Sales Performance Optimization:
2010 Key Trends Analysis

What’s Your Path to Success In 2010?

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Acknowledgements

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2010 Sales Performance Optimization Study Demographics

The 2010 Sales Performance Optimization Study (SPO) represents CSO Insights’ 16th annual assessment of the challenges facing sales teams, why those problems exist and what organizations are doing to effectively address these issues. In total, we collected data on over 100 metrics related to sales performance.

For each study, we seek to get a broad representation of companies to take part in the survey. This year we had more than 2,800 companies participate in the survey, an increase from 1,800 last year. By way of a brief introduction into this research effort, the following are some of the main demographic details regarding the study participants. Figure 1 profiles the industry sector segmentation at the highest level: Manufacturing, Services and Other (including Retail, Government, Non-profits, Education, Distribution, etc.).

Geographically, 66% of participating firms were from North America and 34% from internationally-based companies.

We categorize size of firm in two ways: 1) company revenues and 2) number of salespeople employed. In Table 1, you see the breakdown of participants by annual sales revenue into small businesses (under $50M), medium-sized companies ($50M to $1B), and large enterprises (greater than $1B).

<table>
<thead>
<tr>
<th>2010 SPO Study Participants Analysis by Revenues</th>
<th>% of Total Firms Surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues &gt;$1B</td>
<td>19.6%</td>
</tr>
<tr>
<td>Revenues $50M - $1B</td>
<td>28.6%</td>
</tr>
<tr>
<td>Revenues &lt;$50M</td>
<td>51.8%</td>
</tr>
</tbody>
</table>

Table 1
In Figure 2, we present a breakdown of study participation based on the second size metric, number of salespeople currently employed.

![Sales Rep Breakdown of Participants](image)

**Figure 2**

For this research project, we used a web-based survey approach to gather data from participating firms. Prior participants and other candidates invited to take part in this study were initially prescreened based on their job function. These executives were then e-mailed an invitation to participate in the study.

Those who accepted were directed to a Web site where they could take the online survey. We also provided a direct link to the survey from our Web site, www.csoinsights.com. The survey instrument was designed to take up to 30 minutes to complete. Participants had the option to exit the survey and return later to continue where they left off if they needed to get more information or had a time constraint.

**Note:** Because of the large number of companies taking part in this year's study, we produced segmented analyses in the following areas:

- Advertising/PR/Media Firms
- Commercial Banks
- Distribution Firms
- Insurance/Brokerage Firms
- Manufacturing−Tech
- Manufacturing−Non-Tech
- Medical−Pharma
- Medical−Devices/Equipment
- Retail Banks
- Professional Service−Business
- Professional Services−Tech
- Software Firms
- Telecommunications Firms
- Revenues >$1B
- Revenues $50M–$1B
- Revenues $50M

Research clients interested in receiving these or other custom analyses should contact their CSO Insights analyst.

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2010 SPO Study Analysis Overview

As one can imagine, collecting input from over 2,800 firms worldwide—across 100+ metrics—provided a wealth of data to analyze. In the past, we have presented the study findings in a single report format that started off totaling 55 pages in our first study and grew to nearly 250 pages last year. In surveying our research base in 2009, the feedback we received was that the single report format was overwhelming.

Our advisory board suggested that we use a new format of leveraging the study data to produce multiple, smaller reports on specific areas of interest to sales and executive management teams. Based on these recommendations, we will present the results in a series of 2010 SPO Topical Reports. These analyses, as well as typical metrics contained in each report, are:

- **Key Trends Analysis**: Major declines in the world of sales performance over the past year, what contributed to this drop in effectiveness, and insights regarding how and why some firms are outselling their peers through investments made in supporting sales teams, increasing process adoption and enhancing levels of relationship vendors have with their customers.

- **Sales Rep Hiring/Compensation Analysis**: Ability to hire successful reps, planned changes in the size of sales forces for 2010, voluntary and involuntary sales rep turnover, experience profiles of new hires, utilization of competency testing in hiring, average rep ramp-up time, average sales rep and sales manager compensation targets, ability to implement compensation programs to drive selling behavior.

- **Sell Cycle Analysis**: Average sell cycle length, number of calls required to close a deal, pipeline conversion rates (number of leads resulting in a discussion, discussions resulting in a presentation, presentations and proposals that result in a sale), average win/loss/no decision rates, percentage of deals that close as forecast.

- **Sales Strategy Analysis**: The ability to target the right accounts to pursue, develop strategic account plans for key accounts, thoroughly research accounts prior to contacting them, generate enough leads, and properly qualify prospects and incubate leads that have interest but currently no time.

- **Sales Execution Analysis**: Ability to understand the customer’s buy cycle, effectively present features and benefits, differentiate from the competition, align solution to customer’s needs, generate a proposal/bid/configuration, cross-sell/up-sell, sell value/avoid discounting, and close business. In addition, we review the key reasons why companies win and lose deals.

- **Account Management Analysis**: Ability to introduce new products, farm additional business from existing customers, effectively communicate with customers, renew business, create customer loyalty, and generate/maintain case studies and references.

- **Sales Management Analysis**: Ability to hire reps who will succeed, provide managers with timely and accurate sales metrics, accurately forecast business, calculate commissions, conduct win/loss reviews, adapt the sales process to changes in the marketplace, proactively identify which reps need additional coaching/mentoring, share best practices across the sales force, and manage the rate of change impacting sales reps.

- **Sales Process Analysis**: Percentage of firms using a formal sales process, their adherence to that process, analysis of sales organizations that develop their own versus licensing a commercially available methodology to support the process, analysis of which
commercial offerings they used, and the overall impact sales process is having on their sales performance.

- **Core Customer Relationship Management (CRM) Analysis:** Percentage of organizations that have evaluated/implemented a CRM system, comparison of licensing a commercially available system versus building the application in-house, analysis of the impact that CRM is having on a sales force’s ability to sell, and usage of outside resources to implement CRM systems.

- **CRM 2.0 Usage Analysis:** Percentage of organizations that have gone beyond implementing a core CRM application and have added additional capabilities related to sales collaboration, lead management, sales management analytics, sales knowledge management, CRM/sales process integration, and incentive management. We also review how sales teams are leveraging the Internet and their access to sales knowledge to support their selling efforts.

- **Sales and Marketing Alignment Analysis:** How sales rates the level of support they are receiving from marketing in terms of the impact of the company's Web site, availability of sales tools/collateral, an assessment of the quality and quantity of leads generated by marketing, and the amount of time it takes for lead generation programs to start to generate sales.

- **2010 Going Forward:** A summation of lessons learned from this year’s data and a seven-step road map outlining where and how to look for improvement in the coming year. Sneak peek: maintaining the status quo from 2009 is not an option.

To help you more effectively leverage the data and insights in each of the analyses as a basis to fine-tune your sales strategies and tactics, we recommend that you take the 2010 survey if you have not already done so. (Contact CSO Insights if you need the link to the online survey.)

As you review the 2010 SPO study findings, you will be able to compare your company's performance to other sales forces and determine where your team excels, equals or lags behind the performance of the aggregated survey population.

In the 2010 SPO Topical Reports, where applicable, we refer to other analyses, case studies and white papers we have published on topics such as lead generation, sales process, sales management, CRM, sales effectiveness best practices, etc. Research clients can access all of these related documents online via the CSO Forum.

We hope the information in this report will help you better weather the uncertainty of 2010. While we believe the issues raised have broad applicability, we encourage you to use this information simply as the basis for brainstorming and goal planning and to identify and prioritize your organization’s operational challenges. Everyone can benefit from understanding the strategies and tactics of other companies, but in the end, you have to implement solutions that fit your specific business needs, not those of other firms.

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2009: A Year of Challenges for Sales

When we published the results of our 15th annual SPO study in January 2009, we noted in the analysis that even though there had been a drop in the percentage of reps making quota to 58.8% from 61.1% a year earlier, 86% of the firms surveyed still stated they were raising individual rep quotas for 2009. At the time we questioned the wisdom of that decision. To see if other sales executives felt the same way, we asked SPO study participants to give us their honest assessment of the likelihood that their sales organization would be able to meet those higher revenue targets. Table 2 summarizes their responses one year ago.

<table>
<thead>
<tr>
<th>Perspectives on Meeting 2009 Revenue Targets</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easily Meet/Exceed Revenue Goal</td>
<td>7.9%</td>
</tr>
<tr>
<td>With Effort, Will Meet Goal</td>
<td>50.0%</td>
</tr>
<tr>
<td>Have Concerns About Meeting Goal</td>
<td>35.5%</td>
</tr>
<tr>
<td>Will Not Meet Our Revenue Goal</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Table 2

As sales teams went forward to execute their new sales plans, we were left wondering if these expectations would prove to be too optimistic, too pessimistic or spot on. Now a year later, as we analyze the 2009 sales performance results, we see the answer. Individual sales rep performance did not meet expectations, as seen in Figure 3.

![Reps Meeting or Exceeding Quota](image)

Figure 3
While we have seen this percentage lower one time (49.1% in 2003), the 7% drop from 2008 to 2009 is the largest in the sixteen year history of our study.

Based on the practice of "over-assignment" of quotas, we still might have ended the year with sales organizations making their corporate revenue plan, but our 2009 Sales Compensation & Performance Management study showed that many companies were counting on a high percentage of their reps being successful when they created their full year targets for 2009. Figure 4 presents what actually occurred.

![Percentage of Revenue Plan Attainment (2009 vs. 2008)](image)

Here we see an even larger drop of 8% from 2008 to 2009 (also the largest decline in performance in the history of the study). What contributed to this collapse? Clearly the state of the economy was part of it. As you will see in the 2010 SPO Sell Cycle Analysis, uncertainty in the marketplace resulted in longer sell cycles, more calls required to close deals and lower average size deals that did close.

But further analysis of the research studies that CSO Insights conducted during the past twelve months surfaced another trend in play: Many companies tried to cut their way to success!

Consider the following:

- **Lead Generation Did Not Keep Pace With Sales:** In last year’s report we noted that the number one sales effectiveness priority going into 2009 was optimizing lead generation. But while sales rep quotas increased, 67% of the firms taking part in our 2009 Lead Generation Optimization study reported they had frozen or reduced their lead generation spend for the year.

- **Improvements in Sales Knowledge Management (SKM) Were Under-delivered:** The number two sales effectiveness priority for 2009 was improving sales rep access to sales knowledge. Less than 1 in 10 firms delivered on the promise of implementing an SKM system, as the vast majority of companies moved this out to a 2010 priority.
- **Sales Training Investments Were Curtailed:** Across all the firms surveyed in the 2010 SPO study, the average investment per rep for training (sales skills, product training, negotiations, justification skills, etc.) *decreased by 13%*.

- **Decisions on Tools for Optimizing Sales Management Were Tabled:** Only 12% of the firms that stated they were going to move forward with implementing new technologies to help their sales managers optimize pipeline/forecast management and rep coaching actually followed through on those investments.

In addition to these study trends, our individual project benchmarking efforts surfaced numerous examples of companies cutting travel budgets for sales, decreasing sales support services, asking managers to pick up the burden of managing more reps or filling in where reps were cut, etc. These are just some of the examples we found. The trend is clear: at a time when salespeople needed extra help the most, many companies failed to pull the trigger to fund initiatives that could have increased sales effectiveness.

One thing did improve. Facing higher numbers, in a tough economy, with less support, sales reps got focused. The amount of time salespeople spent selling increased to 43% from 37% during the last year. But *more* sales calls did not necessarily translate into *better* sales calls.

As you will see in the 2010 SPO Sell Cycle Analysis, the ability of salespeople to successfully lead prospects through the sell cycle; to turn leads into initial discussions, discussions into presentations and proposals, and presentations and proposals into sales—continued to be challenging. The end result was that the win rate of forecast deals declined to 46%, the second lowest level in the history of our study.

Therefore, 2009 will go down as the most challenging year for sales in the 16 years that we have been conducting research on sales performance. But last year is now in the rearview mirror. We have 2010 to focus on. That being said, what will happen next is confusing. There are pundits predicting the recovery has already started, as well as others raising the red flag that the second wave of "W-shaped" recession is looming around the corner. So what course of action is appropriate?

To start to answer that question, the next section focuses on what sales executives are trying to accomplish this year.
Sales Managements’ Top Objectives for 2010

What is top-of-mind for sales management teams for 2010? Included in our latest sales performance survey was the following question: What are the top three objectives that you have for your sales organization for the next twelve months? In Figure 5, we see a summary of the responses from this latest study (data gathered Q4 2009).

To probably no one’s surprise, especially after the performance in 2009, increasing revenues tops the list. Our view is that this is true not just for CSOs, but CEOs, CFOs and Boards of Directors as well. In 2009, much of Wall Street’s focus was on profitability. If you improved the bottom-line (which many companies did through cost cutting), the fact that the top-line revenue didn’t meet expectations might be forgiven.

In 2010, growth needs to occur or Wall Street is going to get worried. And when they are worried, stock prices get punished. Therefore, increased revenues need to be a reality, not just an objective. So how are sales management teams planning to accomplish this?

Number two on the list is increased marketshare, represented in the figure above as capturing new accounts. In addition, we see the desire to increase walletshare by improving cross-selling and up-selling. To support adding new accounts and increasing share of wallet, we see that optimizing lead generation and improving customer loyalty are frequently mentioned.

But of most interest to us is item number three: increasing sales effectiveness. This objective was also at the top of this list last year. Our case study work continues to show that if you can positively impact sales effectiveness, it can support achieving all of the other items on this list. But do sales organizations have a clear understanding of how to achieve this objective?
Our project benchmarking efforts have shown that improving sales effectiveness can take many forms. Sometimes it involves people, other times it involves improving technology or process, and other times it is knowledge issues that need to be addressed. Most often it is a combination of these items. So how do you chart the sales effectiveness course for your team?

A trait common to most of the successful sales effectiveness initiatives we have reviewed is that they start with an assessment of where the company is, consider where they need to be, and then lay out a phase-based project plan to get there. In the next section we provide you with a starting point to use for your own self-assessment.
Sales Relationship/Process Matrix Analysis Revisited

For the past fifteen years, we had presented the impact of levels of relationship on sales performance. Three years ago, in our featured research study published in Harvard Business Review (HBR), we profiled how our data clearly demonstrated the impact that levels of sales process have on sales performance. Following the publication of those findings, several research clients suggested that we combine these variables and look at the dual impact, if any, on sales results.

In the 2008 SPO report, we presented the results of that initial analysis in the form of the Sales Relationship/Process (SRP) Matrix shown in Figure 6.

The main premise of the SRP Matrix concept is that in addition to what you sell, there is the matter of how you sell. How you sell has two major components: 1) what value your customer perceives you are bringing to the table—your relationship; and 2) how you engage and work with your clients—your process. Over the years, we have found that within these two aspects of selling, companies fall into one of a few categories. For those of you who are new to our SRP Matrix concept, let's explore relationships first.

We see companies achieving one of five different levels of relationship with customers and prospects in their marketplaces:

**Five Levels of Sales Relationships**

- **Level 1—Approved Vendor:** You are seen by the majority of your customers as a legitimate provider of the products or services you offer, but are not recognized for having any significant sustainable competitive edge over alternative offerings.
Level 2—Preferred Supplier: Based on your marketplace reputation and past dealings with your customers, while competitors may offer alternatives, you are normally seen as the preferred vendor with whom to do business.

Level 3—Solutions Consultant: Based on a specific set of product-related, value-added insights or services you offer, your customers see you as not only a vendor, but also a consulting resource on how to best use your products or services.

Level 4—Strategic Contributor: Above and beyond the products and services you offer, your customers view you as a source of strategic planning assistance for dealing with broader-based challenges they are currently facing.

Level 5—Trusted Partner: At this highest level, you are seen as a long-term partner whose contributions—products, insights, processes, etc.—are viewed as key to your client's long-term success.

In addition, our past analysis has shown that sales organizations fall into one of four levels when it comes to the processes they use to find, create and expand customer relationships.

Four Levels of Sales Process

Level 1—Random Process: Your company may be perceived as being anti-process, though what you really lack is a single standard process. Essentially every sales rep does their own thing their own way.

Level 2—Informal Process: Your company exposes your salespeople to a sales process and indicates that they are expected to use it, but that use is neither monitored nor measured.

Level 3—Formal Process: Your company regularly enforces the use of a defined sales process (sometimes religiously), and you conduct periodic reviews of the process to see how effective it is, and then make changes based on that analysis.

Level 4—Dynamic Process: Your company dynamically monitors and provides continuous feedback on sales reps' use of your formal sales process. You also proactively modify the process when you detect key changes in market conditions: new competitors emerging, changes in governmental regulations, shifts in the economy, etc.

For the purposes of this analysis, we segmented all of the study participants by both factors: relationship level and sales process level. This allowed us to categorize them into one of the twenty quadrants in the SRP Matrix.

We then looked at the sales performance for each quadrant, focusing on the aggregated averages of four main sales performance metrics: percentage of sales reps making quota, percentage of overall revenue plan achieved, percentage of forecast deals resulting in wins/losses/no decisions, and annual sales force turnover rate. Turnover rate includes voluntary turnover, where reps leave of their own accord, and involuntary turnover, where they are let go.

Reviewing the results of this analysis using the data from the 2010 SPO study, consistent with findings from the research efforts last year, we continue to see that not all companies are achieving the same results. In fact, the metrics surfaced three clear levels of sales performance as shown in Figure 7.
Looking at the SRP Matrix there are two areas that are grayed out, which is due to the fact that these quadrants are virtually empty. Random Process firms do not achieve a Trusted Partner level of relationship (although an individual rep may do so). Similarly, sales organizations that have adopted a Dynamic Process are almost always able to elevate themselves to, at a minimum, the Preferred Supplier level in terms of the relationships they have with their customers.

So let’s first examine how each of these three levels fared in 2009 compared to a year earlier, starting with Performance Level 1 as shown in Table 3.

<table>
<thead>
<tr>
<th>Performance Level 1: Year to Year Comparison</th>
<th>2009 Results</th>
<th>2008 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Reps Making Quota</td>
<td>45%</td>
<td>52%</td>
</tr>
<tr>
<td>% of Company Plan Attainment</td>
<td>75%</td>
<td>82%</td>
</tr>
<tr>
<td>% Forecast – Wins</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>% Forecast – Losses</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>% Forecast – No Decisions</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>% Sales Force Turnover</td>
<td>28%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Table 3

Performance Level 1 firms experienced significant drops in the percentage of reps making plan, which then contributed to a decrease in the percentage of overall plan attainment achieved by the company. It is worth noting that the win/loss/no decision rates experienced minor changes.
However, what we did see was the average deal size decrease (figures not shown). Table 4 shows the comparison figures for Performance Level 2 firms. We see a similar pattern in terms of decreases in reps meeting or exceeding quota, and the percentage of overall revenue targets achieved, combined with a minor decrease in win rates and a corresponding increase in no decisions.

<table>
<thead>
<tr>
<th>Performance Level 2: Year to Year Comparison</th>
<th>2009 Results</th>
<th>2008 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Reps Making Quota</td>
<td>52%</td>
<td>61%</td>
</tr>
<tr>
<td>% of Company Plan Attainment</td>
<td>80%</td>
<td>88%</td>
</tr>
<tr>
<td>% Forecast – Wins</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>% Forecast – Losses</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>% Forecast – No Decisions</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>% Sales Force Turnover</td>
<td>28%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Table 4

Finally, in Table 5 we see the data for Performance Level 3 firms. There is less of a decrease in reps making plan, but still a significant change in percentage of plan achieved. In analyzing the data in more detail, Performance Level 3 firms were better able to maintain the size of their average deal.

<table>
<thead>
<tr>
<th>Performance Level 3: Year to Year Comparison</th>
<th>2009 Results</th>
<th>2008 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Reps Making Quota</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>% of Company Plan Attainment</td>
<td>84%</td>
<td>92%</td>
</tr>
<tr>
<td>% Forecast – Wins</td>
<td>53%</td>
<td>55%</td>
</tr>
<tr>
<td>% Forecast – Losses</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>% Forecast – No Decisions</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>% Sales Force Turnover</td>
<td>23%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Table 5

As we noted earlier, while a few companies experienced growth in 2009, overall the general trend in sales performance was down across the board. On the surface it may appear that a bad economy can trump any of the other cards you want to play. But is that a true assessment?

In Table 6, where we compare Performance Levels 1, 2 and 3 side by side, we see that some firms fared better than others. The numbers are consistent with the differences we saw last year and, therefore, are compelling. On average, Performance Level 3 companies outperform Performance Level 2 firms, which outperform Performance Level 1 firms.
When we looked at these three performance levels individually, the conclusion appeared to be that everyone suffered. This is true if you stood still last year. But what if a year ago, as a Performance Level 1 firm you decided to make the changes necessary to get to Performance Level 2? Table 7 compares what the company might have seen as a result of that business decision.

<table>
<thead>
<tr>
<th>Sales Performance Across Levels Comparison</th>
<th>Performance Level 1: 2008</th>
<th>Performance Level 2: 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Reps Making Quota</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>% of Company Plan Attainment</td>
<td>82%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Table 7

Percentage of reps achieving their individual quotas would have held steady, while the percent of plan attainment would have taken a more modest hit. We continue the analysis to consider the impact of the decision of a Performance Level 2 firm to move to Performance Level 3 during 2009, as shown in Table 8.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% Reps Making Quota</td>
<td>61%</td>
<td>60%</td>
</tr>
<tr>
<td>% of Company Plan Attainment</td>
<td>88%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Table 8

Here we see a modest change in reps making quota and again a much lower drop in overall plan attainment than would have resulted if you stayed the course in terms of process and relationships.

We realize we are dealing with averages, so we are not making claims that every Performance Level 1 or Performance Level 2 company would have had a more successful year if they had
committed to trying to optimize their sales performance. But the data make a fairly compelling case for why this should have received consideration from the 77% of all sales forces that are currently operating at those levels.

The purpose of bringing this up now is not to have you start thinking what would have happened, or could have happened, or even should have happened at a higher performance level. That is all water under the bridge. Instead, we see this lesson as critical for maximizing your performance this year. And the metric from our most recent study that confirms this belief is that once again, 86% of the firms surveyed stated they raised quotas for 2010!

Tables 7 and 8 show you can raise individual rep quotas in a bad economy and achieve them if you change how you sell. Optimize process and relationships, and reps will be able to compete more effectively. But again, what form does that optimization take for your sales organization? To help you determine that we suggest the following.

**Step 1:** Plot where you are today on the Matrix (see Figure 8). Let’s deal with Performance Level 1 and Performance Level 2 firms first. Your task is to determine if you need to make a shift in your current level (and the 2010 SPO data suggests that maintaining the status quo should not be an option). If you are at Performance Level 3, then you may want to assess if adjustments need to be made to maintain the quadrant you are presently in.

### Sales Relationship/Process (SRP) Matrix™ - 2010 SPO Survey Analysis

<table>
<thead>
<tr>
<th>Trusted Partner</th>
<th>Performance Level 3: 23% of Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Contributor</td>
<td>Performance Level 2: 46% of Firms</td>
</tr>
<tr>
<td>Solutions Consultant</td>
<td>Performance Level 1: 31% of Firms</td>
</tr>
<tr>
<td>Preferred Supplier</td>
<td>Approved Vendor</td>
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**Step 2:** Knowing where you want to be on the SRP Matrix needs to then be followed up with setting priorities for what you should change in order to get there. To accomplish this, we suggest you next review each of the other 2010 SPO Topical Reports, benchmark your performance against your peers, and determine what your biggest levers for improvement are. Should you focus on improving sales strategy to enhance relationships? Is it a case where your strategies are fine but your sales cycle execution is subpar? Are you failing to generate the maximum ROI from your CRM investments? Do you need to restructure your sales management team?
While you need to do your own analysis, the study data should give you valid points of comparison. Again, research clients who would like to review the numbers for their vertical industry, other companies of their same size, other firms with similar sales cycle complexity, etc., can get this data from their CSO Insights analyst.

**Step 3:** Consider what we are seeing. In the 2010 SPO Going Forward Analysis, we will present the seven sales effectiveness strategies that the new study data suggest will have the most impact on optimizing sales performance for most companies. You will want to read this section, but do not stop there.

**Step 4:** We wish we had the silver bullets that would work for everyone, but no one does. So your last step is to decide which two or three sales effectiveness initiatives you will *actually* put into action this year. As always, if you would like an independent third-party (who is not trying to sell you technology, training, consulting services, etc.), we are available for those review sessions.

And once your plans are ready to move forward, we encourage research clients to access the wealth of case studies, white papers, research, etc. in the CSO Forum. Forum members are able to tap into the insights of peers and other subject matter experts immediately and throughout the year on how to most effectively implement their plans.

We appreciate the challenges and uncertainty we are all facing today. Hopefully, the results of the 2010 SPO study and our analyses in the associated topical reports will serve as a useful guide toward optimizing your sales performance in 2010. If you have any questions or comments regarding this year’s study, or if you have suggestions for improving the survey or analysis for next year, please contact:

<table>
<thead>
<tr>
<th>Jim Dickie</th>
<th>Barry Trailer</th>
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<tbody>
<tr>
<td>Managing Partner</td>
<td>Managing Partner</td>
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<tr>
<td>CSO Insights</td>
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<tr>
<td>(303) 521-4410</td>
<td>(415) 924-3500</td>
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<tr>
<td><a href="mailto:jim.dickie@csoinsights.com">jim.dickie@csoinsights.com</a></td>
<td><a href="mailto:barry.trailer@csoinsights.com">barry.trailer@csoinsights.com</a></td>
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**About the CSO Forum:**

The **CSO Forum** is an invaluable online resource for inspiration, ideas and guidance on how to achieve excellence in sales.

The CSO Forum Library contains over 300 articles on sales issues and thought leadership pieces, and is constantly growing. Contributors include CSO Insights, with a 16-year reputation for clear thoughts and practical solutions, and a cadre of Advising Members whose years of experience in the trenches speaks for itself.

The CSO Insights Research section of the CSO Forum contains all the metrics from CSO Insights’ annual research projects. In 2010, the results were based on the input from 2800+ CSOs and sales executives who participated in the SPO study. These metrics provide you with real, relevant information for benchmarks, validation and competitive intelligence.

The Open Forum section of the CSO Forum allows you to ask sales questions of all CSO Forum contributors. This provides you with guidance and advice that could not be obtained elsewhere without substantial expense.