

An Oracle White Paper  
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# Winning in Today's Environment: Six Imperatives for the Chief Sales Officer

## Executive Summary

"We have a very long haul here. It's not going to feel like a strong economy." Those words, from Federal Reserve Chairman Ben Bernanke, are certainly not welcomed by chief sales officers. With continuing high unemployment rates, spending is unlikely to significantly increase anytime soon. What's the implication for business leaders? It's not going to feel like an economic expansion.

Therefore, the question chief sales officers must ask themselves is, "What can I do about this? Regardless of the broader economy, how can I make the most decisive impact on my team and my company?"

This white paper examines six challenges, or imperatives, that every chief sales officer faces in the current environment, and provides recommendations on how to most effectively address and convert these obstacles into opportunities and competitive advantage. Whether it's the challenge of driving growth in a difficult economy, increasing sales capacity with the same or fewer resources, or embarking on a sales transformation, enterprising chief sales officers can deploy proven methodologies and technologies to increase sales effectiveness and drive business success. While one of these imperatives will likely resonate more than any other given your organization's specific scenario, we hope you benefit from *all* of the advice that follows.

## Imperative #1: Drive Growth In A Challenging Economy

Chief sales officers face multiple constraints in driving growth. For one, like other executives across the company, they are being asked to do more with less, i.e., increase revenues, productivity and effectiveness with the same or fewer resources. Furthermore, because fewer customers and prospects are buying, sales pipelines are smaller. In other words, there are a smaller number of opportunities to pursue than when the economy was growing at a moderate (or faster) pace.

### Recommended Actions

1. **Take a long term view of your sales investment:** It's easy to become reactionary in a volatile environment. Yet the practice of managing a sales team is ideally long-term. This translates to strategically mapping the design of your sales teams to a two-to-three year time horizon, rather than 'management by quarter.' Paul Vinogradov, a vice president at The Alexander Group, Inc., a leading sales growth consulting firm, concludes, "Managing sales investments on an annual basis or worse – quarterly – leads to very different decisions that could result in leaving money on the table."
2. **Assess and compare your sales team investment to peer companies:** There are numerous tools and services to aid in this exercise. The value in doing this is three-fold: ensuring that you aren't over- or under-investing; making sure that your team is aligned with those practices and policies of your peer groups; and providing factual data to your CEO and CFO that underlies your business decisions.
3. **Protect and incent your top salespeople:** We all know the 80/20 rule is fairly universal. Therefore, do whatever is in your power to retain and spark additional contributions from your best performers.
4. **Convey a long-term vision of the opportunity for your teams:** Just like you should take a long term view of your sales investment, you must paint a picture for your organization of why their time and energy spent on behalf of the company is time better spent than anywhere else. Most companies are not made or destroyed in a quarter. Getting people to understand the larger vision and mission, i.e., "Here is why we're doing what we're doing, and here is what is in it for you," is a key motivator that translates to extracting more output and higher quality outcomes.
5. **Ensure your teams are focused on the right accounts and products:** Gleaning insight from CRM systems with real-time and historical analytic capabilities is the key way to redirect your resources on the highest impact opportunities and products.

## How Oracle Can Help

Oracle CRM On Demand, Oracle's industry-leading subscription-based CRM solution, includes powerful real-time and historic analytics for tracking and analyzing key performance indicators. Sales leaders can use these KPIs to inform their decision making. In addition, sales reps can use Oracle CRM On Demand Deal Management to more effectively negotiate deals and arrive at the right price that maximizes top line revenue and bottom line margins, and meets the customer's expectations. And they can complement Oracle CRM On Demand with Oracle Sales Prospector On Demand, a Social CRM application that maximizes the effectiveness of prospecting by indicating which customers are most likely to buy a given product or service within a specific time frame.

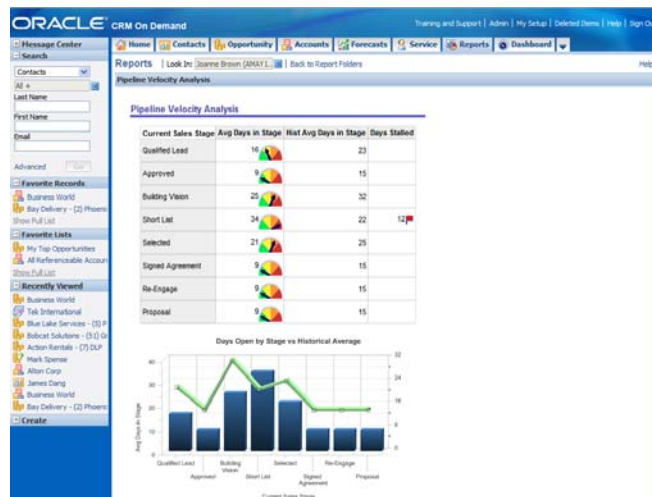


Figure 1. Oracle CRM On Demand provides a wide range of reporting capabilities that deliver critical business insight.

## Imperative #2: Increase Sales Capacity And Coverage

Chief sales officers must both increase productivity and attain broader levels of coverage with the same or fewer resources. Unfortunately, due to a lack of insight, they may be unsure of the best levers to pull. In short, the 'do more with less' theme prevails here as well, but at a more granular level of focus.

### Recommended Actions

1. **Segment your customers.** This ensures you can target and communicate with them most effectively. One size does not fit all, meaning that you will sub-optimize your sales initiatives by pursuing *one* approach in communicating with or selling to *different* groups of prospects with *different* attributes and different levels of likelihood to purchase. To that end, it is critical

- to segment customers by their revenue potential, and not just historic revenue capture. This provides a more accurate snapshot for identifying 80/20 segments and opportunities.
- 2. Focus your teams on *selling*:** Ensure your reps are focused on the right selling activities that result in the highest value. According to The Alexander Group, a typical sales representative spends only 22% of her or his time selling. They spend the rest of their time in internal meetings, on administrative activities, and traveling. Taking back some of this unproductive time can by itself lead to measurable gains in team sales capacity. For example, by adding five percentage points of productivity to a 100 person sales team, capacity is increased by 10,000 hours over a 50 week period, assuming a 40-hour work week. This is equivalent to five sales people.
  - 3. Gain increased pipeline visibility:** Improved pipeline visibility increases your ability to provide better direction to your first- and second-line managers, who in turn can steer their reps to the highest yielding activities. Furthermore, gaining improved visibility can identify recurring trouble spots that might otherwise not be identified, i.e., “Why do deals tend to get stuck at Stage 3 for our PremiumPro product line during the first quarter in our Midwest territory?”
  - 4. Identify who does what:** Ensure that your field sales teams aren't engaged in activities and with accounts that would be better handled by an inside sales team, and vice-versa. Conduct the analysis that will align the most suitable activities for the right teams, and then size those teams appropriately.
  - 5. Optimize sales operations and support:** A critical driver of sales capacity and coverage can be found in the effectiveness of your company's sales operations and support organization. As companies grow and engage in M&A activities, they often acquire separate sales ops teams as a result, and keep those organizations distributed. Yet by centralizing such a team you may be able to improve their impact by better aligning their activities to your team's strategic objectives.

## How Oracle Can Help

Because Oracle CRM On Demand is a subscription-based solution, sales leaders can make an incremental, pay-as-you-go operating investment, rather than requiring the company to undergo a larger one-time capital expenditure. Furthermore, they can use the analytic capabilities within Oracle CRM On Demand to capture and analyze critical metrics, which includes the ability to assess the sales pipeline on a wide range of parameters.

## Imperative #3: Improve Sales Execution

The dynamics are simple and every chief sales officer understands them. In difficult or competitive selling environments, there are fewer opportunities and more competition for each opportunity. Therefore one must work to improve her or his team win rates. But how does one identify those sales practices that, if replicated, will produce more wins? And how does one spread and instill those processes across an entire organization?

### Recommended Actions

1. **Standardize on one sales process:** The most important take-away here is to start by picking *one* process and sticking with it for long enough to gain insight on what is and isn't working. This is a requirement for being able to manage a sales pipeline, as well as for managers to gain a better understanding of rep status and provide needed support. Tweaking the sales process every week, or arguably even every quarter, makes it nearly impossible to evaluate impact based on consistent benchmarks. According to Paul Vinogradov of The Alexander Group, "It's far less critical which methodology you choose, as long as you stick with one and execute it consistently." However, standardization is more than process. It also relates to a common language you should instill among first- and second-line managers and their teams. For example, what does a qualified lead really mean in your organization, or a stage three opportunity? This lingua franca helps ensure consistency among and between your teams.
2. **Move from selling products to selling solutions:** While this advice may seem hackneyed, it is surprising how few organizations heed the counsel. You can and will increase win rates by moving backward from the customer, gaining a clear understanding of her or his pain points, and mapping your solutions to those pain points, versus promoting the features and functionality of your product. In other words, 'outside-in' typically prevails over 'inside-out.'
3. **Strategically align your team's sales compensation:** Sales people are primarily motivated by money in the short term, yet your company may have longer term strategic business objectives to pursue emerging markets and new products or services for those markets. This ensures an organization doesn't become overly dependent on its core products until it is too late. Yet for reps, those core products may be the easiest ones to sell. Correspondingly, a symptom of poor compensation alignment is that reps are not focused on selling the *right* products. Therefore, seek to strategically align compensation to appropriately balance efforts and initiatives on existing and emerging product and market opportunities.

### How Oracle Can Help

Oracle CRM On Demand includes dozens of pre-built analytic reports and dashboards, as well as the ability to easily create customized reports based on real-time and historic data. Therefore, gaining the ability to analyze win rates and perform a sales velocity analysis is a few keystrokes away. Furthermore, Oracle CRM On Demand includes the industry's only specialized sales

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Paul Vinogradov, The Alexander Group, Inc.

workflow capability. This *Sales Process Coach* enables organizations to easily embed and instill sales best practices for every sales stage. This results in increased sales consistency and a reduced gap between a company's best and worst sales performers.

## Imperative #4: Transform the Sales Organization

While business culture abounds with the theory that change is good, this is accurate only if change is actually needed. Yes, it's true that given today's rapidly evolving market and competitive dynamics, chief sales officers must re-consider how they go to market. Maintaining status quo can be risky, and in the face of mergers and acquisitions, it simply isn't realistic. But change simply for the sake of change is counter-productive.

### Recommended Actions

1. **Determine your end-goal:** You must have a clear destiny. The act of transforming implies that you're evolving *to* something. But what? What is the vision and the destiny to which you aspire? Do not simply change for the sake of changing.
2. **Identify the motive(s) behind the transformation:** Do you need to transform your sales organization for strategic or tactical reasons – or both? In other words, is your company's business model evolving, or do you need to find ways to increase sales efficiency and effectiveness?
3. **Crunch the numbers:** The more you base your transformation on facts and data, the more sound your foundation and rationale for evolving your organization will be. For example, you should evaluate the return on sales by each sales channel you deploy in order to determine and optimize the best combinations of inside, field, and indirect sales channels in your new sales organization. In addition, as you proceed with your transformation, make sure you are tracking leading indicators of success, such as the size and shape of the pipeline, average deal size, etc.
4. **Seek the best expertise:** Don't fall into the 'Not Invented Here' syndrome. You can find a range of outside consultants with experience gained from working with many companies in steering executives through the sales transformation process. According to Paul Vinogradov of The Alexander Group, "It's not necessarily about getting the *right* answers from outside experts. It's about raising the confidence level of the leadership team to execute on the decisions they've already made. Transformation initiatives often get stuck because sales

leaders lose confidence in the process. An outside voice can boost this confidence in order to drive an effective transformation initiative.”

5. **Over-communicate to your teams:** Many people, sales teams included, are hard-wired to not easily accept change. Therefore you should accelerate the level and pace of communications. What is the basis of the transformation? Why is the organization doing it? What is the status? What are you asking your teams to do differently? What are you asking them to focus on? What are some quick wins or successes you can celebrate?

## How Oracle Can Help

Sales leaders can use Oracle CRM On Demand to track and analyze critical sales metrics as well as the leading indicators of success as they move forward with a transformation initiative.

Furthermore, they can deploy Oracle’s Social CRM On Demand applications to improve sales rep productivity and collaboration. These applications are optimized for prospecting, personal sales campaigning, and presentation development. These are all critical activities in any environment, and particularly so in the midst of a transformation when the risk of losing focus on core competencies increases.



Figure 2. Oracle's Social CRM On Demand applications maximize the effectiveness of critical sales activities such as sales prospecting.

## Imperative #5: Increase Channel Visibility and Optimization

Chief sales officers often lack visibility into which channels are performing most effectively for different customer segments. As a result, they risk missing out on opportunities to increase revenues and maximize cost effectiveness. An additional symptom of limited visibility is the risk that chief sales officers won't have objective indicators showing that their direct and channel reps aren't focused on the newest or highest value products and solutions.



## Recommended Actions

1. **Dissect your data:** Make sure you understand how your customers want to purchase your company's products, by segment. Then you can conduct an ROI analysis on each segment, leading to a higher quality and more objective determination of how to best select, analyze and optimize the right channels.
2. **Develop a discrete partner sales plan:** Identify and codify your company's best practices for identifying, recruiting, onboarding, managing, and as needed, pruning your channel partners.
3. **Ensure your direct team's sales process aligns to the customer's buying process:** While this simple recommendation may seem obvious, it is often overlooked. Inefficiencies, unnecessary expenses, and even lost opportunities are often the result.
4. **Develop a sales playbook that all players embrace:** Use this playbook to define your sales processes, the rules of engagement, and the roles for each channel participant. In a large multi-channel sales organization, you should expect this action alone to take significant time and effort.

## How Oracle Can Help

Sales leaders can use Oracle CRM On Demand while its partners deploy Oracle CRM On Demand for Partner Relationship Management. The combination of these two solutions provides a holistic view of the sales organization and a powerful platform for managing partner relationships.

## Imperative #6: Improve Customer Centricity

The most progressive companies understand that the perception customers have of their products extend far beyond those products themselves. For example, the way your sales teams gain an understanding of, communicate with, build relationships with, sell to, and provide service for customers all contribute to how a customer defines your company's products and brand. And with the combination of today's challenging selling environment and the increased commoditization of products and services, both customers and the competition are driving companies to become more customer-centric. The bad news: most companies lack the necessary customer information enabling them to gain a better understanding of how to service their customers more effectively. The good news: making measurable progress in this area increases the barriers to competitive entry and makes it easier for your sales teams to succeed.

## Recommended Actions

1. **Know thy customer:** Who is a new versus an existing customer? What is the profile of the customer (size and industry)? What products and services have they purchased, and when? How many and what type of service requests have they submitted?

2. **Evaluate customer lifetime value:** The 80/20 rule prevails again. There is no one plain vanilla customer, nor is there one ideal way to service different customer segments. Defining customer clusters and providing optimized treatment for your highest value customers is a key way to increase customer goodwill, particularly in the areas where it's of critical importance to do so.
3. **Gain an understanding of cross-sell and up-sell opportunities at the account level:** No chief sales officer can single-handedly manage this activity across a distributed sales team. But she or he can institutionalize the importance of this discipline with first- and second-line managers.
4. **Make sure the way your team sells products is aligned with how your customers buy products:** Just as the effectiveness of your multi-channel sales team increases by following this practice (see "Imperative #5"), your customers' satisfaction increases if they are being sold to in a manner that is aligned with their business processes.
5. **Collect and analyze customer feedback:** Make sure you have an ongoing program to gather this information. Not only is it a key way to inform product development decisions, but it can help you optimize your sales coverage, team specialization, and channel distribution strategies.

## Conclusion: Why Partner with Oracle

In this white paper, you have read about a number of critical steps chief sales officers can undertake to improve sales productivity and effectiveness. But these actions are not enough. Technology is a critical lever, and not just technology that collects information. Chief sales officers need systems that analyze data, provide actionable insight, and are easy to set up and use so that your teams become more productive immediately. In addition they require solutions that easily integrate with your company's other business software to provide a full 360-degree customer view. And they need applications that can be deployed anywhere – on laptops, mobile devices, and as desktop gadgets.

Oracle offers the widest range of CRM solutions specifically designed to increase sales effectiveness, with more configuration flexibility than any other provider offers. This ensures your software deployments are matched to the needs of your team and your company. Whether it's on demand, on premise, or a combination of both, nobody offers more *Complete CRM* than Oracle. And Oracle has more years of experience than any other provider in successfully deploying CRM, so that you and your teams can leverage Oracle's expertise and focus on mastering *your* critical sales imperatives. Furthermore, Oracle offers a variety of complementary applications – from human capital management to distance learning solutions -- that match the full spectrum of requirements for all sales organizations.

For more information, please go to <http://www.oracle.com/crm/salesexec>.



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