KORN FERRY

# THE CRO'S GUIDE TO CREATING AN EFFECTIVE SALES PROCESS

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As W. Edwards Deming said,

*"If you cannot describe what you are doing as a process, **you don't know what you are doing."***

Unfortunately, this describes too many sales organizations today.

Most Chief Revenue Officers (CRO) would likely say their sellers aren't following a formal sales process when reaching out to buyers. Our research shows that ineffective sales processes are sales leaders' second-biggest challenge, coming in behind only inefficient internal operations.[1] Often, that's because sales processes haven't progressed to the formal or dynamic maturity level.

[1] Korn Ferry 2019 World-Class Sales Practices Study

# The four levels of sales process maturity

Before you can begin improving your organization's sales process, you first have to assess the current state of your process. We've defined four levels of **sales process maturity** based on our research.

1 ***Random:*** *The organization lacks a documented, overarching sales process for sales teams to follow. Sales reps determine what actions to take to pursue sales opportunities, possibly following sales methodologies they learned elsewhere.*

2 ***Informal:*** *The organization has a documented sales process that it expects sellers to follow. However, sales leaders and managers don't enforce, reinforce or monitor the sales process.*

3 ***Formal:*** *The organization has adopted a documented sales process and holds its sales reps accountable for following it. Sales managers regularly check whether their sales reps are following the process and reinforce it. Sales managers also offer regular coaching on the sales process.*

4 ***Dynamic:*** *The organization has all of the elements of a formal sales process combined with analytics and additional technologies to help them identify changes in process metrics over time.*

*There's a direct correlation between sales process maturity and quota attainment. Sellers with a random sales process that isn't aligned to the buyer's journey or supplemented by sales technology have significantly lower quota attainment results than organizations that dynamically align their sales process with the buyer's path and use technology to reinforce their sales process.*[2]

*So, how can you help your sales organization progress to sales process maturity? Here are six steps to take.*

[2] Korn Ferry 2018–2019 Sales Performance Report; Korn Ferry 2018 Sales Operations Optimization Study

# 1

# Ground your sales process in a sound selling methodology

Sales organizations often find that there are disconnects in the sales process. For example, sellers sometimes refuse to follow a documented sales process. Other sellers don’t understand your sales organization’s overly complex sales process. And some sellers just don’t have the clarity they need to follow a poorly defined sales process.

Whatever the reason, now is the time for organizations to ensure their sellers thoroughly understand their sales process. And to accomplish that goal, sellers must understand the theory behind their sales process, which becomes their sales methodology.

Consistently following a formal sales methodology—the framework that explains how to approach each phase of the sales process—leads to higher quota attainment and win rates and lower seller attrition.[3] The more your organization reinforces your sales methodology, offering sellers feedback and coaching and updating the process to reflect changing market conditions, the better the results.

Our research shows that a sales methodology based on delivering insights and perspective drives deals forward and leads to higher win rates.

[3] Korn Ferry 2018-2019 Sales Performance Report

> *“...now is the time for **organizations** to ensure **their sellers** thoroughly understand their **sales process.**”*

# How to use sales methodology to move deals forward

Buyers want sellers to do two things. First, buyers want sellers to understand their business before approaching them. Buyers expect sellers to do their homework, so they don't have to waste time explaining to sellers what they do.

Second, buyers want sellers who can make them look smarter. They expect sellers to educate and enlighten them with thought leadership that will help them solve their challenges. In a nutshell, they want perspective: knowledge or insight that expands their understanding of business issues and growth opportunities. At the same time, perspective can also position sellers as problem solvers, as a source of best practices and as industry experts that add value to every interaction.

To develop perspective, sellers can construct a value matrix that describes the buyer's issue along with the problems and opportunities that it creates across the business. They should add details about the implications and possible benefits of the problems or opportunities that may arise and note the buying influences who should be in discussions about these issues.

Next, sellers should record the capabilities they have to support the buyer. Finally, they should create a hypothesis about the perspective that they can provide, tailored to each buying influence that is part of a deal. For instance, sellers should consider each role, buyer persona and preference that will be receiving information.

To aid in the process of providing perspective, sellers can turn to **AI-driven sales technology.** For example, a content management system can offer sellers guidance on the right content and perspective to share with stakeholders at each phase of the buying journey. As sellers evaluate how effective the content is at moving the deal forward, the system will refine its algorithms, increasing the accuracy of future suggestions.

***Sellers can use their research to deliver perspective in four ways:***

1

*Helping buyers uncover an unanticipated problem.*

2

*Offering a creative, unanticipated solution for the buyer.*

3

*Showing buyers an opportunity they didn't see or explaining how a product or service can help them in ways they didn't realize.*

4

*Introducing others from different parts of the business or outside the company who can support the buyer.*

# 2 Understand the buyer's journey

Sellers need to understand how buyers embark on a buying decision, moving through the stages of awareness from consideration to decision. But the buyer's journey is growing ever more complex.

There are more buying influences involved in deals than ever before.[4] And buyers engage with sellers in more channels than in the past: inside sales, field sales, channel partners and e-commerce. In the omnichannel marketplace, it's common for buyers to engage with sellers through multiple channels at multiple touchpoints.

Plus, with remote selling becoming the norm during the pandemic, sellers have shifted away from traditional practices to virtual ones.

Despite these moving parts, sales organizations must ensure that customers have a seamless experience. And sellers need to at least meet, if not exceed, buyers' expectations at every step of the journey.

*Ensure consistent positive cross-channel interactions to improve buyer engagement.*

*Start by having your sellers map out their buyer's journey, including all potential interactions and touchpoints, from awareness through implementation. Consider common scenarios for each type of buyer: new customers asking for a quote and existing customers looking to change solutions.*

*For each interaction, your sellers should review who is involved, how the interaction takes place and what weight the interaction may carry with the buyer. Keep in mind that some interactions may be automated, such as when a buyer fills out an online request for a quote. Then sellers should think about potential areas that may cause friction and how they can eliminate any possible issues.*

[4] Korn Ferry 2019 World-Class Sales Practices Study

3

# Align your sales process with the buyer's journey

Sellers usually have a clear goal: making a sale. Sometimes they have a process to reach that goal. But that process often doesn't align with their buyer's path—buyers today see less of a role for sellers in their buying journey, and the balance of power has shifted.

Instead of leading their buyers, sellers must follow their buyers' lead. That means they have to understand how their buyer prefers to solve problems. As buyers consider a purchase, they follow a distinct decision-making path. They evaluate the opportunity, research solutions, compare sellers, narrow the field and then choose a winner.

At every stage, sales organizations must track their buyers' place along this path, ensuring that their sales team has the tools and resources they need to move buyers along each step. They must also anticipate and proactively resolve any potential challenges or obstacles. Coordinating sales efforts with the buying journey also helps sellers reach their destination faster. Sellers who align their sales conversation to their buyer's position in the journey—those who best understand their buyer's needs and tailor their approach to building the greatest value by sharing perspective—can shorten lengthy sales cycles and ignite their buyers' urgency to act.

***Organizations that fail to consider their customers' path achieve quota attainment of only 44.9%.***[5]

44.9%

***By contrast, sellers who align their processes most closely with their customers' path see 58.5% attainment.***

55.8%

+

13.6%

*gain.*

*Sales organizations that align their sales enablement functions—content, training, coaching and tools—with their buyers' path experienced even greater success. Those organizations see win rates that are* ***11.5 points*** *higher than those without alignment.*

[5] Korn Ferry 4th Annual Sales Enablement Study

> "Sellers can also use this data to **continuously improve** the sales process…"

## How sales organizations can improve alignment with the buyer's journey

Sellers should find ways to coordinate the sales process with their buyer's unique journey, then document each step they take during the process. By keeping each customer's needs at the center of every interaction, your sellers can ensure alignment at all critical touchpoints. This will enable your sales organization to evolve from a mere vendor or supplier into your buyer's go-to partner and trusted advisor—which will help you both find the solutions you've been searching for.

Then, sellers should use technology to further align with the buyer. First, map the buyer's journey and your organization's sales process into your CRM. Then, sellers can use your CRM to gather data on activities that will move new prospects through the buying cycle. Sellers can also use this data to continuously improve the sales process to best meet buyer expectations and adapt to changes in the market.

# 4 Adopt a formal sales forecasting process

Most sales organizations have a forecasting process. But few are satisfied with it—largely because it's not formal and disciplined. As a result, sales forecasts generally aren't accurate.

In order to forecast, a deal typically needs to progress far enough through the funnel and meet certain criteria so that the seller has a high degree of confidence that the opportunity will close. By this point, the sales manager has agreed with the seller's assessment that the deal should move into the "commit" column. So, everything in the forecast comes directly from sellers and sales managers.

Yet forecasts continue to be wrong more than half the time.[6] That's because sales forecasts are often informal or subjective, using informal data collection or undefined cadences, making these forecasts less structured and informed.

The more formal and rigorous the forecasting process, the higher the organization's win rates. Our research shows that organizations with a formal, structured forecasting review process increased their win rates of forecasted deals by 25% compared to organizations that used random or subjective approaches.[7]

[6] Korn Ferry 2019 World-Class Sales Practices Study

[7] Korn Ferry 2018 Sales Operations Optimization Study

## How to improve sales forecasting

*To increase the formality of your organization's forecasting, build structure around the process so it fits within your selling workflows. Then involve technology to help sellers and their managers make the most of your organization's sales data.*

*You should also set a schedule for forecast reviews: weekly, monthly and quarterly. A defined cadence can drive the right discussions in funnel reviews. You'll also reduce your sellers' reliance on outdated information.*

*To facilitate meetings, set guidelines to ensure the right people put the right information in your systems at the right times. Define who will attend and what the meeting objective will be. Also, ensure that the meeting will occur after your sellers have time to input data and sales managers have time to review and digest it.*

*Sales technology can help you transition from the historical and subjective data in your CRM to predictive data that informs more accurate forecasts. Reviewing the history of buyers and deals sheds little light on future performance. However, digital sales tools can generate predictive data by applying AI-driven algorithms to a broad set of data points to calculate the health of an opportunity. Today's tools deliver insights and create sales models that inform managers and sellers alike on what actions are most likely to influence deals to close.*

# 5 Embrace call planning tools

Sellers spend only a third of their time on selling, and from that limited selling time, sellers spend 20% on call planning. In order to help sellers use their time more efficiently and convert some of that preparation time to selling time, sales organizations should invest in call planning tools.

However, to make a call planning tool effective, you must do more than give it to a seller. You also need to ensure that you **train sellers on how to use it.** Then you need to follow up on that training with sales coaching and sales enablement.

[8] Korn Ferry 2018–2019 Sales Performance Study

[9] Korn Ferry 2019 World-Class Sales Practices Report

## *How to improve the call planning process*

*With an average of 6.4 decision-makers in an account and an average sales cycle of five months or more, sellers may engage in dozens of calls to close one opportunity. While it's important for sellers to prepare for every call, not all calls require the same level of planning.*

*Set guidelines to help sellers understand which calls will require documented planning. By limiting the number of calls that require formal plans, you'll improve the quality of call plans and give sellers time back in their day. You'll also free up time for sales managers to spend less time coaching on calls, which will encourage more focused coaching in other areas and better adoption of your call planning tool.*

*When selecting your tools, consider what will work best for your sales process and your sales team. Some simple tools, such as checklists and templates, are sufficient for sellers but advanced tools have AI capabilities that can record and analyze calls to help stales managers assess what was successful. These tools capture the key words and competitive positioning that sellers use to close the deal.*

*Whichever tool you choose, ensure that it reinforces how you want your sellers to sell and that it fits easily into your workflows.*

# 6 Instate formal opportunity planning

Every moment matters in sales. So, when you're trying to attract more buyers into your funnel, you want sellers to focus their attention on the opportunities most likely to close.

Few sales organizations use formal opportunity planning techniques. They often treat opportunity planning as an event, not as a process.

Even if sellers fill out opportunity plans that are approved, these plans may end up sitting in a folder unused. Organizations need a way to ensure that sellers execute their plans—planning the work isn't the same as working the plan.

Sellers who implement a formal lead qualification strategy to determine which potential customers are more likely to buy can allocate their time more wisely, so they can get the highest return on their investment of time and resources. Moreover, they can avoid wasting their buyers' time by asking insightful questions that ensure that the solutions being offered meet their needs.

# What to focus on in qualifying an opportunity

It's important for sales organizations to find ways to fill their sales funnels with opportunities. However, sellers have to be deliberate and strategic to get the highest return on their investment of time and resources. They must also use a more formal lead qualification process that will respect their buyers' time.

**In deciding which opportunities to pursue, your sellers should evaluate four variables:**

1 Sales talent:

Sometimes you'll win deals because your sellers are better

2 Products and solutions:

Sometimes you have the best products or solutions on the market. But, even if your products or solutions haven't been commoditized yet, they likely will be.

3 Perceived return on investment:

Many solutions offer similar benefits. To win more business, sellers must excel at distinguishing your solutions from the competition.

4 Opportunity pursuit strategy:

Your sellers simply outsell the competition —often because they're following a sound sales methodology. They also excel at two critical selling skills: consistently qualifying opportunities using predictive criteria and asking the most informative questions.

All four variables are critical. That's why your sales organization should not only support its sales processes; it must also invest in talent. Part of your talent strategy should include finding candidates with the right competencies and skills to excel in sales roles. You'll also want to structure a competitive compensation and reward package so your top sellers don't stray.

But as the market continues to tighten, the fourth variable, your opportunity pursuit strategy, becomes ever more important. That's especially true in more complex sales that involve multiple buying influences. This is why continuing to develop your sellers and their knowledge of your sales methodology through sales training and coaching is essential.

# The importance of the strategic opportunity quality scorecard

Sellers can use scorecards to determine which deals deserve more of their time. Specifically, a strategic opportunity quality scorecard helps sellers measure the quality of a sales opportunity based on its desirability and winnability.

It can also help sellers decide which actions are most likely to increase the desirability and winnability of a deal. The scorecard shows sellers which questions to prioritize during sales calls. As a result, sellers can focus on the opportunity for the buyer and accelerate their ability to close the deal.

**The strategic opportunity scorecard focuses on six universal qualifying categories:**

1 **Solution alignment:**
Ask questions that will give you insights into your buyer's current state and their desired future state, including what they want to accomplish, fix or avoid in the future.

2 **Decision-making process**
Buyers have shifted their purchasing processes in the last few years. It's important to learn who makes decisions, what criteria they use to guide their choices and how they prioritize projects.

3 **Timing**
The sales cycle is not as short as it used to be. Sellers must determine when their buyer plans to buy and when they'll be in different stages of their decision-making.

4 **Other people**
With multiple buying influences involved in a deal, sellers must understand the role of each buying influence, what information to share and how best to approach them.

5 **Competition:**
Given the disruption in the market, it's essential to understand what alternatives you're up against without steering buyers to other sellers.

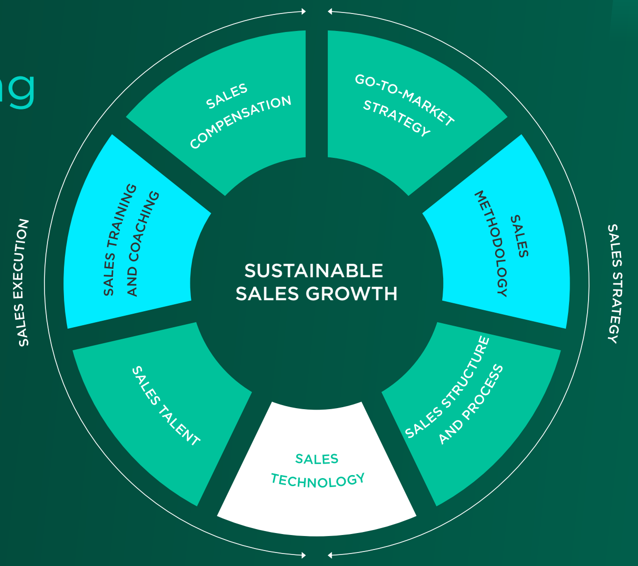
6 **Budget:**
Shifting priorities and internal and external crises may have changed your buyer's expected budget. To make sure your solution matches the desired scope, you need to understand their current funding.

While some sellers may not want to appear scripted, it's critical to prepare questions so they get the information needed to close the deal. The more they prepare, the more seamless their dialogue will be, so they won't sound like they're conducting an interrogation.

## How to use sales technology to reinforce opportunity planning

CRM systems often have opportunity management features.

Additional sales technology solutions help sellers optimize plan implementation by incorporating plan execution into each seller's workflow. These solutions track whether planned tasks are completed on time and notify sales managers if things go off track.




## Build a dynamic sales process to raise win rates and quota attainment

Following these six tips will help you build a more dynamic sales process. But once you've defined your processes, that's just the beginning.

The next steps are to train your sellers in your process, then reinforce it so it becomes a natural part of their workflow. And, of course, you must continuously refine your process with insights from your sales analytics platform.

That's where the **Korn Ferry Intelligence Cloud** comes in.

When you connect sales technology with sales methodology powered by the Intelligence Cloud, you get actionable insights into your current sales process. But, perhaps more importantly, you also see areas where you can improve, helping you refine your process, training and coaching. Ultimately, you will also see improvements in your sales results.

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**Intelligence Cloud™**

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