



SALES LEADERSHIP

Linking Sales Strategy to Sales Results

While most organizations have articulated some form of a sales strategy, research has determined that 35 – 40% of organizations do a poor job communicating the strategy and goals in a way that makes them meaningful and understandable to others in the organization. In fact, for many organizations, the link between sales strategy goals and salesforce execution is often missing. Logical steps can be taken to ensure that execution actually supports the sales strategy.

This article addresses areas in which disconnects may occur. It gives an overview of our sales leadership model and addresses seven questions that reflect the model, which can result in a profound strengthening of sales leadership by linking sales strategy to sales results.

I. How do you create a clear link between the overall organizational strategy and the sales organization's specific sales strategy?

The sales organization's sales strategy must be a direct outgrowth of the overall organization's strategy objectives. The senior sales executives must meet and develop a clear set of their organizational sales goals in complete alignment with the organization's strategy. They must clearly identify not only specific sales strategy goals but also the priority of each goal.

Our research has indicated that there are five primary business drivers that help define the sales strategy goals for a growth-minded organization.¹

A. Growth via Customers:

Acquiring new customers for present products and services

B. Growth via Products & Services:

Introduction of new products and services to either new or existing customers, cross selling opportunities

C. Growth via Market Expansion:

New end markets and market segments, vertical and/or horizontal expansion of current markets into new areas

D. Growth via Profitability:

Margin management, focus on high margin products and services, cost of sale control, increased ROI/ROWC

E. Growth via Brand-Building:

Product/service/channel/salesforce differentiation in new or existing markets

Even when the senior team feels it has already defined its sales goals, reviewing them in terms of these five categories often helps to further clarify and prioritize the goals. The result of this process enables the rest of the sales organization to determine steps to take, such as creating ideal customer profiles, selecting prime customer targets, and developing strategies for selling to key customers.

If the organizational strategy is clear, sales strategies and goals can be derived and developed from the organization's overall direction. As John Byrnes has noted, "All companies have business plans, but often these plans, which feature mainly company and market analysis, sets of programs and numbers, are not adequate to guide a salesforce."²

All too often, complex business strategies end up being communicated simplistically as “Sell more!”

2. How do you make sure the sales strategy known and understood throughout the salesforce?

While most organizations have articulated some form of a sales strategy, research has determined that 35 – 40% of organizations do a poor job of communicating the strategy and goals in a way that makes them meaningful and understandable to others in the organization.³ Our own research has shown that even when a sales strategy has been defined, the knowledge and understanding of that strategy can vary widely throughout the organization.

For a sales strategy to be understandable, it must be more than an opaque table of projections, forecasts, and numerical estimates. It must be a clear articulation of what the salesforce is charged with doing, and communicate the reason accomplishment of that charge is critical to the organization. We often find that the “what” is not completely clear, and the “why” is often non-existent.

3. How do you ensure the salesforce has the capabilities required to execute the sales strategy?

This question should move the organization’s focus to ground level. Does the salesforce have the skills and knowledge to effectively execute and achieve the organization’s specific sales strategy goals? Capabilities within these three areas should be assessed. (Examples from published assessment tools will illustrate.)

- A. *Capabilities of salespeople*
 Most organizations have salespeople who do “all the right things.” Our research and experience indicate that salespeople dress appropriately; they know their product or service; and they know their customer, the marketplace, and competition.

Most capability gaps occur in interpersonal skills, such as: *ability to develop product/service solutions for different customer needs; effective management of customer objections and concerns; or adapting the sales approach to customers’ behaviors and personal needs.*

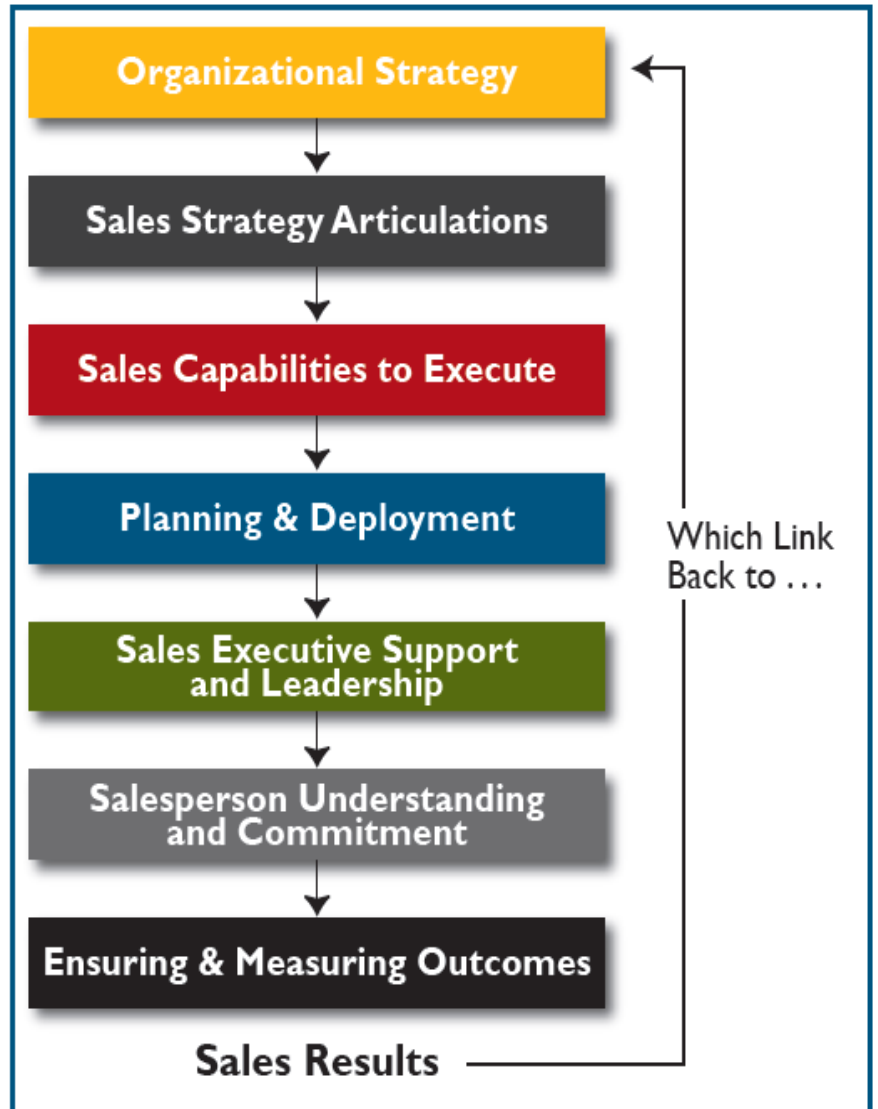


Figure 1: Sales Leadership

The ability to interface with the customer is vital. These people skills often are a major differentiating factor. Gaps between current capabilities and those required to reach sales strategy goals call for developmental efforts.

B. Capabilities of first-line sales managers

It is ironic that this pivotal group for achieving the organization's specific sales strategy goals is frequently left out of the sales execution equation. Often, the first-line sales manager acts as an administrative arm of more senior management. Little value is placed on salesperson coaching skills. Yet, research indicates that this manager's ability to guide the salesperson's selling practices is a vital part of ensuring sales success.

Desirable interpersonal coaching capabilities include: *motivating and inspiring salespeople by understanding their needs and aspirations and coaching the salesperson on more effective ways to interface with the customer.* Even seemingly administrative tasks can require excellent coaching capability. Examples include *ensuring that salespeople have the necessary resources and tools to maximize selling effectiveness and gaining commitment to company directives, programs, and initiatives to maximize the achievement of sales strategy goals.*

C. Commitment level of senior sales management

The senior executive group must be committed to the success of the field salesforce in executing the strategy. They must make certain that policies and communications actively support field execution. Without it, efforts are often superficial, incomplete, and do not work. As Pfeffer and Sutton have pointed out in *The Knowing-Doing Gap*, "One of the main barriers to turning knowledge into action is the tendency to treat talking about something as equivalent to actually doing something about it."⁴

Senior management must answer questions, such as: "Are sales managers recognized and rewarded for developing and coaching salespeople?" "Is hands-on observation, coaching, and development of salespeople by sales managers given a high priority?" "Does the job structure and specified responsibilities for sales managers allow adequate time, attention, and resources for coaching and development?"

Comparisons of the answers to these questions among sales executives, salespeople, and their sales managers will uncover whether the groups agree that senior management will support their field sales efforts.

4. How do you make sure the sales strategy forms the foundation for planning and focusing sales resources at field level?

This is another critical step in executing a sales strategy that is too often not a reality. John Byrnes notes that, "Effective business plans have three essential roles: first, to state clearly the company's objectives; second, to specify new initiatives, required resources, and expected results; and third, to guide the day-to-day activities of the company toward maximum profitability. In most companies, the first objective is usually met, the second is sometimes met, and the third is often neglected. When this occurs, it causes the salesforce to be disconnected from profitability."⁵

Final implementation must occur at ground level of the sales organization. What happens between sales manager and salesperson and between salesperson and customer, can make or break even well-made plans. For sales managers to play this day-to-day role, they must assess and coach individual salespeople in their sales executions. Goals and expectations must be clear and unambiguous. This process gains salespeople's commitment to what they need to do to achieve both individual targets and overall sales strategy goals.

This type of leadership and one-on-one planning is what moves the salesforce from talk to action. As Pfeffer and Sutton state, "Related to the mission and vision problem is the planning problem. Just as people confuse talk with action and mission statements with reality, they frequently confuse having a plan and doing planning with actually implementing the plan and learning something."⁶

5. How do you make sure the sales organization's leadership policies and practices support the effective execution of mission-critical sales behaviors?

Whether a salesforce has only one head of sales, or has multiple levels of management spread out geographically across continents, the connection between sales strategy goals and the sales leadership at a first-line level is of utmost importance. Sales strategy goals, roles, expectations, support, and accountability must remain aligned and executed as one moves down through levels to the first line. This requires close and constant monitoring to ensure that all levels are “walking the talk.” Senior management, particularly, must set the tone and model accountability for all other levels.

To elaborate, it is the job of first-line sales managers to clarify expectations, provide necessary coaching and management support, and hold salespeople accountable for achieving sales objectives. The next level of sales management must then be doing the exact same thing for first-line sales managers. They need to know that providing expectations, support, and accountability for their people is a central expectation of their role.

If at any level expectations, support, or accountability are missing, execution begins to falter, and alignment of activities with strategy then becomes problematic.

6. How do you ensure your salespeople understand how their sales practices and behaviors make possible the achievement of the organization's sales strategy?

The answer demonstrates the need for sales leadership at all sales management levels, but particularly at the first line. Our research has validated that clarity in expectations is essential to performing well in any endeavor. Unfortunately, clarity is often lacking.

In a 2005 study, performers were asked what one additional management action would be most helpful to them in improving their personal performance. Most often mentioned was “*A clear understanding of what is expected of me.*”⁷ In a similar fashion, research on performance expectations has established that while first-line managers claim that they give clear, set performance expectations 84% of the time, their direct reports say this occurs only 39% of the time — a huge gap.⁸

This gap occurs for several reasons. First, since most salespeople have a sales quota for a given period, it's easy to assume that “everyone knows what's expected of them.” Of course, the problem is that the sales quota does not specify what prospects should be pursued, which accounts should be selected, what criteria should be used for qualifying prospects, what products/services should be emphasized, etc. These are the expectations that really align activity with strategy goals, not simply quotas.

Two measures help to ensure that expectations are in line with the organizational sales strategy. First, clarity is achieved using the SMART criteria for goal setting. Most organizations are familiar with these. They specify that expectations should be *Specific, Measurable, Achievable, Realistic, and Timely*. Second, by using an online performance support system in which salespeople can enter goals and action plans, both sales manager and salesperson can jointly track and monitor progress towards goal achievement.

Performance research has confirmed that expectations which are defined and tracked are far more likely to be achieved. This moves us closer to execution of a successful sales strategy.⁹

7. What mechanism can you put in place to track progress towards sales goals that will ensure accountability for, and adherence to, sales practices and behaviors?

Once we have clarified what is critical for achieving the desired sales results, a mechanism is needed to ensure effective execution across the salesforce. Fortunately, the same performance system used for setting expectations and planning actions can also be used to track goal progress. This can ensure that salespeople and sales managers do what they say they will do with key, high-potential customers.

In Conclusion

The path from setting sales strategy goals to obtaining measurable sales results requires support, commitment, accountability, execution, and most of all, leadership. The task of providing a compelling and strategic sales strategy, of gaining commitment to it, and of keeping people engaged as they move toward achievement requires discipline and effort. The payoff, however, can be substantial. Any organization can achieve a competitive advantage by keeping a laser-like focus on implementing these common-sense steps.

V.R. Buzzotta, Ph.D., is CEO of Psychological Associates. William E. Beane, Ph.D., is Senior Vice President, Client Services for Psychological Associates.

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