

10 Ways for CEOs to Effectively Manage Their Sales Teams

by Oleg Rogynskyy - Founder and CEO of People.ai

I've seen CEOs (including myself) struggle with enabling and managing their sales teams, which is why I created People.ai. People.ai uses big data and artificial intelligence to find patterns in your sales team's activities, so you can make decisions based on intelligent data, not intuition.

Over the course of my career I've founded two enterprise application companies and scaled five others, and I've learned

some things along the way. One of those lessons was how to build and scale a top-tier sales organization.

At People.ai, we're helping the CEOs of over 100 companies better understand their data in order to manage their teams more effectively. In this eBook, you'll find 10 things you can start doing today to help your sales team thrive.



1 Create Consistency in Messaging and the Sales Process

When evaluating a start-up business, venture capital partners often remark “Prove to me that you have a scalable, repeatable business.” First-time CEOs may think they’ve hit this bar because they’ve closed more than a handful of deals and they’ve hired sales reps.

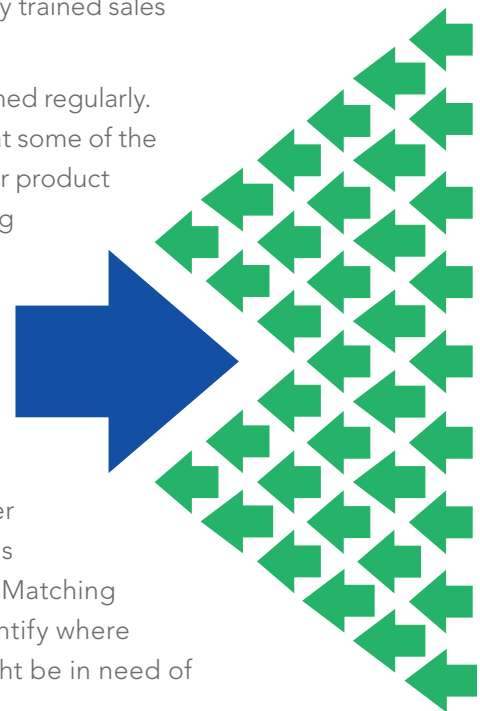
But you can’t prove repeatability through brute-strength and by closing a few more deals. You prove it by creating a consistent corporate and product messaging framework, and a sales process which your new hires can learn and replicate.

Whether you’re hiring one sales rep per quarter or three a week, you need to have a well-documented product and sales training program. This program should be robust, but not overly complex, meaning your existing team can deliver it with little notice required. Lack of consistent messaging and sales process means poorly trained sales reps and lower sales effectiveness.

In addition to the initial sales training, your sales team should be retrained regularly. Even if your strategy and product haven’t changed, you’d be amazed at some of the bad habits and myths that have crept into the sales organization. If your product line is changing and growing, you need to reinforce the new positioning and your competitive differentiators.

When it comes to your sales process, does it match your business and the way your customers buy, or are you just using some generic stages in your CRM system? Is “consideration” really a stage, and how do you know when you’ve reached it? Instead, sit down with your Head of Sales and your 2-3 best sales reps to define the real milestones in the customer buying cycle. Is a product trial an important part of your typical sales process? If so, it should be a specific stage and recognized as such. Matching your sales process to your customer’s buying process helps you identify where your sales team may be getting stuck, or where a particular rep might be in need of better coaching or more effective sales tools.

Likewise, do the probabilities in your CRM system match your actual results? Do only 10% of your opportunities close, or is it closer to 25% or even 30%? I’ve seen both Sales VPs and CEOs look at their rolled-up monthly forecast and then apply some intuitive “windage” to it, for example guessing that 90% of committed deals, 50% of best case deals, and only 5% of pipeline deals will close. But why guess when you can use your own data to inform that forecast?



2 Don't Be Afraid to be Involved

As the CEO, you're aware of the key drivers and determinants of success for your business. I know CEOs who wouldn't hesitate in walking through their R&D team's sprints, or asking the marketing team about their latest campaign, and checking in with the support team about open cases and customer satisfaction. Yet those same CEOs are often reluctant to ask their VP of Sales for a similar level of information. If the CEO doesn't have a sales background, they may not feel comfortable asking. And if the CEO does have a sales background, they may think their Head of Sales will consider this to be second-guessing or insulting. Yet who has tougher skin than salespeople?

Don't think you're meddling or micro-managing by asking questions of your Head of Sales and certainly don't be shy about using technology to keep track of your sales team's work. Tools like Salesforce reports, and People.ai can help you gain the insights and details you may be missing.

Being involved means sharing feedback, both positive and negative, with your sales leaders. They'll share the necessary feedback with their teams directly. And remember that giving praise publicly and critiquing in private, is always a good idea.

“DON'T BE SHY ABOUT USING TECHNOLOGY TO KEEP TRACK OF YOUR SALES TEAM'S WORK.”

3 Ask the Right Questions

It's natural for the CEO to focus on the latest developments regarding this month's big deal, especially if your success depends on generating new business every month. But soon everyone else in the company is wondering whether this month's big deal will come in on time. And it isn't just the sales rep and the Head of Sales who worry about the deal coming in on time, your company's morale is on the line too.

Ensure you haven't put all your eggs in one basket by asking your Head of Sales questions such as these:

- What are we doing to improve sales interactions with customers?
- How do we get salespeople in front of customers 10% more next month?
- What are our actual sales milestones/stages, and how do we shorten them?
- Who are our best reps, and how do we make the other reps more like them?
- Why do we think these deals are going to close this month?

- What has the customer done to lead you to forecast this deal?
- Why are deals slipping?

Taking it one step further, look at instrumenting key performance indicators(KPIs) around these questions and tracking them via your sales intelligence systems. Being able to have a pulse on all aspects of the business, will allow you to quickly get things back on track if they start to go awry.

If you work with your Head of Sales on training your salespeople and arming them with the best products and sales tools, the big deals won't seem like such big deals when they close.

4 Pay Attention to the Entire Sales Cycle Instead of Just Closed Deals

Just as a marathon is seldom won in the last 50 yards, it's in the rest of the sales cycle that the deal is won or lost. Depending on your sales cycle, the time to close may vary, but intense negotiating of price and contract terms usually represents the last 10% of the sales cycle. CEOs often make the mistake of focusing exclusively on those last few days.

For that reason, start focusing on every step of the sales cycle, including those crucial first impressions. This includes your people, marketing materials, and your sales enabling technology (scheduling, web conferencing, phone system, meeting rooms, etc.).

Some companies use "secret shoppers" to check the quality of their customer interactions, including telemarketing/inside sales people. This allows managers to pinpoint and correct bad behavior happening early in the sales process. Use your CRM and sales intelligence systems to help give you a more accurate picture of sales behaviors — good and bad.

Correcting bad behaviors (and rewarding the good ones) doesn't require you to hire a new team. Ask your best reps what tools they need to do their job better. Use tools to remove barriers for your sales team, allowing them to spend more time in front of prospects.

Finally, you can't fully understand what it takes to win a deal without accurate data. As any sales operations manager will tell you, "If it isn't in the CRM, it doesn't exist!" And while it's important to have up-to-date information in your CRM system, look for ways to automate that data creation for your reps. People.ai syncs all sales activity (email, meetings, calls) into your CRM, ensuring perfect data hygiene and accurate reporting with little to no effort by your reps.



5 Help Those Who Ask For Help

The CEO of a well-known company is famous for asking “How come I’m not involved in this deal” and then asking “Why should I pay you commission if you need me to close the deal?” Needless to say, you can’t have it both ways.

Arbitrary judgments like that hurt morale and sales productivity. Your best reps know instinctively when to involve executives in their deals, and at what stages. Sales intelligence systems like People.ai can analyze and identify what behaviors are most successful — at what stage — and then help to coach the entire sales team on those best practices. By utilizing sales intelligence tools you can recreate the type of interactions that consistently bring deals across the finish line. Plus, these tools can measure the impact that an individual has on a deal, so you can give credit where credit is deserved.



6 Hire and Manage for Talent, Not Looks

In “Moneyball”, Michael Lewis chronicled how Billy Beane, general manager of the Oakland A’s baseball team, revolutionized modern baseball talent management by using data analytics and statistics to determine his draft choices and trades. The outcome? Those who “didn’t look like a baseball player” outperformed those who did.

This probably isn’t your first rodeo - you instinctively know what a great salesperson looks like; great clothes, winning smile, strong handshake, Rolex watch (extra points for diamonds) and a forceful, confident personality.

However, there is little actual correlation between the common stereotype and sales success. Yet many CEOs and VPs of Sales continue to make the same mistake. Some of the best sales reps don’t match the stereotype. Look for reps who listen rather than wait to talk, qualify the customer and their buying process, don’t bluster but rather calmly go about their business. It’s these sales reps’ behavior and practices we should understand and model so we can train the rest of the sales team to approach their pipeline the same way.

Use your sales intelligence systems to identify reps who are ahead of the pack and enable the rest of the pack to follow suit.

7 Don't Fire Underperformers Too Quickly

When your company makes the choice to hire a new sales rep, you've made a conscious decision to invest the time and money needed for that rep to be successful. Depending on the length of your sales cycle and the complexity of your product and messaging, that investment may take anywhere from three to nine months to start paying dividends.

A 2012 DePaul University Center for Sales Leadership study found that the average cost to turn over one sales rep is almost \$115,000. And yet, so many CEOs pull the plug on reps who haven't closed deals ahead of the curve.

Rather than react instinctively or emotionally, you and your sales management team should be looking at the person, their behavior and activities rather than at a closed deal count. Do they know the product pitch and do they deliver it well? Do they follow up quickly on leads and opportunities? And are their communications targeted and specific to each customer? Are deals moving along in the typical sales cycle? If all those signals are green, the worst thing you can do is to flush that investment just as it is about to pay off.

You may find the use of a leaderboard can help show early success, even if it hasn't translated into actual revenue quite yet.

As many seasoned CEOs will agree, firing reps too quickly can be a distraction to your already ramped sales team and hurt company morale.

“A RECENT STUDY FOUND THAT THE AVERAGE COST TO TURN OVER ONE SALES REP IS ALMOST \$115,000.”

8 And Don't Fire Underperformers Too Slowly

Of course the opposite also happens. This is another symptom of relying on instincts, past performance and appearance to judge sales performance. Not acting on an underperforming rep is not only a waste of money and bandwidth, it also undermines the rest of the team's confidence in management. In most sales organizations, everyone knows exactly where each person stands in the quota achievement pecking order. If you're not using a leaderboard to track this, get one now.

Sometimes managers hold off on firing underperformers because their pipelines look fruitful. And sometimes, pipelines actually are too good to be true. Every CEO and sales leader has seen a rep with fake deals in his forecast, and it can take months for their manager to uncover what's really happening. This is where a sales intelligence system

like People.ai can help. Our data analysis and use of artificial intelligence can single out deals that don't match the pattern of a real deal because the activity history isn't there to support it.

As the company's leader, be sure to reward for good activity and ask the hard questions when the data doesn't match with your instincts.

9 Promote For The Right Reasons

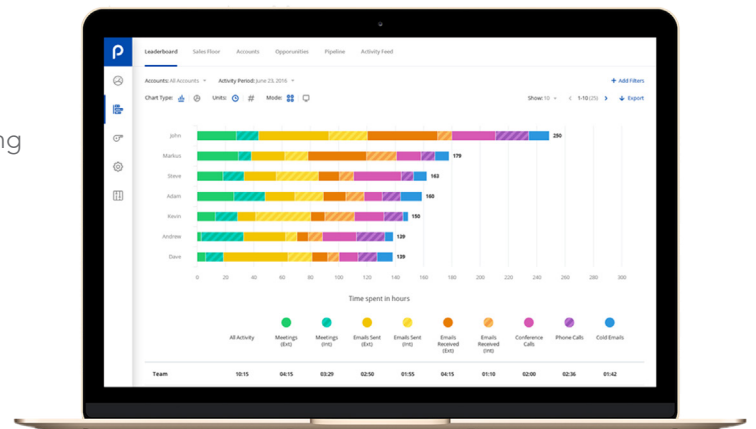
CEOs will admit to hiring a salespeople because they "look" the part, however this can lead to promoting for the wrong reasons. At many and perhaps most companies selling large B2B deals, the Head of Sales is the biggest hunter in the room. And yet managing and developing a sales team isn't about hunting, it can often be more about herding cats.

The best sales person may not have the talents needed to be the best manager, and may not even want to be a manager. Great salespeople want to be selling. Many companies have an implicit up-or-out policy for salespeople, where the only way to make more money is to become a manager. If your sales organization is built that way, I encourage you to find ways to retain your sales talent without requiring a move into management. This typically takes the form of a higher-grade sales rep position with a higher base and a higher quota.

A great individual sales rep can be a model of best practices for the rest of your team without requiring them to stop selling.

10 Use Tools To Make Logging CRM Data Easy

CEOs want their reps in front of prospects and customers selling, not doing data entry into a CRM system. Nevertheless, you can't manage and scale your business without comprehensive sales data. Without data, marketing won't know which campaigns and messaging work and which don't. Finance can't accurately forecast revenues and cash flow and sales managers can't determine where reps are struggling as a team or individually. When data is missing, you don't know where your team needs help to overcome bottlenecks and barriers.



The good news is that systems like People.ai can automatically capture sales rep activity and sync it to your CRM system; including email, phone and meeting data. This allows sales reps to spend more time selling and limit their CRM data entry, making sure their opportunities and forecasts are up-to-date and accurate. People.ai then uses artificial intelligence to analyze the behavior implicit in those activities, and automatically provides coaching to help reps to improve their practices.

About People.ai

People.ai is a sales management platform that automates sales rep ramp, coaching, activity analytics and CRM data entry. Upon deployment, People.ai unlocks up to 50% of additional sales capacity and helps managers make better, faster decisions based on data — not intuition. For more information visit www.people.ai.

About Oleg Rogynskyy

Oleg Rogynskyy is the CEO and founder of People.ai. Prior to People.ai Oleg helped start and scale three big data companies, two of which, Semantria, were subsequently acquired. He has a passion for data science, machine learning and text analytics. At People.ai Oleg is leveraging these technologies to solve the age-old problem of managing people based on data rather than opinion. Learn more about Oleg and People.ai at www.people.ai.



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