



Sales Imperatives Across the Business Life Cycle

SMA Chicago – Panel Discussion

July 14, 2011





Today's Objectives

- To share and test a “Point of View”*
- To gain insights from “Industry Leaders” and attendees*
- To provide a framework for evolving your Sales Models*



Agenda

- Panel Sponsors
- Point of View on Sales Imperatives
- Context Setting
- Introductions
- Collaborative Panel Discussion
- Networking



Panel Sponsors

- ❑ Tom Knight and Erik Birkerts, Evergreen Growth Advisors
- ❑ Bart Mosele, Director, the Chally Group Worldwide
- ❑ Bob Kelly, Founder, Sales Management Association

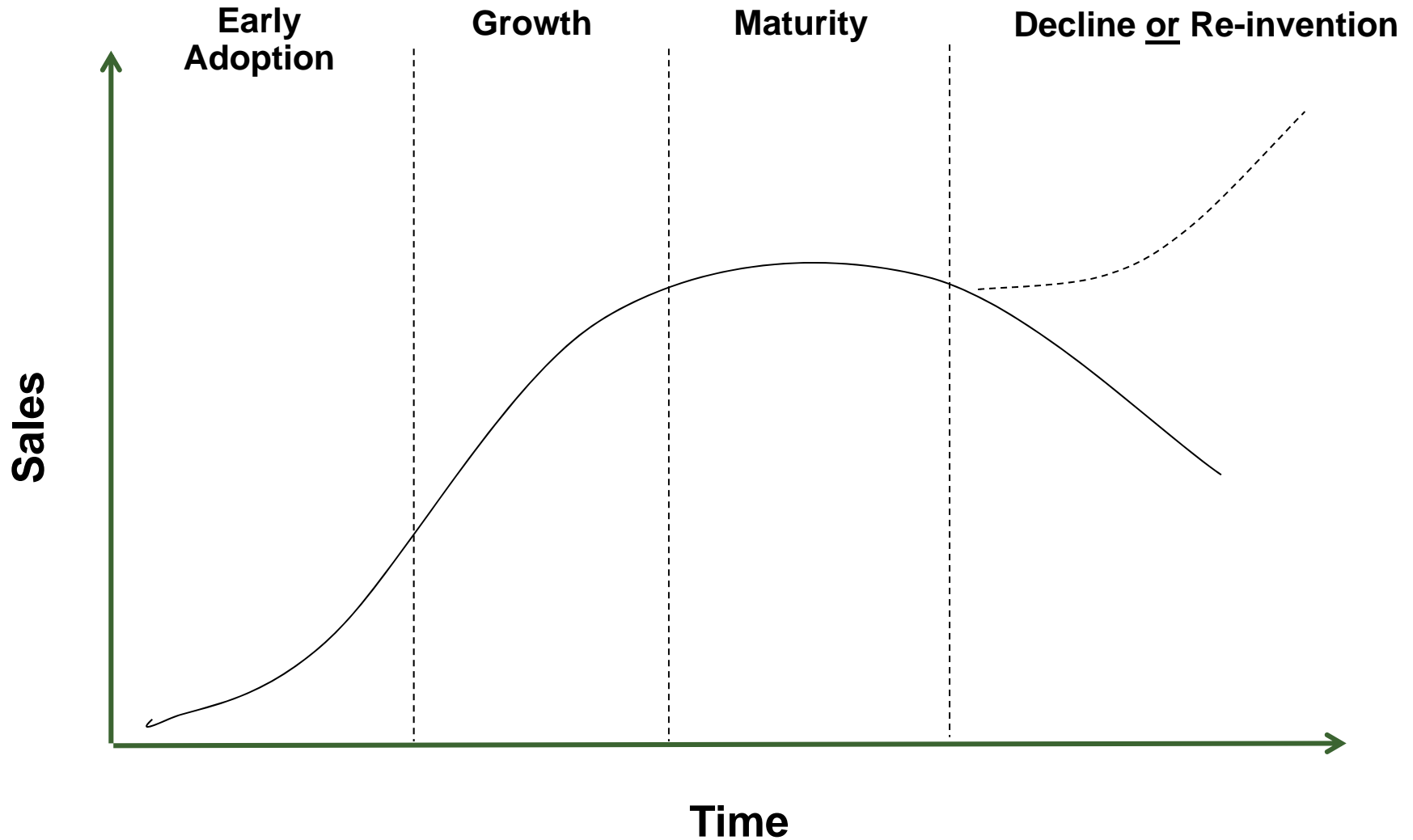


“To deliver strong and sustained growth, Sales Leaders must evolve their sales models ahead of life cycle changes. Doing so requires prioritizing three to four of 10 potential leverage points at each stage.”



Point of View on Sales Imperatives

Context Setting: Category/Product Life Cycle





Point of View on Sales Imperatives

Context Setting: Business Models

Businesses must choose between two essential business models which are polar opposites.

Volume Operations

- Produces a variety of offers at high volume
- Product mix, price, and availability are the central value proposition
- Purchases are systematized and low-touch, enabling buying, not selling
- Customers are attracted to products via a broad variety of communications and advertising, that tend not to be personal



Complex Systems

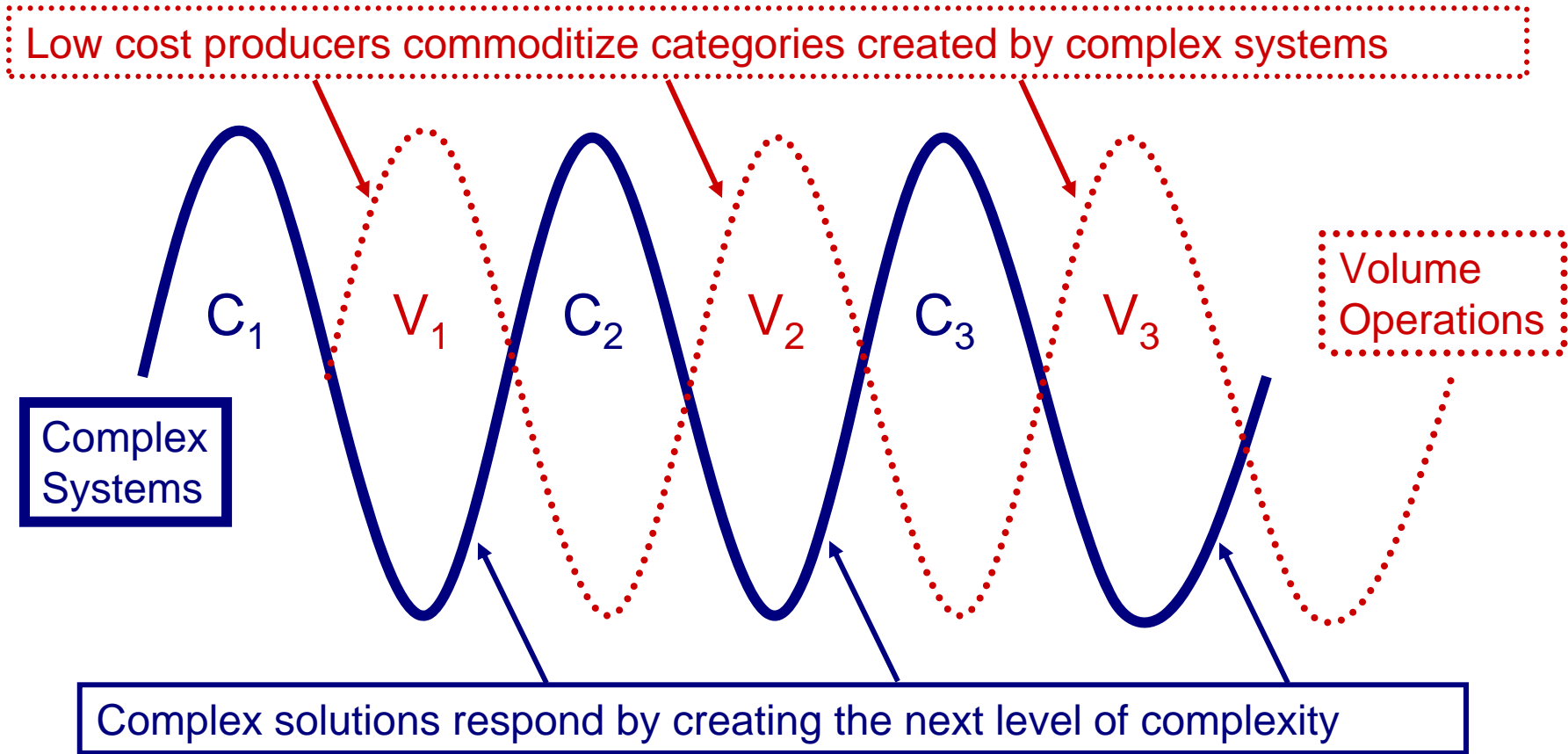
- Produces a variety of “bespoke” solutions which combine products and services
- Fit with the customer’s business model is the central value proposition
- Purchase cycles are more lengthy and involve discovery and solution development sessions with experts
- Customers are attracted to the company based on capability focused messaging and advertising



Point of View on Sales Imperatives

Context Setting: Business Models

Sustained success may require shifting between these two models across the business life cycle, but is rarely found with a hybrid model.



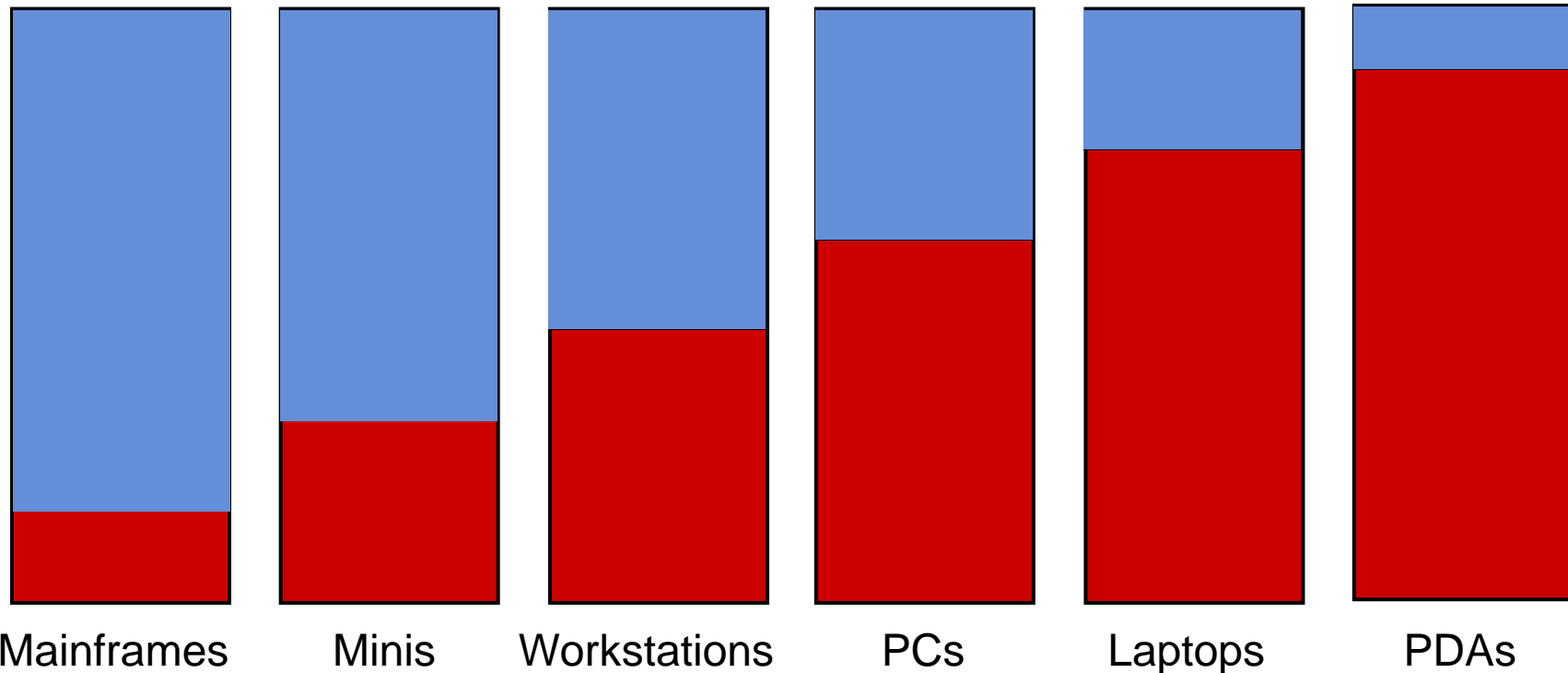
Geoffrey Moore, 2005 "Dealing with Darwin"



Point of View on Sales Imperatives

Context Setting: Computer Industry

Complex Systems



Volume Operations

Time →



Point of View on Sales Imperatives

Context Setting: Sales Imperatives

Sales forces typically utilize 10 levers, depending upon their life cycle, to create high and sustained revenue growth:

1. Customer Selection / Segmentation
2. Channel Selection
3. Sales Coverage
4. Sales Process
5. Role Design
6. Sales Capability and Development
7. Lead Creation and Opportunity Management
8. Performance Reporting and Monitoring
9. Sales Management Processes
10. Compensation



Point of View on Sales Imperatives

Sales Imperatives Across Life Cycle Stages

	Early Adoption	Growth	Maturity	Decline	Re-invention
Key Objective	Market adoption and reference customers.	Scalable revenue platform (“engine”).	Sales efficiency / reduced cost of sales	Capturing profit pools.	Overhaul of Sales model to reflect strategy and product changes.
Primary Imperatives	<ul style="list-style-type: none"> • Customer Selection • Lead Creation and Opportunity Mgt. • Channel Selection 	<ul style="list-style-type: none"> • Customer Selection • Sales Coverage • Role Design <hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> • Sales Process • Sales Capability <p>(later 3 are more relevant to complex models)</p>	<ul style="list-style-type: none"> • Sales Mgt. Processes • Performance Reporting • Compensation 	<ul style="list-style-type: none"> • Customer Selection (profitability) • Channel Selection • Sales Coverage 	<ul style="list-style-type: none"> • Customer Selection • Channel Selection • Sales Coverage • Sales Process <p>(these are most common, although others are possible)</p>



Introductions

❑ Moderator:

- Craig Wortmann, Clinical Associate Professor of Entrepreneurship, University of Chicago Booth School of Business

❑ Panelists:

- Jay Crookston, V.P. of Sales, Energy Connect a JCI company
- Don Scheibenreif, V.P. of Research, Gartner
- Rick Cobb, V.P. of Sales, Challenger Gray and Christmas
- Ken Merritt, Director of Sales Optimization, Nalco Company



Questions for Discussion

- Initial reactions and thoughts to the Point of View?
- What causes distraction and failure to adjust your Sales model?
- Which life cycle stages are hardest to navigate?
- Where has your company experienced failure attempting to adjust its sales model?
- When Sales model adjustments go badly, what are some of the root causes?
- Which imperatives have you typically leveraged at each stage?
- Do you think selection of imperatives varies significantly by business model?
- Do you have a tendency to over-leverage certain things? (say compensation or capability development/training)



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