



Improve Sales Performance Using The Metrics That Matter

Mike Kunkle

Vice President, Sales Effectiveness Services

AGENDA



Introduction

- ◆ Definitions & Disclaimer

Sales Metrics

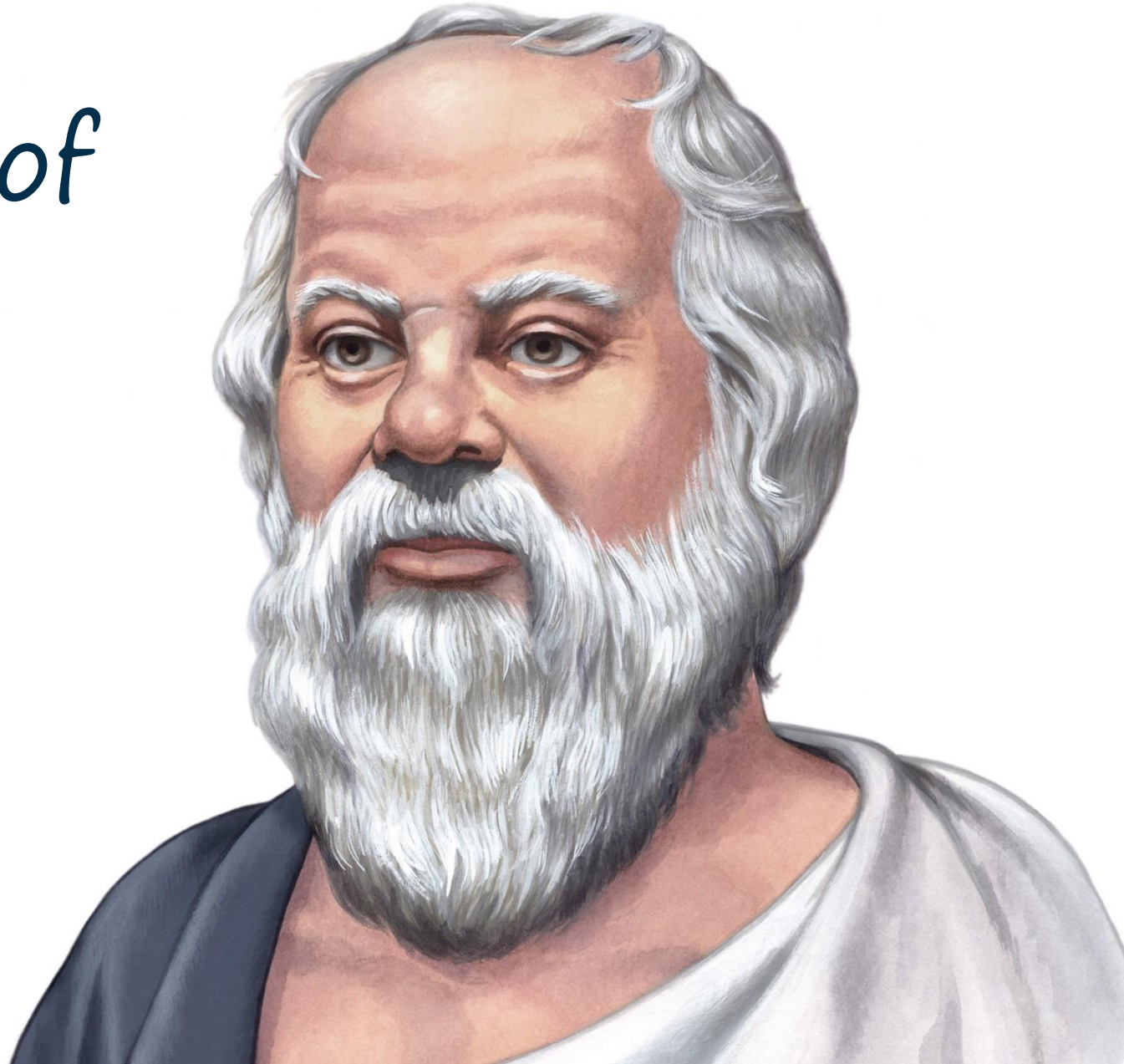
- ◆ Overall Sales Force Performance
- ◆ Lead Generation
- ◆ Opportunity Management
- ◆ Strategic Account Management



Definitions | Disclaimer

“The beginning of wisdom is the definition of terms.”

– Socrates



Term	Definition	Example
Measures	Numbers or independent values that you can mathematically manipulate. You can add, subtract, multiply, or divide them, average them, arrange them in order, compare them, etc.	The number of full-time, quota-carrying sellers is a measure. So is the total revenue they produce.

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Disclaimer: A Word of Caution

Generic Metrics

- ◆ This will be our focus, out of necessity, in a presentation aimed at everyone in every vertical in every company.



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Vertical-Specific Metrics

- ◆ You'll want to add to this generic advice with industry/company-adjusted metrics. (Example coming later.)





Sales Metrics

Overall Sales Force Performance Metrics

Overall Sales Force Performance

Sales Productivity

Over a given timeframe...

$$\left[\text{Revenue} \div \text{Total \# Reps} \right] = \text{Sales Productivity}$$

Overall Sales Force Performance

Sales Productivity

Over a given timeframe...

$$\left[\text{Revenue} \div \text{Total \# Reps} \right] = \text{Sales Productivity}$$

- ◆ Complex metric to benchmark outside your company or industry.
- ◆ Track the trend line inside your company.
 - Is productivity increasing, decreasing, remaining stable, or waving?
 - Are there logical and acceptable reasons why?
 - If not, what diagnostic and correction actions will you take?

Overall Sales Force Performance

Sales Productivity

Other Perspectives

- ◆ **Efficiency X Effectiveness** [Advice: Think Effectiveness + Efficiency]
- ◆ **Percent of Time Selling** [Advice: How You Define “Selling Activity” & “Total Hours”]
 - # of buyer/customer meetings per [timeframe] ÷ # of total possible meetings per [timeframe]
 - # of hours spent in buyer/customer meetings per [timeframe] ÷ # of total *productive* hours per [timeframe]
 - # of buyer/customer contacts engaged per [timeframe] ÷ # of average contacts engaged per [timeframe]

Overall Sales Force Performance

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Nuances to consider for “% of Time Selling”

Total
Time

Total
Productive
Time

Client-Facing
Time

Client-Facing
Selling Time

Preparation for
Client-Facing
Selling Time

Other
Time

Overall Sales Force Performance

Sales Velocity

$$\begin{array}{ccccccc} \text{\# of Qualified} & & \text{Average} & & \text{Win Rate} & & \text{Average} \\ \text{Opportunities} & \times & \text{Sales Price} & \times & \text{Percent} & \div & \text{Sales Cycle} \\ & & & & & & = \\ & & & & & & \text{Sales Velocity} \end{array}$$

Overall Sales Force Performance

Sales Velocity

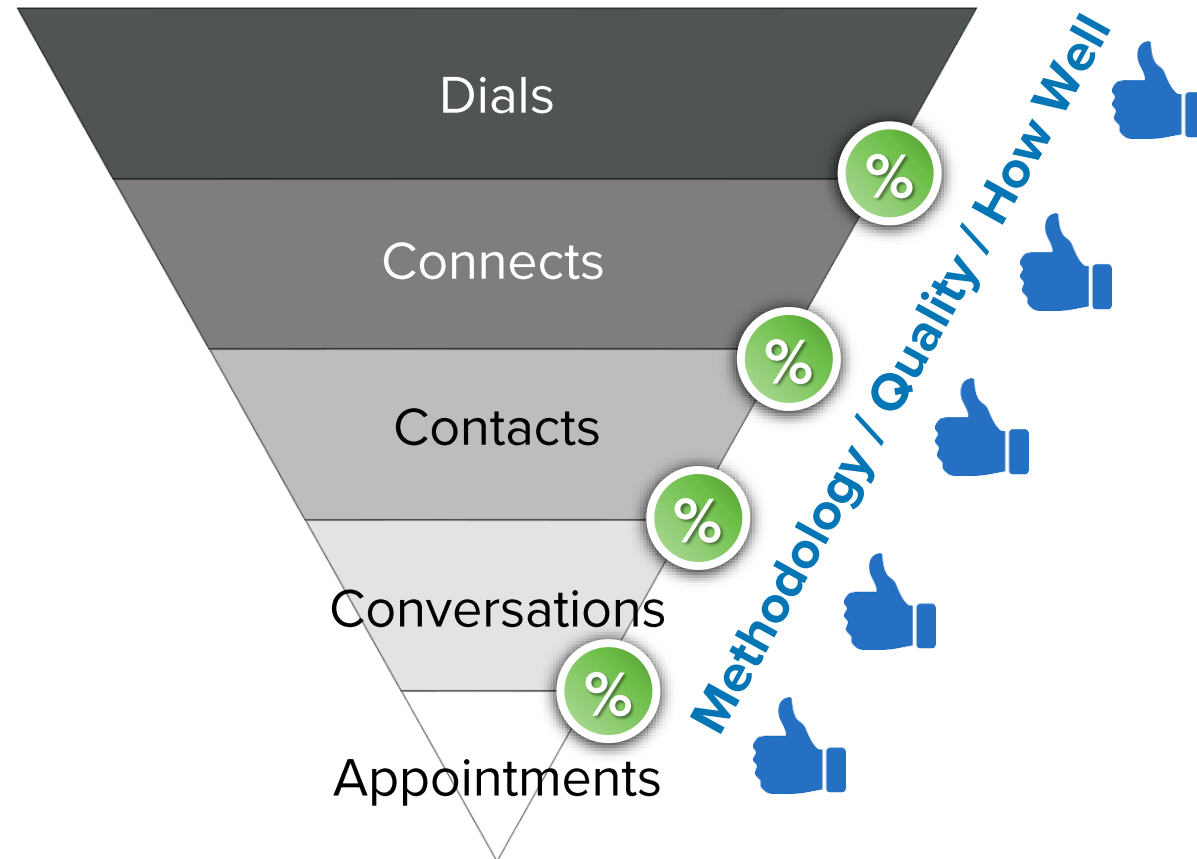
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- ◆ SV = The MPH of your sales force (the speed at which they produce revenue)
- ◆ Advice:
 - Use “qualified” opportunities to avoid noise in the signal
 - Be cautious of averages... see [this](#), [this](#), [this](#), and [this](#), and use them wisely
 - Express sales cycle in days, weeks, months, whatever makes the most sense
 - Scope by company, division, region, team, individual, product line, and more
 - Look for trends: where improvement is needed and where to dive deeper

Lead Generation & Prospecting Metrics

Lead Generation / Prospecting

Prospecting Pipeline Activity Top of the Funnel (Outbound / Phone)



Lead Generation / Prospecting

Sequence Conversion Ratios

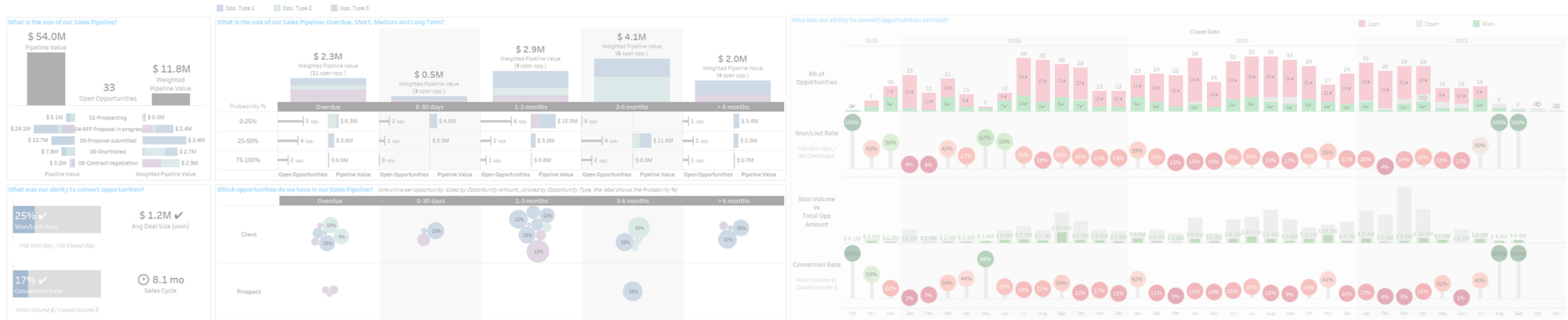
- ◆ A/B tests for each sequence
- ◆ A/B tests for each approach in the sequence



Lead Generation / Prospecting

Conversion Ratios

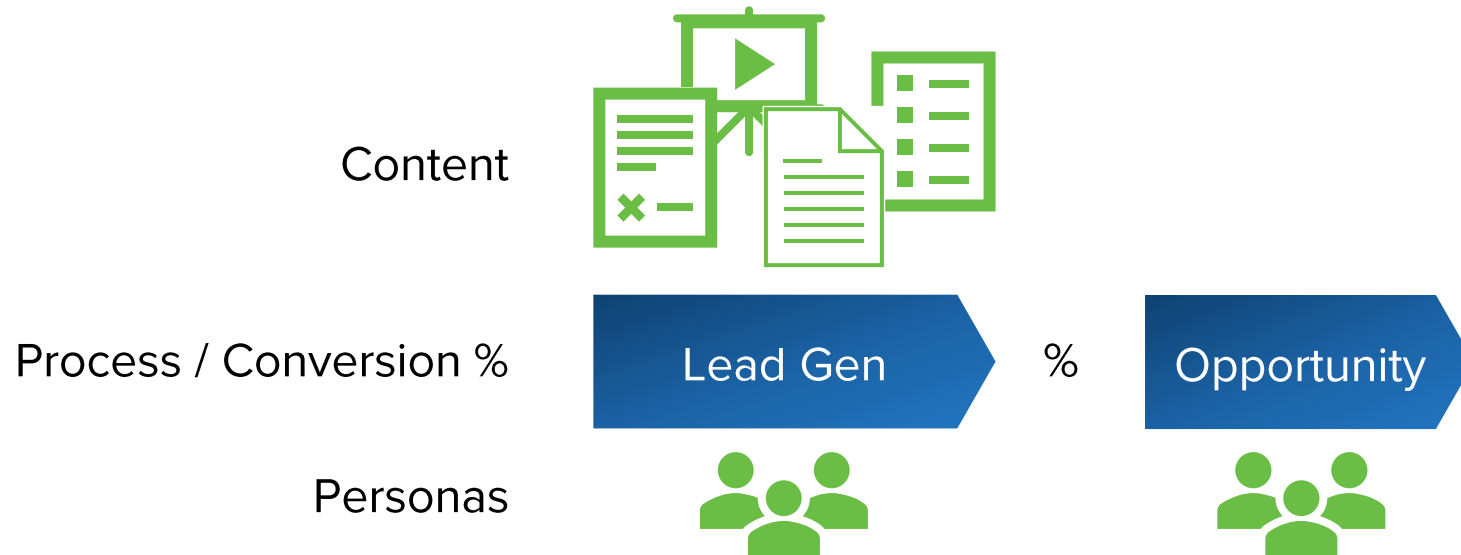
- ◆ Sequences that produce Initial Sales Conversations
- ◆ Appointments Set to Appointments Held (Discovery Meetings)
- ◆ Initial Sales Conversations to Discovery Meetings
- ◆ Initial Sales Conversations to Qualified Opportunities
- ◆ Discovery Meetings to Qualified Opportunities



Lead Generation / Prospecting

The Buyer Engagement Content

- ◆ Track the content used during prospecting to correlate the content to the conversion ratio to know what is working best.
- ◆ If you've built your content to address exit criteria by persona, track it that way, as well. (Content by persona to conversion.)





Opportunity Management Metrics

Opportunity Management

Rearview Mirror Pipeline Analysis

Rearview Mirror: Pipeline Analysis [Date] to [Date]

	Leads		Discovery		Presentation		Proposal		Close
Known Top Producers	1000	11%	110	79%	87	75%	65	67%	44
Known Mid Producers	874	8%	70	71%	50	68%	34	61%	21
Your Team Roll-up	861	7%	60	66%	40	66%	26	54%	14
Rep 1	749	6%	45	49%	22	63%	14	43%	6
Rep 2	642	4%	26	79%	20	47%	10	33%	3
Etc.									

Note: Consider by product line

Opportunity Management

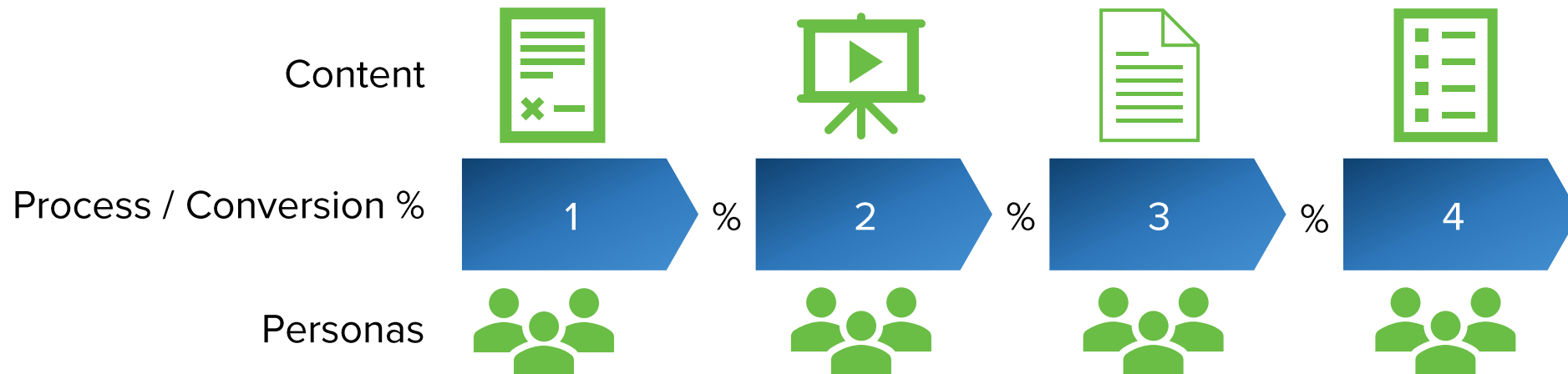
Other Pipeline Metrics to Consider

- ◆ **Big Rocks:** First Appointments Run, Opportunities Qualified, Proposals Made, and Deals Won/Closed, Stage-to-stage conversions.
- ◆ **Time in Stage:** Correlate this measure to outcomes – it can help predict when deals are likely to stall or end in No Decision status.
- ◆ **Qualification Scores:** Track whether deals are qualified and how well. This can radically improve pipeline quality and forecasting accuracy.
 - This is an active pipeline metric that can make a real difference.
 - Managers must dig into the details behind the surface scoring.
 - Consider: win-rates on deals with and without verified Champions.

Opportunity Management

Buyer Engagement Content

- ◆ Track the content used during the sales process to correlate the content to various conversion ratios (between stages and opportunity/decision), to know what is working best.
- ◆ If you've built your content to address exit criteria by persona, track it that way, too.



Strategic Account Management Metrics

Strategic Account Management

Net Promoter Score (NPS)

*“How likely are you to recommend
[Company/Product/Service]
to a friend or colleague?”*

The NPS Survey

Respondents give a rating between 0 (not likely) and 10 (extremely likely). They fall into three categories:

- ◆ **Score of 9-10 Promoters:** They are typically loyal and enthusiastic customers.
- ◆ **Score of 7-8 Passives:** They are satisfied but not considered promoters.
- ◆ **Score of 0-6 Detractors:** They experience various levels of dissatisfaction, are unlikely to buy from you again, and may discourage others from buying from you.

Strategic Account Management

Net Promoter Score (NPS)

*“How likely are you to recommend
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The NPS Calculation

$$\% \text{ Promoters} - \% \text{ Detractors} = \text{NPS}$$

- ◆ The final NPS is expressed as a number, not a percent.
- ◆ >0 is considered good.
- ◆ NPS helps you determine long-term customer loyalty and brand equity/ambassadorship.

Strategic Account Management

Customer Satisfaction Score (CSAT)

- ◆ Ask satisfaction-related questions on a 10-point Likert scale.
- ◆ Divide the number of scores from 8 to 10 to the number of total responses to calculate a satisfaction score.

$$\# \text{ of } 8-10 \div \# \text{ Total} = \text{CSAT}$$

CSAT measures short-term happiness, usually based on a recent experience.

Strategic Account Management

Customer Effort Score (CES)

“On a scale of ‘very easy’ to ‘very difficult,’ how easy was it to interact with [your company]”

The CEB’s research leading to their book, *The Effortless Experience*, showed that 96% of customers with a high-effort service interaction become more disloyal compared to just 9% who have a low-effort experience.

CES Thoughts

- ◆ CES can be skewed based on one bad interaction, so it is often used in conjunction with NPS for a balanced picture.
- ◆ The CES question can be incorporated into the CSAT measurement.

Strategic Account Management

Customer Lifetime Value (CLV)

$$\text{Avg. Order \$} \times \text{Purchase Frequency} \times \text{Avg. Customer Lifetime} = \text{CLV}$$

CLV Thoughts

- ◆ When you know NPS, CSAT, and/or CES, you can check for the correlation between scores and revenue that accounts produce.
- ◆ This will help you establish values or ranges for Customer Lifetime Value.

Strategic Account Management

Account Retention / Churn / Growth / Renewal Rates

- ◆ Retention Rate = $(\#C^{[end]} - \#C^{[new]}) \div \#C^{[start]} = \text{Retention \%}$
- ◆ Customer Churn Rate = **100% – Retention %**
 - Think: “Regrettable Churn” (Profitable/Growth Potential vs. Non-regrettable Churn)
- ◆ Revenue Churn Rate = $((\$/P^{[start]} - \$/P^{[end]}) - \$\text{Upgrades}/P) \div \$/P^{[start]}$
- ◆ Customer Growth Rates = $\$/C^{[end]} - \$/C^{[start]}$
- ◆ Renewal Rate = **%C that Renew as Scheduled**

C = Customer; **P** = Time Period; **[start/new/end]** = the place in the Time Period

<https://blog.hubspot.com/service/customer-retention-metrics>

Strategic Account Management

Account Plan Metrics

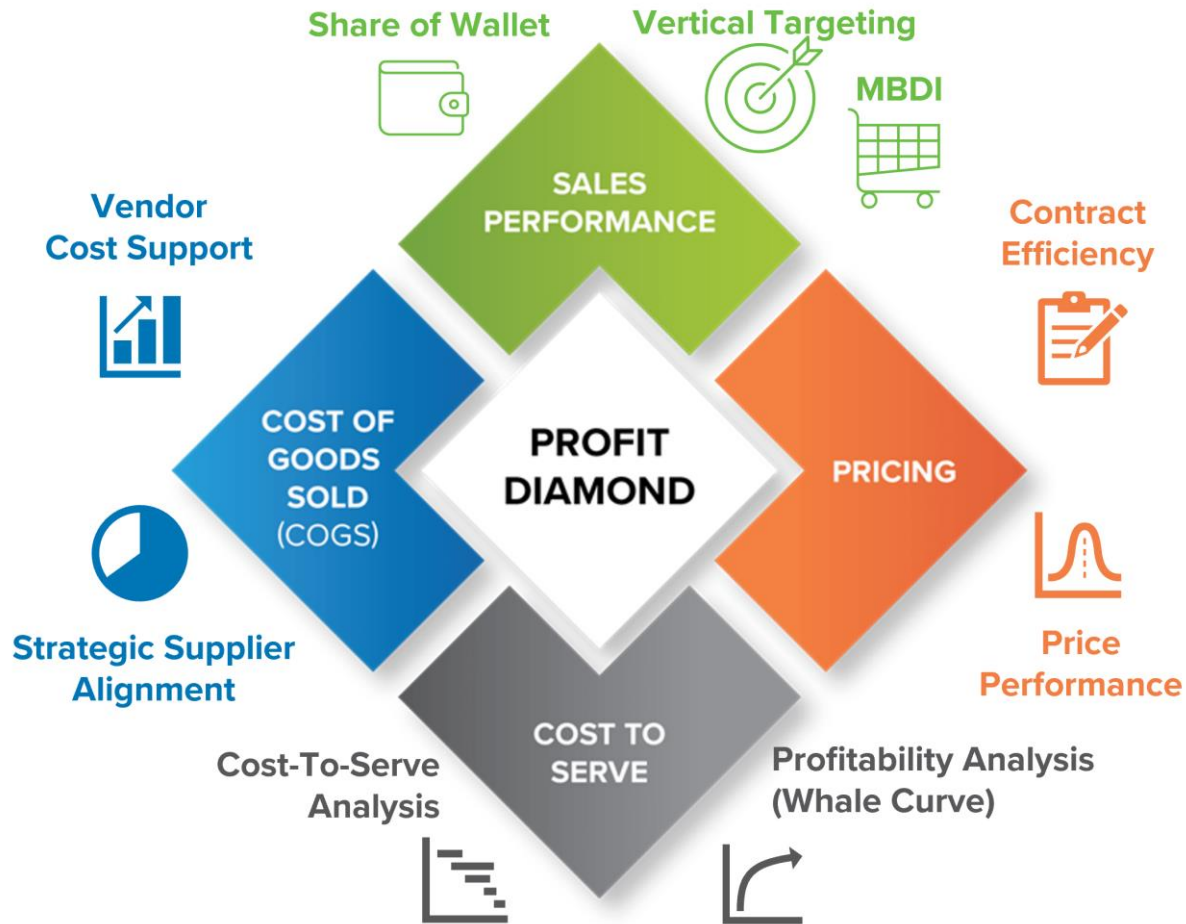
- ◆ Percent of Key Accounts with an Active, Dollarized Plan
- ◆ PCF-L Metrics
 - **P**ast performance, **C**urrent performance, **F**uture potential, **L**ikelihood of achieving **F**
- ◆ Growth Tracking
- ◆ Plan Progress Reports



Other Considerations

Consider: Customize for Vertical Industry Nuances

Example: Wholesale Distribution



The metrics that matter most can vary greatly by vertical industry. The SPARXiQ Profit Diamond for wholesale distributors is one example of the possible variance in measures, metrics, KPIs, and CSFs.

Sidebar: For anyone in wholesale distribution or industrial B2B, check out this webinar to learn more:

- ♦ <http://bit.ly/ProfitDiamondWebinar>

Consider: Think in Tiers

Example

Tier 1

The dashboard metrics you need to run the business – the leading and lagging indicators that you need on a daily/weekly/monthly basis.

Tier 2

The next tier of metrics you need below those (the drill-down metrics), when the dashboard-level metrics indicate a problem that you want to explore. These are the metrics to improve the business.

Tier 3

The sidebar metrics you need for something specific, such as tracking performance milestones for new-hire onboarding (assuming some are different from tiers one and two above).

Tier 4

The “put them on the back-burner” metrics that you may need to dig even deeper than the tier-three level. If the rare need arises, you can put these into effect, as required.

APPENDIX



Mike Kunkle

VP, Sales Effectiveness Services



216.455.1558

mike.kunkle@sparxiq.com

<https://www.sparxiq.com>

Mike Kunkle is a respected sales transformation architect and an internationally-recognized expert on sales training, sales effectiveness, and sales enablement.

Mike has spent 37 years in the sales profession and 27 years as a corporate leader or consultant, helping companies drive dramatic revenue growth through best-in-class training strategies and proven-effective sales transformation systems. At one company, as a result of six projects, he and his team enabled an accretive \$398MM in revenue, year-over-year. At another, new sales reps with 120 days on the job were outperforming incumbent reps with five years with the company.

Mike is the founder of Transforming Sales Results, LLC, and today works as the Vice President of Sales Effectiveness Services for SPARXiQ, where he advises clients, publishes thought leadership, speaks at conferences, leads webinars, develops sales training courses, delivers workshops, and designs and implements sales enablement systems that get results. He collaborated with co-author Doug Wyatt to develop SPARXiQ's [Modern Sales Foundations](#)™ curriculum and also authored SPARXiQ's [Sales Coaching Excellence](#)™ course. His book on [The Building Blocks of Sales Enablement](#) is available on Amazon.

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The Building Blocks of Sales Enablement Book	https://bit.ly/BBofSE (Paperback and Kindle)
Mike's LinkedIn Articles	http://bit.ly/MK-LinkedInArticles
Mike's LinkedIn Profile	https://www.linkedin.com/in/mikekunkle
Mike on Twitter	https://twitter.com/mike_kunkle

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