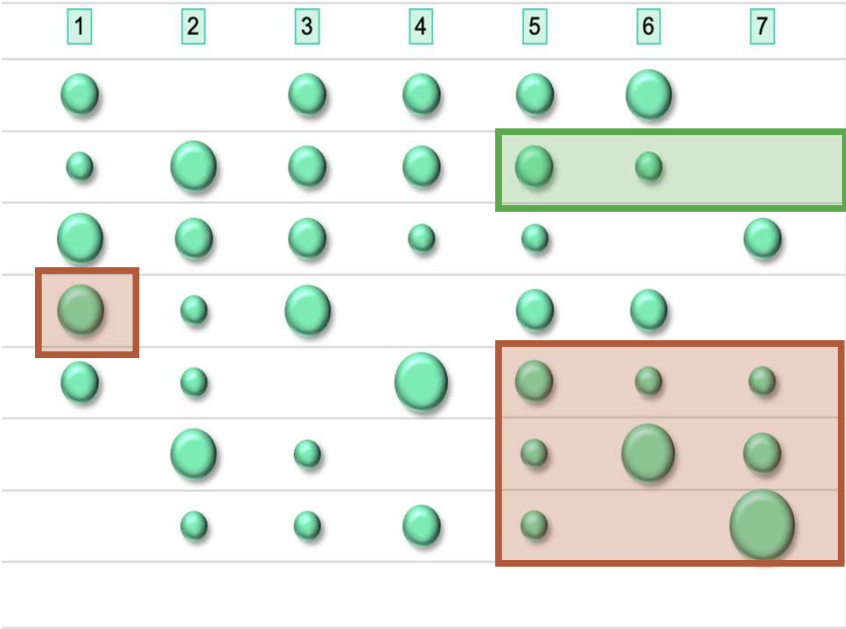Personal: being recognized

Social: make customers happy

Teamwork: score as a team

Winning: meeting sales quota

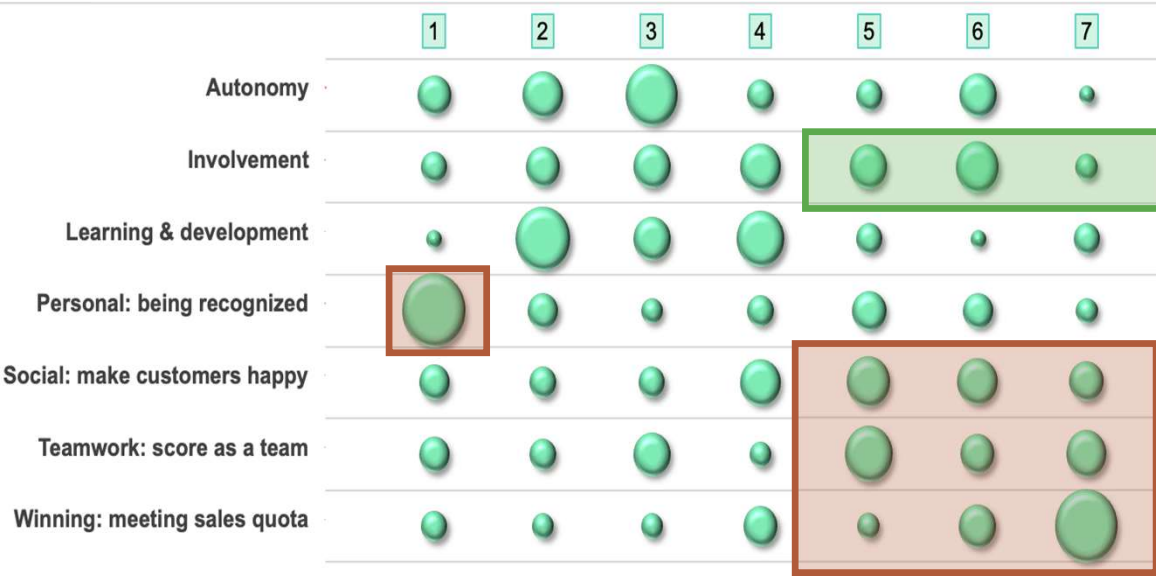Count of numbers - comparison of teams
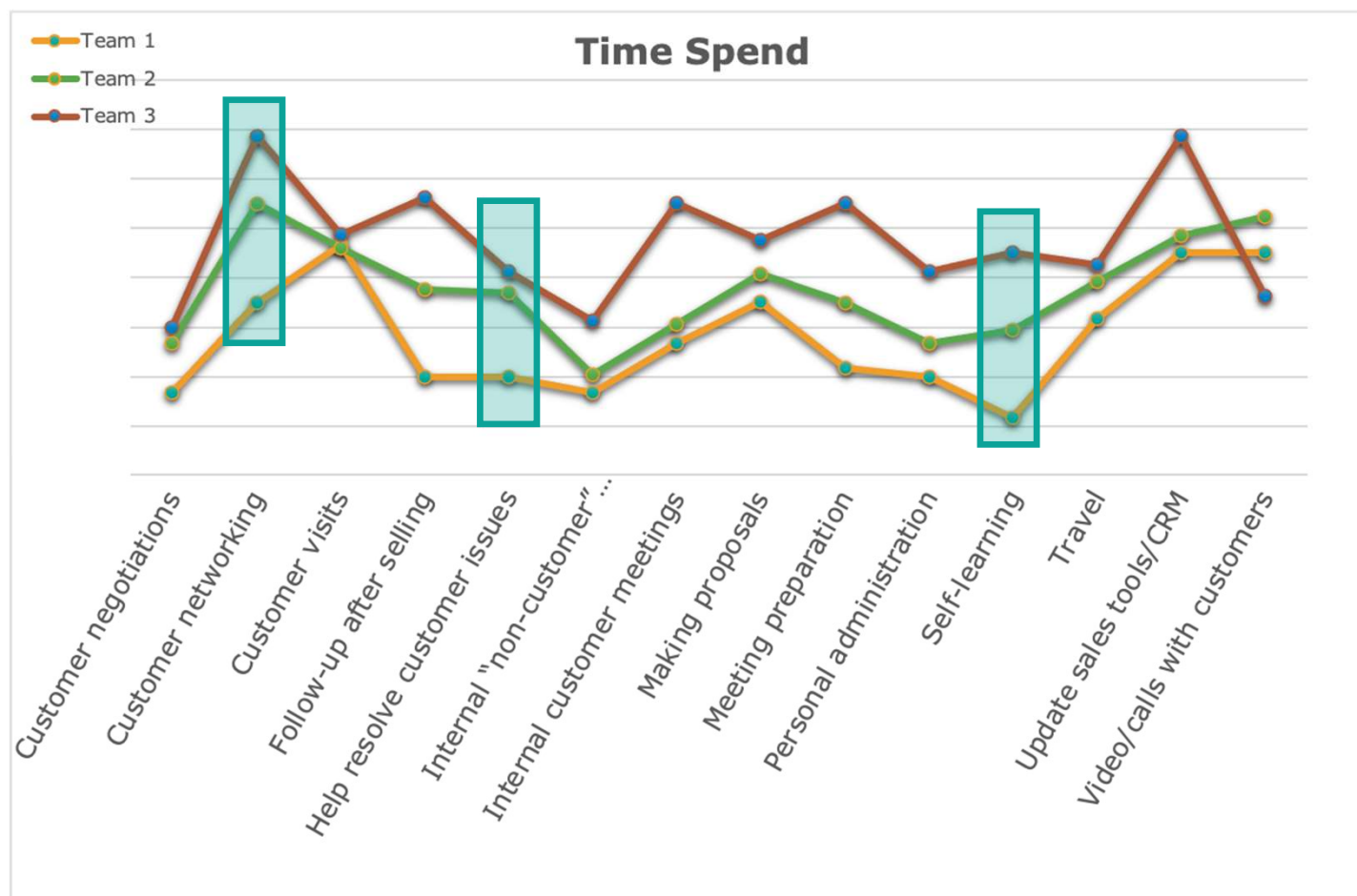
Case: target setting in line with energizers
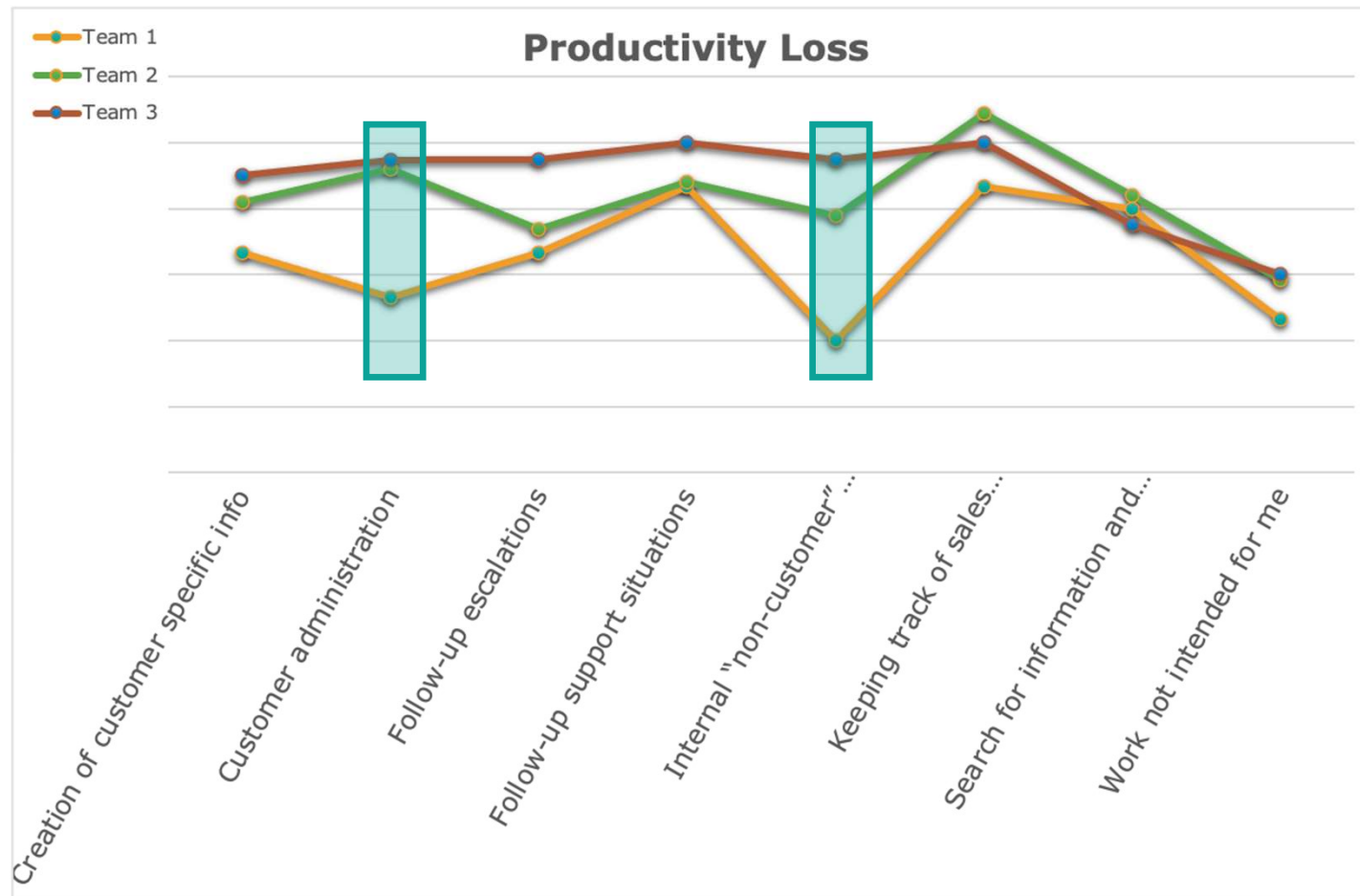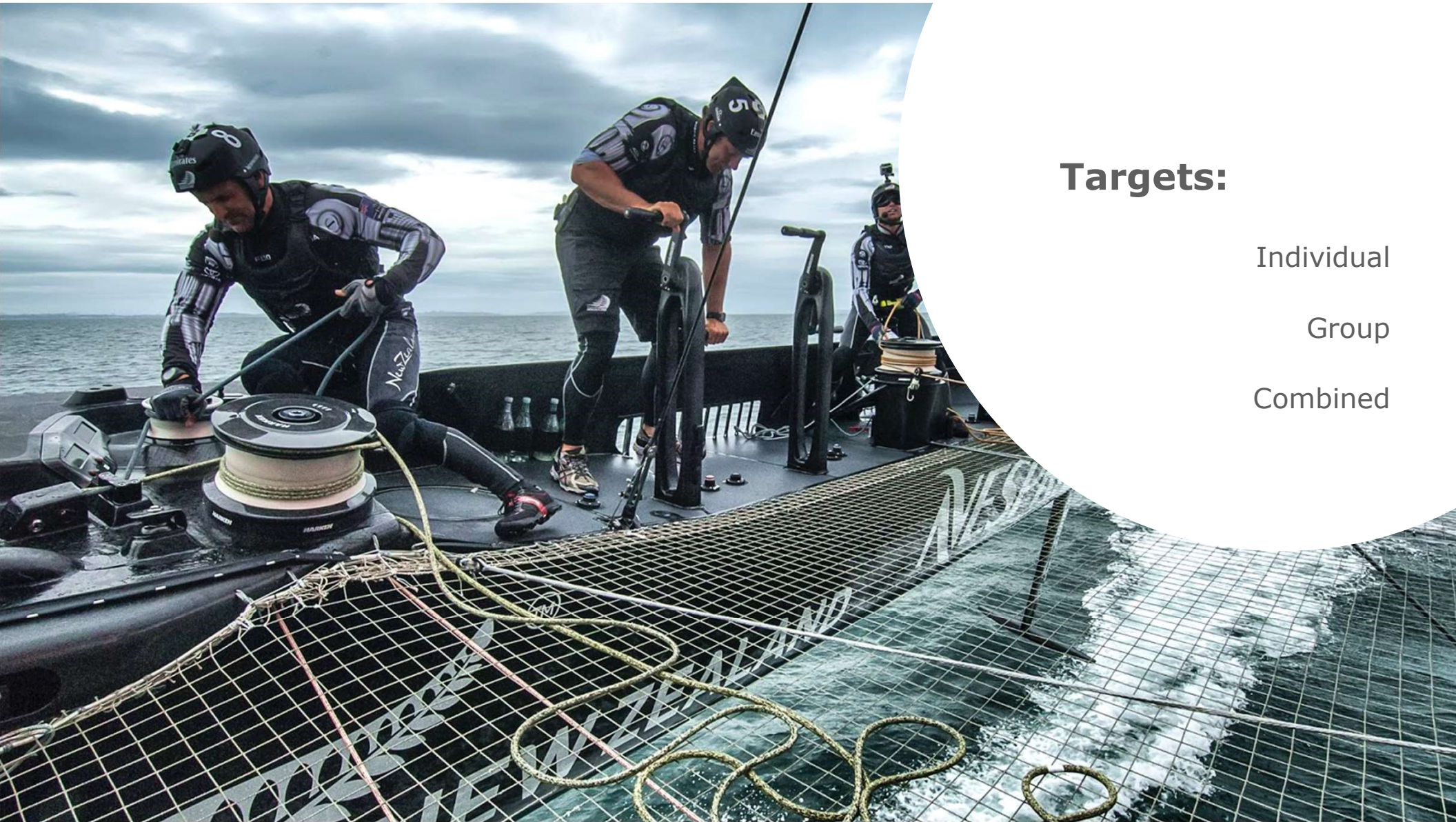

Team 1   Team 2

Count of numbers - comparison of teams

Case: Time Spend

Case: Productivity Loss

Targets:

Individual

Group

Combined
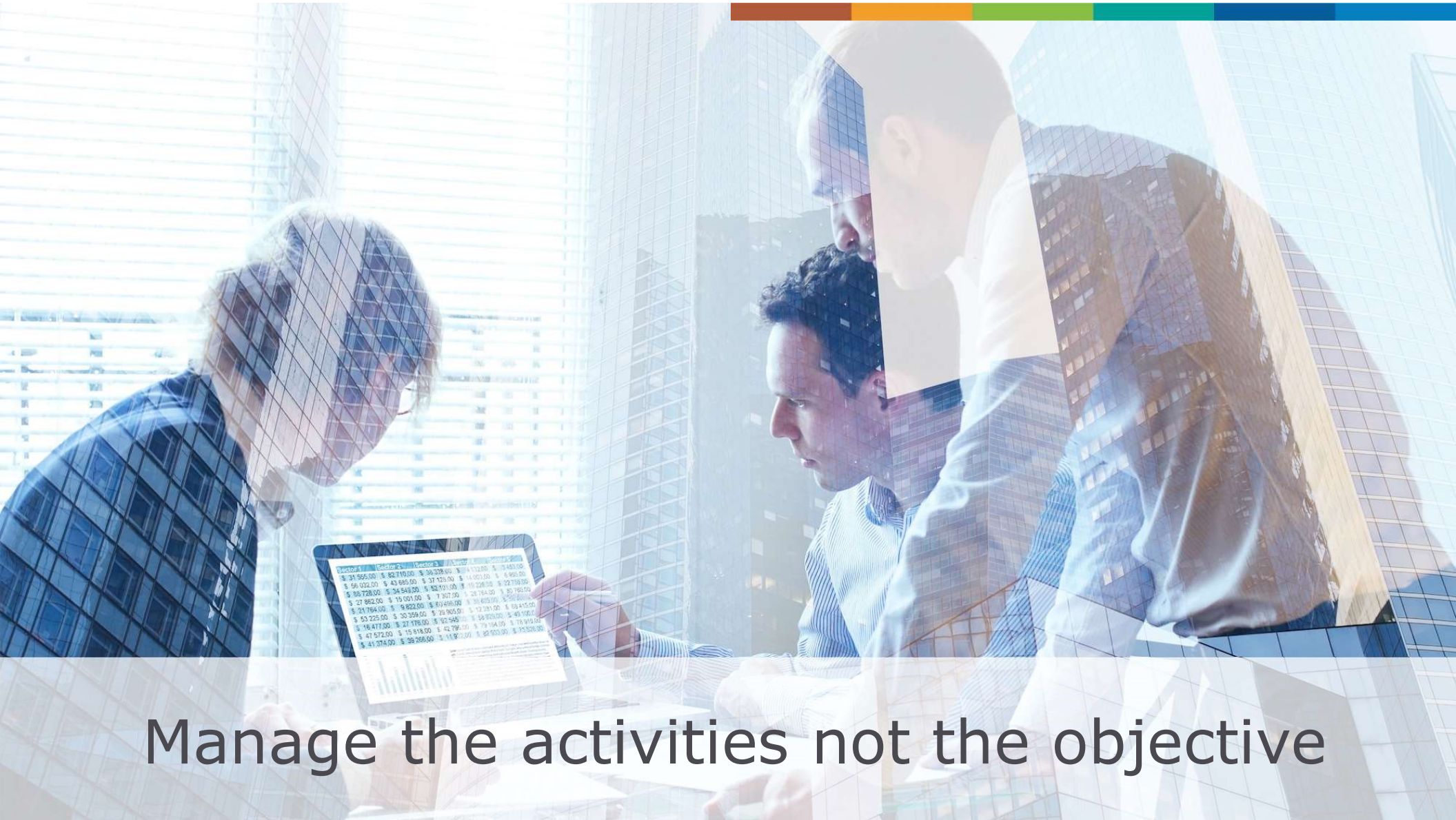
Manage the activities not the objective

Sales management practice

Business Outcome			
Satisfaction	Profit	Revenue	Market share

Sales objectives			
Customer	Market Coverage	Sales Capability	Product
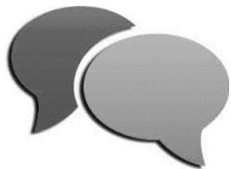
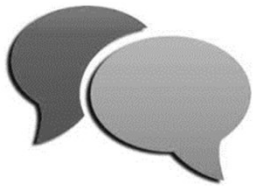| Sales activities				
Territory	Call	Opportunity	Pipeline	Sales enablement

Sales objectives: 4 key questions

- How to ensure they target the right customers?
    - Revenue from new customers
    - Revenue growth from key accounts
    - Customer retention rates
    - Revenue per segment
    - Share of wallet
- How big must the sales force be? % of
    - market opportunity covered
    - Targets contacted ->% customers contacted
    - Productive time -> #selling hours, customer facing time
    - Vacant positions
- How will I know their capability?
    - Win/loss ratio
    - % deals advancing by stage
    - Length of sales cycle
    - Sales competency index
- How will you get your sales force to sell the right products?
    - product mix and product breath
    - Revenue by product
    - % Revenue compared to target
    - Number of products sold per sales per product
    - Cross sell rate

Define & measure activity KPI's

Sales activities				
Territory	Call	Opportunity	Pipeline	Sales enablement

- Customer visits per week
- Prospection time or volume
- Time spend on core selling activities
- CRM input quality
- Coaching and training time
- Adoption of sales call structure

How to manage targets

- Reality:
  - We live in uncertain times
  - Predictability was already an increasing issue before Covid-19
  - Perception is reality

- Solution:
  - Sales must work on more opportunities at the same time
  - Use scenario-based target setting and forecasting
  - Add a quarter after every quarter to avoid the 'cliff' at the end of the year

Conclusion:

- Make the "why" tangible

- Sales DNA is more important than logical components

- Take all the environmental aspects into account

- Visualize activities to show how the target can be reached

- Reporting, steering & coaching

- Make sure your reward system is in line with above

Maximize the wind in your sales.