3 Modern Best Practice Processes for Driving Sales Performance

Joe Fuster
Global Head of Customer Experience
Oracle Corporation
Can You Manage Performance with Unattainable Targets?

The Role of Best Practice in Evolving Sales Performance Management

Three Sales Performance Management Processes
- Sales Strategy to Execution
- Coaching Plan to Performance
- Incentive Plan to Payment

Technology Enablers

Modern Best Practice at Work
Can You Manage Performance with Unattainable Targets?

Is Your Sales Organization Set Up for Failure?

It seems counterintuitive, but 95% of Chief Sales Officers (CSOs) reported higher revenue targets\(^1\) but **86% are not very confident** they can reach them.\(^2\)

Unfortunately, the targets are not the only moving elements. With only 20% of sales people generating most of the revenue and long ramp up times to get new sales reps up to speed,\(^1\) effective sales performance management is more critical than ever before.

Furthermore, changing dynamics mandate the rapid evolution of sales strategies but more than \(\frac{1}{2}\) of sales organizations struggle to adapt sales processes to market changes.\(^1\)

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**Sources:**

Changing Dynamics Mandate the Rapid Evolution of Your Sales Strategy

Customers Have More Power Than Ever Before.

They do their own research, gather competitive information and peer reviews, and bypass sales whenever possible.

When they do engage sales, it is later in the buying cycle. In the business to business segment, more decision-makers and influencers are entering the buying process, and they too are engaging sales later.

Competitors are more disruptive. Whether products compete directly, or whether a new entry makes your products seemingly obsolete, competitive changes often mandate a shift in sales strategies.

New, complex products are frequently launched. Contracting in launch cycle times, increasing product complexity, and changes to business models require sales people to learn often and fast.

Sales managers are asked to tighten their belts. With many industries experiencing shrinking margins, sales managers are being asked to focus on the bottom line as much as – or more than – the top line.
The Role of Best Practice in Evolving Sales Performance Management

The Secret Advantage of Best-in-Class Firms

Amidst changes in the market and in business priorities, how do the most successful sales leaders adapt and execute strategies to boost performance?

Best-in-Class firms ensure success by hiring the right talent, promoting the right culture, standardizing on the right processes, and implementing the right technologies. These companies adapt sales strategies, coaching and incentive compensation to reflect the current environment.

<table>
<thead>
<tr>
<th>Average</th>
<th>Best-in-Class*</th>
</tr>
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<tbody>
<tr>
<td>43%</td>
<td>96%</td>
</tr>
<tr>
<td>46%</td>
<td>96%</td>
</tr>
<tr>
<td>45%</td>
<td>96%</td>
</tr>
</tbody>
</table>

- 43% vs 96% have managers highly accountable for sales teams’ continuous improvement
- 46% vs 96% know why top performers are successful
- 45% vs 96% have sales compensation policies aligned with business objectives

Source: MHI Research Institute, Decoding the Decision Dynamic, Executive Summary, 2015.
5 Tips to Improve Sales Performance

In the executive brief “5 Tips to Improve Sales Performance,” I have laid out a roadmap for sales people about how best to utilize people, processes, and technology to improve sales performance. This eBook delves into the specifics of how those tips are realized in the sales performance management processes.

#1 Align Strategies
#2 Simplify Activities and Processes
#3 Analyze Performance
#4 Collaborate with Stakeholders
#5 Gamify to Motivate Sales

- Joe Fuster
Modern Best Practice for Sales Performance Management

Sales Performance Management is Composed of Three Key Processes

1. **Sales Strategy to Execution**
   Hone your sales strategy and ensure successful execution to drive performance.

2. **Coaching Plan to Performance**
   Motivate your sales force and mentor best practices.

3. **Incentive Plan to Payment**
   Streamline your approach to incentive planning and awarding payment.
Sales Strategy to Execution
Without Modern Best Practice

Today, You May Have To…
• Set annual targets based on year-over-year growth due to lack of insight
• Keep territories as they are – even when the talent mix and accounts change
• Rely on outdated information to update forecasts, pipeline and performance
• Use email and spreadsheets to draft critical reports that are accessible only from non-mobile devices
• Depend on compensation plans to be the sole motivator

As a Result, You May Have…
• Applied unrealistic, generic plans that did not take market potential into account
• Develop sub-optimal sales territories leaking potential revenue
• Lacked confidence in the numbers
• Not been able to communicate easily, effectively, or in a timely manner
• Had difficulty motivating sales people
Sales Strategy to Execution
With Modern Best Practice

Develop Strategies that Drive Performance

• Create granular, measurable, and realistic plans that incorporate market potential

• Maximize revenue with balanced territories assigned to the right mix of sales talent

• Improve forecast accuracy and have confidence in meeting your sales objectives

• Send critical information quickly and socially, that’s accessible anywhere, anytime, and on any device

• Motivate sales teams with monetary and non-monetary incentives including games and rewards

Let’s take a look
Sales Strategy to Execution
Develop Strategies that Drive Performance

**Define Sales Strategy**
Align insight-driven plans with territories, targets, behaviors and business strategy.

**Model, Simulate, and Design Plans**
Achieve targeted goals by using real-time performance data to drive what-if analysis. Estimate compensation spend.

**Define Measures and Metrics**
Determine key performance indicators, key sales objectives, and other metrics to track participant progress or attainment.

**Determine Commissions and Incentives**
Identify incentives based on performance measures and sales targets. Use accelerators, thresholds, and gates to augment behaviors.

**Incorporate Gamification Plan**
Develop competitive program with incentives, rewards, and recognition using badges, leaderboards and other game mechanics.

**Execute Go-to-Market Strategy**
Launch go-to-market activities in support of plans with regular intelligent reviews.
Coaching Plan to Performance
Without Modern Best Practice

Today, You May Have To...
• Use the same coaching plans for the entire team
• Guess which activities drive performance
• Provide coaching plans without integration with mobile or social tools
• Rely on intuition to gauge future performance

As a Result, You May Have...
• Irrelevant / ineffective coaching plans
• Provided poor guidance
• Struggled to coach sales execs while they’re on the road
• Inaccurate view of future sales performance
Coaching Plan to Performance
With Modern Best Practice

**Increase Sales Effectiveness**

- Create individualized coaching plans by understanding each seller's motivation, strengths and weaknesses
- Identify sales behaviors of your top performers and coach your 'B' players to become 'A' players
- Leverage social and mobile integration for regular, contextual coaching
- Monitor individual and team performance against objectives and adjust sales priorities and activities as needed

Let’s take a look
Coaching Plan to Performance
Increase Sales Effectiveness

**Develop Coaching Plans**
Create individual mentoring plans – available and accessible across all devices - as part of the on-boarding and development process.

**Track Progress**
Monitor organization, team and individual performance through interactive, secure dashboards.

**Prevent Under-Performance**
Preempt issues by using predictive analytics and alerts.

**Identify and Promote Best Practices**
Recognize qualities in star performers to contextually coach below average performers.

**Prioritize Activities**
Identify activities to structure and convert actions for maximum results.

**Monitor Goals**
Understand transaction outcomes based on expected revenue and margin. Adjust sales priorities and activities as needed.

**Recognize Top Performance**
Award points based on performance. Rank achievement levels via leader boards. Reward top performers with monetary or non-monetary awards.
Incentive Plan to Payment
Without Modern Best Practice

Today, You May Have To...
• Manage incentive plans by using spreadsheets
• Manually perform processes including calculation / allocation of payouts
• Guess the effectiveness of incentive compensation
• Spend excess time backtracking changes and finding the sources of errors due to lack of an audit trail

As a Result, You May Have...
• Wasted time, produced errors, and created sub-optimal plans
• Had outdated and error-prone information, slowed processes, and delayed payouts
• Not been able to determine incentive plans’ contribution towards sales and company goals
• Risked non-compliance
Incentive Plan to Payment
With Modern Best Practice

Effective & Streamlined Incentive Compensation

• Use real-time financial data/analytics to design incentive plans that promote the right sales behaviors

• Automate processes including updates to financial records to ensure accuracy and save administrative time and costs

• Assign employees to the optimal plan and use rules to allocate credit and determine earnings for a given time period

• Effectively measure how compensation dollars are spent

• Ensure and prove auditability and compliance

Let’s take a look
Incentive Plan to Payment
Effective & Streamlined Incentive Compensation

**Design Incentive Plan**
Define incentive plan based on performance measures and sales strategy. Use accelerators, thresholds, and gates to augment behaviors.

**Assign People to Plans**
Align relevant employees and third party resources with optimal incentive plans.

**Roll Out Plans**
Launch plans to support selling with the right behaviors.

**Credit Recipients on Transactions**
Use rules-based automation to allocate sales credits and splits.

**Calculate Earnings**
Determine earnings based on plan rules for a particular time period.

**Handle Adjustments and Exceptions**
Identify outliers, audit earnings, and manage adjustments and/or exceptions.

**Payment and Accruals**
Process payment and automate updates to financial records to ensure accurate statements and accruals. Intelligence-driven review, monitoring and fine-tuning.
Making the Best Applications Business-Accessible

The cloud enables you to purchase software & IT resources as a service. Sales/CRM/SPM Cloud applications help sales people sell productively and effectively throughout the entire sales process.

Mobile and Location-Aware

Enabling Wherever, Whenever Access

A mobile-first strategy enables you to securely access Sales/CRM/SPM applications to make updates to plans, forecasts, etc. from your mobile device or tablet and plan customer visits/sales activities while on the road.

Analytics

Driving Sound Decisions

Analytics provide you with these answers and more to help you make decisions. Look at dashboards showing your KPIs & Metrics in real time to see how your sales team is performing.

Social and Big Data

Providing Insight, and Fostering Collaboration

Customers use social media to get peer opinions, lodge complaints, and even make purchases. Digital behavior (captured as big data) helps us learn about customers. Sales people collaborate and share best practices using internal social tools.
Modern Best Practice at Work

Utilizing today’s technology, Oracle Modern Best Practice for Sales Performance Management details three best practice processes supported by customer success videos, webcasts, white papers, and more to help you bridge the gap between sales plans and performance.

- Bridge the gap between sales plans and performance
- Achieve radically superior results with fewer resources
- Drive digital transformation
- Establish a solid foundation for growth
- Connect Sales Management / Operations with Finance, HR, Talent Management, Marketing, and More

Also see Modern Best Practice for the High Performing Sales Organization to help you recruit, ready, realize, retain, and reward sales talent.

These processes are inspired by Oracle Sales Performance Management Cloud - a complete, cloud-based solution with advanced modeling capabilities to optimize territories, quotas, and incentive compensation plans as well as sales productivity and coaching tools to improve sales executive effectiveness.
Take the Next Step Today

1. **Explore:** Do your own discovery

2. **Empower:** Work with Oracle or one of its expert partners to guide your path

3. **Engage:** Share Oracle Modern Best Practices

4. **Adopt:** Drive your business transformation and measure results

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Engage Sales Expert: 1-800-633-0738
A Note From The Author

Joe Fuster

Global Head of Customer Experience, Oracle Corporation

To be successful, I believe sales leaders and representatives must have an unyielding focus on their end customer and a true passion for their work. But even if you hire the best sales talent, ineffective coaching could undermine performance. You could have the best talent and coach effectively, but you could be hampered by disconnected systems and manual processes.

With over 25 years in sales – 15 of those in sales management and 3 years in executive leadership, I’ve seen my share of sales failures and successes. In my experience, to manage and improve sales performance, you’ll need the right mix of people, processes and technologies. This eBook will guide you about how best to utilize people, processes, and technology to improve your company’s sales performance.

Contributor

Becca Goren, Sr. Principal Product Marketing Director, Modern Best Practice for Customer Experience, Oracle Corporation

For 25 years, Becca has been in the high tech industry – primarily as the product marketing manager for software solutions and industries. In her current role at Oracle Corporation, she creates thought leadership and collateral supporting Oracle Modern Best Practice for Customer Experience.