



**panamoure**

# **SALES EFFECTIVENESS**

**AN ARTICLE FOR**

**PRIVATE EQUITY FIRMS AND PORTFOLIO COMPANIES**

# INTRODUCTION

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## Panamoure delivers IT change in a smart way.

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As part of our natural “ways of working”, our operational processes and remote teams are designed to deliver high value digital optimisation to our clients from a number of remote locations. Using technology, our delivery partners maximise client time, minimise travel, minimise additional clients costs and make the best use of the time spent doing face-to-face meetings at client sites.

However, given the nature of our client’s business and the services we provide, we do recognise that there may be a need to conduct the occasional critical meetings in person. Given the current Coronavirus world health epidemic we need to ensure that we do this with safety in mind. In these cases we will react accordingly and structure these meetings with social distancing in mind as per the Government’s guidelines.

In this period of uncertainty, accelerating growth through smart, remote technology expertise is more important than ever and we are here to help you in any way we can and in this update we share our insights into sales effectiveness.



## EXECUTIVE SUMMARY

Today, as a result of the COVID-19 outbreak, many of us are seeing unprecedented turmoil in our businesses, industries and for our customers. Massively disrupted customer demand for your products and services is virtually a given.

For long-term success - as well as short-term survival - business leaders need to anticipate exactly how best to adapt to meet these rapidly changing customer requirements. And relying for this on sales best practices identified in ‘business-as-usual’ conditions won’t be enough

It goes without saying that businesses need highly effective sales teams - teams that are focused, engaged and enabled. But in the current environment of massive uncertainty, what else is needed? This article considers how, beyond established best practices, you can ensure your sales teams are supported to minimise the business impact of COVID-19 and are positioned to generate growth once the current phase of this crisis is over.



## What Sales Teams Must Do Differently Because of COVID-19

If you started 2020 responsible for your organisation's sales activity, you were already thinking about and acting on ways to make your sales team more effective.



Effective Sales Teams are Focused, Engaged and Enabled

And then: COVID-19.

Best practices for sales team effectiveness established under normal business conditions will help. But to successfully navigate this crisis and generate growth post-outbreak, sales teams will need to go further. How different is the effective sales team under current conditions?

### ► 1) Attuned to how customers are changing, not just focused on the right customers

Being focused involves prioritising the right customers and prospects. Today, some industries are experiencing near-existential threat (travel and leisure), most are suffering and a few are enjoying high but unexpected customer demand (groceries, telecoms, healthcare). Even customers with the most stable historic levels of demand and profitability for your business may be changing rapidly, especially if their spend is discretionary. Bolstering your industry and customer segmentation, coupled with rapid re-evaluation of customer status and prospects, will be crucial.

### ► 2) Welcoming of different channels, not just focused on finding the right channels

Customers need to be targeted through the 'right' channels, often requiring trade-offs between what is cost-effective and what the customer prefers. And they're embracing digital channels. Effective sales teams understand the relative cost of sales by channel and are proactive in supporting digital transformation to lower cost channels without compromising effectiveness. COVID-19 has forced sales reps off the road.

Now is a good time to evaluate whether reps should ever put in the same mileage again. Must it always take multiple face-face discussions to close a deal? Proposing a video call will rightly compliment the visit and phone options going forward, perhaps irreversibly to the good (of the bottom line). What about online 'self-serve'? Or embracing technology to remove historical walls between sales, marketing and other departments. Teams actively welcoming this shift will find themselves better positioned during and after the current outbreak.

### ► 3) Assess what you sell, not just your share

More than ever, sales teams play a critical role in capturing market share, never more important when the overall 'pie' has shrunk. They do so in two ways. Beyond selling even more effectively, frontline teams anticipate changes in customer preferences and note how the competition is adapting on the ground. The best organisations embrace their input with uncluttered feedback loops directly to highly agile product and service development teams who adapt offerings accordingly. These offerings aren't limited to a product or service, they encompass the whole customer experience. The best are supported by technology to ensure that experience is highly personalised.



► **4) Future-oriented, not just performance-oriented**

Performance management of sales efforts is, of course, a vital part of sales team effectiveness. The pandemic makes performance management even more critical. Organisations often do a good job of measuring lagging, or outcome, indicators (like revenue and profitability) and often do less well measuring and managing leading, or input, indicators (such as calls and proposals). Companies that also focus on leading indicators can 'course correct' much earlier than those who don't. An appetite for future-facing performance metrics will serve sales teams well, particularly now baseline metrics may be less valid comparators for future periods.

► **5) Resolute, not just aligned**

Engaged sales teams put in the extra mile to achieve great outcomes. They live the organisation's values to reinforce a high-performance culture. Commonly observed traits include fostering continuous improvement, ambition and teamwork. Team members are evaluated on 'will' as well as 'skill' and numbers. Shocks like the COVID-19 outbreak inevitably place a strain on values and may compromise engagement. Effective teams continue to live the values resolutely, without compromise, even if relatively greater emphasis is placed on some, such as agility and pace, in the short-term.

► **6) Self-directed, not just strongly-led**

Great leadership is a prerequisite for a highly engaged sales team. Leaders are successful role models and effective coaches, who strike the right balance between support and assurance and reach beyond their sales silo to interface effectively with peers across functions. In a crisis, good sales leaders continue to 'cast long shadows' as role models. Indeed their 'followers' look to them for guidance and inspiration now more than ever. They may validly temporarily adopt a less collegiate style of bringing everyone along, in the interest of making decisions quickly and effectively.

► **7) Hopeful, not just incentivised**

The incentive structure also impacts engagement positively when fully aligned with expected performance, fair and stretching. Sales teams should remain positive and optimistic that, even if incentives are suspended in the short-term, they will be appropriately rewarded in the medium-term.

► **8) Empathetic, not just skilled**

Enabled sales teams score highly on competencies, both technical (e.g. product or service knowledge) and sales (e.g. how to negotiate effectively) skills. Critical competencies include the ability to anticipate the effects of COVID-19 on customer and prospects and their respective industries, to have empathy for their respective predicaments and to adapt sales approaches to the new climate – both in terms of what's being promoted and how.

► **9) Improvement mindset, not just process-oriented**

Strong sales teams consistently adopt processes through the lifecycle of a sale, including finding, winning, setting up, growing, retaining, losing and winning back. Process-wise, this will either be an opportunity for doubling down on 'finding', 'winning' and 'growth' or on 'retention' and 'avoiding loss'. Sales teams who are active across industries will need to sharpen processes across both 'modes'. And it's not just about doing the same thing faster and more consistently. They also proactively support doing things very differently through ongoing process improvement and embracing the right systems – whether cloud-based CRM, marketing and customer service or collaboration (with customers, peers and other departments) solutions.





▶ 10) Scalable, not just right-sized

An enabled sales team has the right structure – appropriately sized with the right balance between hunting and farming. Right now, most businesses are experiencing a time of challenge, certainly in the short-term and, potentially, in the medium-term. Relative cost of sales are significantly higher already, with the 12-18 month outlook also bleak. Now is the time to model scenarios for sales and consider the optimal team size, including the right ‘territories’ and spans of control.

It’s far from business as usual, and it should not be a surprise that best practices established under business as usual will only take sales teams so far under the present uncertain conditions. What COVID-19 will not change is the continuing responsibility businesses have to their customers and shareholders to “sell well”.



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Andy has extensive transformation and sales effectiveness experience. He has advised multiple PE firms and their portfolio companies on designing and implementing good practice.

