

**REVENUE PERFORMANCE
LESSONS FROM A GREAT GENERAL**

NAVIGATING THE BATTLEGROUND FOR REVENUE GROWTH

Point of View Paper

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It is no surprise that the world's greatest sales professionals have long recognized important corollaries between the discipline of sales and the strategies and tactics of ancient warfare. The anatomies of sales and war are similar in many ways. In sales – as in war – if an organization loses enough battles, it will be permanently defeated. As with war, sales often contains vast and complicated components that fit together strategically to support the end objective, yet each component must rely on human adjustment – amiable to change in an instant to fit the need of the moment. As in war, sales is comprised of professionals that have trained endlessly to prepare for a single moment in time, only to find its reality considerably different than the cleverly-crafted training scenarios. Like great military leaders, a successful leader must bring his members a sense of purpose, identity, unity and, ultimately, a clear sense of connection with something greater than oneself. In sales, there are winners...and there are losers. Yet, effective sales teams, when they lose, learn from their shortcomings and emerge a stronger unit to fight another day.

Sun Tzu: A Sales Leader's General

For centuries, many have considered Sun Tzu's *The Art of War* an indisputable compilation of strategies and tactics for success in war and battle. Many view the ancient Chinese general as a strategic genius. In capturing and refining the key elements to creating and maintaining successful sales organizations, we consistently address the health and hygiene of the four foundational sales components: Leadership, Methodology, Messaging and Skills. And it is in these four areas that we find timeless principles contained in Sun Tzu's *The Art of War* as invaluable references in support of world-class revenue performance. In fact, leading sales organizations will use these attributes to continually analyze and challenge themselves, creating opportunities to reinvent themselves in pursuit of a better model for winning.

Application of Sun Tzu's principles results in a single unit that is disciplined, feared, respected and emulated. It helps to build an organization that always knows what it needs to do to win, and demands it; an organization that knows its strengths and exploits them; an organization that knows its weaknesses and avoids them; an organization that knows its position, and takes advantage of it; and an organization whose leaders receive and show respect by providing valuable coaching and support balanced with strict accountability.

One could spend a lifetime studying and applying the components from *The Art of War* to the context of the sales discipline. Here we have chosen some of the more obvious components as basic guidance toward creating a sales organization based on foundational principles that result in more wins, fewer failures and a strong and revered sales organization.

Sun Tzu says: "Your success comes from five factors (Philosophy, Climate, Terrain, Leadership and Methodology). Study these factors when you plan war. You must insist on knowing your situation". These five factors are the essence of an army's success, including yours. While we will address each of the five factors separately, it is important to reiterate that Sun Tzu insists success lies not only in their individual excellence, but in the interdependence of all five.

THE FIVE FACTORS OF SUCCESS

Philosophy

“Command your people in a way that gives them a higher shared purpose.”

Most sales organizations today are organized completely contrary to this important principle. Contemporary sales methodologies, compensation plans and leaders encourage sales professionals to work alone within a territory, hold valuable information close to the vest and execute business development and sales cycles with little or no support or involvement from others. This approach is a trap that sets a sales organization and its stakeholders for certain failure, for no loyalty is given, and beyond achieving quota, none is expected. As a result, what is working in the field only works for those that know about it. Sales professionals are often left without a sense of “home”, a sense of “team” – or to paraphrase Sun Tzu, a sense of belonging to a higher cause with a higher shared purpose.

There is no better example of this than the ever-common practice today of sales professionals changing jobs within an industry, taking important clients with them. In warfare, they are known as mercenaries. Mercenary sales professionals work for money, feeling little for the company, the solution offering or the client whom they ultimately serve. Wherever they go, they leave a battleground scorched with less money in the pockets of their clients and a declining reputation for their employer. This is where the downtrodden reputation of sales professionals originates, and it is the cause of severe morale issues in most sales organizations.

In contrast, the world’s best sales organizations work in a partnership environment. The typical sales team consists of the pursuit leader, the executive sponsor, marketing support, technical experts and subject-matter experts. Each member of the team has been properly immersed in their company, its offerings and the value they can bring to the prospect. Whether or not “sales” is identified as their primary role, they all receive significant ongoing professional sales training. They are equipped with top-notch tools and are surgically disciplined at executing a methodology in which they have the upmost level of confidence. They work the sales cycle as a single unit, hold one another accountable and revel in the win together. Finally, they all believe that closing the deal is the imperative, because selling to that client is the *only* way they can truly bring value to them – which they consider to be their obligation.

Climate

“Climate can be sunny or overcast. It can be hot or cold. It includes the timings of the seasons.”

In sales, climate is an important metaphor. There are macro-conditions and micro-conditions to climate. An example of a macro-condition is the state of the economy and how it is impacting your industry and the industries of your customers. Another is the collection of internal and external conditions that impact the customer’s need for your solutions, which may be competitive, regulatory or seasonal. Micro-conditions in climate include your company’s reputation in the marketplace, its relative position to competitors, the value and condition of its offerings, your ability to articulate that value and in due course your company’s ability to deliver and provide ongoing support.

Some climatic conditions cannot be controlled, but *all* must be considered and addressed. The world’s top sales organizations are proficient to quickly adapt and create advantages from macro-conditions in climate. With regard to micro-conditions, if your organization is positioned in a positive light, it must be ready and willing to establish momentum from that position, lengthening its duration. If it is viewed in a negative light, you often must rely on organizations outside of sales to repair the deficiencies and marketing to quickly make those repairs known. Meanwhile you must survive on your strengths.

In any event, climate can – and will – change in a moment’s notice, and the lesson to be learned is to recognize the climate in which you are operating and remain flexible and adaptable to optimize your competitive position.

Terrain

“Terrain can be distant or near. It can be difficult or easy. It can be open or narrow. It also determines your life or death.”

Like climate, terrain is also an important metaphor to sales professionals. Traditional planning is only effective in controlled situations. Sales cycles are usually not controlled, but competitive. They require additional analysis and thought. Winning sales teams analyze the climate, then create their own terrain. They do so by trivializing the strengths of their opponents, then changing the game in the mind of the prospect to align with their own advantages. They create effective relationships within the client organization, then establish themselves as the clear choice by which all others are measured. This truly determines your victory or defeat in a sales cycle. More importantly, once you establish your presence and maintain an advantageous position in terrain, it is very difficult for your competition to overcome that unfair position and permeate the client for future opportunities.

A common mistake in establishing terrain is failing to recognize what is common and what is different in your offerings. Weaker organizations too often “drink their own Kool-aid” and position their solution based on “me-too” traits that are easily countered by the competition in the sales cycle. On the contrary, the top sales organizations will constantly ask themselves how they are unique and seek to prove or disprove the answer to the buyer and key influencers of the buyer including company insiders and third-parties such as analysts and the media. Where no clear differentiating traits exist, changes are made in the solution (or bundling with other solutions in certain scenarios) to achieve that differentiation.

Sun Tzu likely would have characterized it this way: a world-class sales team will position itself uphill from its competitors with the sun and wind at its back, making it difficult for the enemy to attack, let alone win a battle!

Leadership

“The Commander must be smart, trustworthy, caring, brave and strict.”

Organizations where revenue growth is falling short of objectives need look no further than their own sales leadership. Sales leaders can often boast exemplary levels of achievement in their past career as sales professionals. It is natural for highly-effective sales professionals to climb through the ranks swiftly, particularly in an organization that is rapidly growing. Unfortunately, many of the same traits that make great sales professionals great can be traced to the root cause of their downfall in a failed sales leadership role. While most successful sales people are, in fact, smart and gifted, some will be more experienced working alone much of the time and intently focused on no one but themselves. They are often void of leadership experience of any kind and certainly not a builder or orchestrator of teams. One study on sales leadership revealed that among all sales professionals, less than 18% achieve consistent breakthrough success in most organizations. And fewer than 25% of those possess the characteristics that define a great sales leader.

A great sales leader will select, train and coach individual members and teams alike. Successful sales leaders maintain strict accountability to leading sales principles, policies and methodology, yet contribute extra time where a member of the team struggles. Not only will a top sales leader possess unusual instinct in applying selected techniques to create a strategic advantage in a sales cycle, but he/she will also have a great “gut-feel” on territory planning and sales strategy. The superior sales leader is never afraid to step-in and lead a sales cycle, but clearly understands the potential devastation to the sales professionals when he/she does so. Finally, when the sales team is not selling, a great sales leader has his/her team training, drilling, practicing and promoting. The superior leader allows no rest between battles, but at the same time insists on life-balance at all times for his/her team members.

Methodology

“Your methods shape your organization. You must master their use.”

Sales methodology is the single-most overlooked component within the sales discipline. Often trivialized or assumed, a poor or non-existent sales methodology gives rise to failure in performance, low morale, team infighting and lack of trust. Without guidance through a set of high standards that are proven to work, how can leadership hold sales professionals accountable? How can a team measure why they won and why they lost? How can continuous improvement be applied to achieve greater revenue growth at lower levels of investment? The answer is painfully obvious – we cannot.

The world’s great sales organizations hold themselves strictly accountable to a uniform set of methods and standards from which they rarely, if ever, deviate. The cadence of these practices ensures continuity and consistency through repetition. They have a clearly defined set of “always do’s” and “never do’s”. Common among the “always do’s” are steps that ensure focus, giving way to lower costs-of-sale and accelerated sales cycles. They include steps such as diligent lead qualification, negotiating next steps with the prospect and gaining a clear understanding of the buying process and who the ultimate decision makers are within the buying organization. Other steps serve to prevent, identify and/or mitigate risk, such as mandatory opportunity and account reviews with leadership, sales progress documentation and sales force automation.

In our own research with market leaders such as Microsoft, Del Monte Foods, SAP, Oki Printing Solutions, i2 Technologies, Ernst & Young, PeopleSoft, The SAS Institute, Tatum LLC and dozens more, both an increase and a decrease in revenue performance can be directly correlated back to adherence to – or failing to adhere to – a standard sales methodology. On a micro-level, results from loss analysis on individual opportunities most often are rooted directly to a misstep in methodology. Taking a more holistic view, low methodology adoption translates into low discipline, higher costs-of-sales and lower win-rates in sales cycles.

THE SALES CYCLE

“You must engage only in winning battles. Position yourself where you cannot lose. Never waste an opportunity to defeat your enemy.”

Military victory requires strict oversight and discipline of the key components throughout every engagement with the enemy, matched only by an unyielding attention to proper positioning of the troops to win battles. Similarly, every sales force requires strict focus and discipline over a critical set of its own key components as it navigates sales cycles if it is to achieve the highest level of success. The key components in sales are time management, preparation, practice and review. Perfection in execution emanates from the combination of these working in brilliant unison.

Time Management

“Manage to avoid battle until your organization can count on certain victory.”

Time is a scarce resource with finite availability. This has never been more accurate than for sales practitioners. All experienced sales professionals know their time will be split between selling opportunities they will win and selling opportunities they will lose. The most successful sales professionals identify the latter as early in the interaction as possible and will not hesitate for even a moment in making the decision to move onto the next pursuit. Each and every minute spent on bad pursuits is wasted. Great sales teams are diligent in their effort to qualify leads for this very reason. Further, great sales leaders are constantly looking for signals in every sales cycle that an opportunity is not qualified and are equally quick in guiding their sales team through these troubled waters.

A qualified lead is characterized by four attributes. Not one or two of the attributes, but all four. First, the client must have a problem your solution(s) can solve. Secondly, the client must have the charter (authorization and funding) to fix the problem. Third, the client must have a sense of urgency to solve the problem. And finally, the client must be willing to meet with you. If any one of these components is missing and cannot be resolved within a very short amount of time, you cannot count on victory of any kind, and spending any further time is preventing you from pursuing the next winning deal.

One final note on this topic: an opportunity can and often does move from being qualified to unqualified. Many sales people will choose to continue down the path with a prospect when it moves into the unqualified state based solely on *hope* that it will soon become qualified once again. Sun Tzu says “you see the opportunity for victory – you do not create it”. If it is not there – it is not there. *Hope* is not a strategy. It will cause you to waste infinite hours on bad pursuits. If it is unqualified – move on to an opportunity you can win!

“It does not matter how smart you are. You cannot get ahead by taking losses.”

Sales people, like troops, gain momentum and confidence from wins. They can learn both “what works” and “what does not work” during a winning opportunity. Momentum achieves greater market share. Greater market share results in stronger positioning. Stronger positioning helps to achieve more wins, and more wins equates more momentum. Lost opportunities defeat momentum and, in turn, open the gate for competitors to gain their own momentum against your team. Avoid losses, and also loss potential.

Preparation

“Planning can find opportunities, give you control. Outmaneuver the enemy before the first battle and then fight to win.”

Planning is underway at all times in executing any great sales methodology. It begins by establishing an effective competitive strategy that places an organization in an unfair position to win. The strategy defines the space, or “positioning”, the company wants to occupy and dominate. It defines the high-level capabilities of its solutions to achieve that domination and changes not only the rules of the game, but the playing field itself.

Following this, territory planning identifies the geographies, industries and process areas the sales organization will be most successful in executing to the competitive strategy. It aligns resources and skillsets as required to achieve appointed goals. In parallel, crisp, compelling and differentiated messaging is developed and sales kits are delivered to the field that together ensure connectivity to the original strategy and subsequent planning.

Unfortunately, all too many times sales organizations are “winging it” in the field rather than executing surgically and strategically to *win*. The necessary process of communication between senior management and sales leadership is non-existent, while little thought goes into establishing dominance in the marketplace.

The world’s top revenue generators will tell you “success in sales does not just happen”. Developing a competitive strategy for growth in revenue and market share requires creating, testing and adjusting competitive positioning, implementing precise territory planning and creating and distributing comprehensive sales kits with strong, differentiated messaging. When all these things are tightly synchronized and every activity has a purpose aligned with the strategy, then – and only then – opportunity comes, momentum is gained and control is achieved.

Practice

“Manage a dull army, you will suffer sharp defeats.”

One survey showed sales teams with sales practice as a regular part of their monthly regimen close up to 63% more sales pursuits than their counterparts who do not institutionalize practice in their roles. Yet, even with this astounding difference, sales leaders continue to view practice as a technique for the more junior sales reps or for teams with much less experience. In military organizations where victory can mean life or death for its participants, everyone practices daily – even those who have mastered their craft to a level of extraordinary success. Is effective execution of the sales cycles in your pipeline any less important to your company?

World-class sales organizations practice discovery, presentation skills and negotiations on a regular basis, and they assess the skill level of each individual at least quarterly. In one world-class organization I worked with, it was common for the company’s CEO to ask someone in the company elevator to talk about one of the company’s solutions during the ride from one floor to another. Not only was the company recognized annually amongst the world’s best at sales, but every member of the company knew the elevator pitches for each of its solutions, from the human resources executive to the accounting clerk to the receptionist. You can imagine what value that capability brought to the company and its impact on employee morale when each of its employees were led to a higher common purpose than just the execution of their own job duties.

Constant Review

“Military leaders must be experts in knowing how to adapt to find an advantage. You win a war by first assuring yourself of victory. Only afterward do you look for a fight.”

Similar to the post-battle assessment of advance, retreats, captures and losses, an exhaustive review of accounts and opportunities is crucial to consistency in sales success in any organization. Risks enter into each and every sales cycle and are often difficult to see by the people closest to it. Consistency in winning opportunities can only be achieved by ensuring two things: 1) everything must be done to anticipate and mitigate risk in every sales cycle, and 2) each and every step in the sales methodology must be adhered to with diligence.

Pursuit leaders too easily fall into the trap of skipping important steps in the sales cycle, especially where team resources are scarce. It is leadership’s responsibility to not only make itself available to review each opportunity, but demand it as a matter of normal practice. An organization’s sales leaders are the experts in knowing how to uncover opportunities for advantage in a sales cycle, and the opportunity review process helps to ensure advantages are presented that can have a dramatic impact on win/loss ratio for a sales team.

Just as a great leader subjects the team to constant review, equal scrutiny must be applied to the messaging and tools. The best sales leaders insist upon outside review and validation of messaging and positioning, preferably by the very buyers of the team’s offering. These tools must be sharpened and polished often to ensure readiness. Only with clear, concise differentiated message in tow, is a sales team ready to go to battle.

CONCLUSION

Leaders of world-class sales organizations will recognize these principles as invaluable to their success. They often refer to Sun Tzu in their discussions, training, planning and execution. They use the stanzas to constantly analyze and challenge themselves and their teams alike, creating opportunities to consistently improve in pursuit of winning.

As stated before, application of these principles results in a sales team that is disciplined, feared, respected and emulated. Of course, just as in the military sense, few sales organizations actually achieve and maintain greatness for an extended period of time, but application of the concepts referenced in this paper promise to make your sales organization more disciplined, more consistent and infinitely more successful. Happy selling!

About the Author

Tim McCracken is Managing Director and a Co-founder of Motum, LLC, where he works with the senior leadership teams of companies to exceed breakthrough revenue attainment through the effective alignment of business strategy, marketing, sales and delivery/expansion.

Before founding Motum, Tim served as Vice Chairman of Tatum LLC, responsible for leading the Firm's revenue initiatives. He also served as a member of Tatum's Board of Managers during the remarkable growth phase for the Firm. During his tenure at Tatum, the Firm saw its annual revenues increase more than 350% – from less than \$50 million to nearly \$200 million – making it the nation's largest executive services firm.

Prior to joining Tatum, Tim was Chief Executive Officer and Founder of a successful Dallas-based professional services firm providing leading-edge sales methodology, leadership coaching/mentoring, sales skills training and marketing/messaging workshops to software and consulting firms in the United States and Europe.

Other positions held by Tim include Senior Vice President of i2 Technologies, Inc., the world's leading provider of supply chain software and services, where he led a world-ranked global sales and solutions team of over 500 professionals to exceed \$1.6 billion in annual sales. Tim has also provided leadership to organizations in developing and maintaining technology infrastructures to support successful global marketing and sales operations.

As a member of the consulting practice of Ernst & Young, LLP, Tim launched and served as practice leader for the Firm's third-largest international service line. A proven project executive, he led a number of large-scale technology and business process reengineering projects, including the Firm's largest-ever deployment of ERP in a client's fourteen plants and six distribution centers across four continents.

A recognized expert in sales leadership, strategy, methodology and negotiations, Tim is a sought-after speaker and trainer by companies seeking to achieve breakthrough profitable growth through sales excellence.

About Motum

Motum is the premier revenue performance firm, helping clients develop and implement a go-to-market platform that sets the stage to grow revenue at a lower cost. Implemented by market leaders such as Microsoft, SAP, Del Monte Foods, OKI Data, The SAS Institute, CenturyLink, Ancillary Care Services, SOURCE, First Angel Capital, XETA Technologies, Pegasus Logistics, Miller Nash and The Vintage Racing League, only Motum immediately integrates into your operations, objectively pursues opportunities for improvement and leads the achievement of sustainable revenue growth.

For more information about Motum or to implement Sun Tzu's revenue performance lessons, visit the Firm's website at www.Motum.com.