



How Successful Sales Teams **Build Pipeline** & **Achieve Quota**



In Q4 of 2019, Selling Power and Janek Performance Group conducted a survey of B2B sales leaders at director level and above to uncover pipeline and prospecting best practices that support quota attainment.

What we found was startling: **Most sales teams are missing quota because they're failing to prospect enough to fill the sales pipeline.**

In the past 24 months, only 6% of sales leaders say their teams achieved or exceeded quota.

This report reveals:

- Data and analysis about how poor sales pipeline management and sales prospecting practices impact quota attainment.
- What best-in-class sales teams are doing to outperform their peers.
- Leadership action steps to improve prospecting skills and strategies, support a healthy sales pipeline, and build a strong foundation for sales growth.

PART ONE: MISSED QUOTAS

In the Past 24 Months, Most Sales Teams Missed Quota

- Only 6% of those surveyed indicated 90-100% of their reps had met or exceeded quota in the past 24 months.
- 24% reported 70-89% reached quota in the past 24 months.

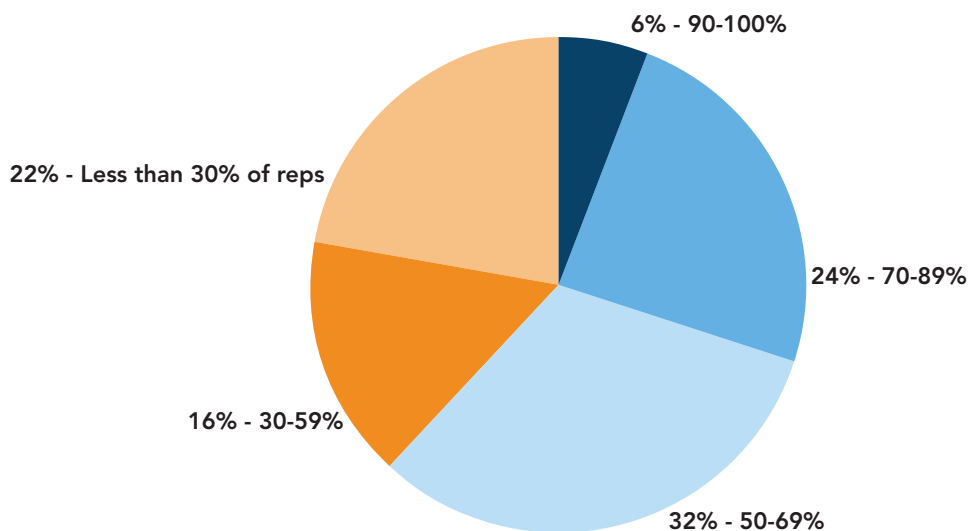


CHART 1: In the past 24 months, what percentage of your reps reached or exceeded quota?

Analysis: Missed quotas is a call to evaluate your team's approach to prospecting and developing sales pipeline. If the majority of sales teams are missing quota, examine the basic building blocks of sales

success. Assess your current approach to filling the sales funnel and moving opportunities into the pipeline.

Sales leaders should ask these questions:

1. Have you identified the number of net-new customers required each month or quarter to meet sales goals?
2. Have you identified the number of new opportunities needed and defined the dollar amount of those opportunities?
3. Are you prospecting in ways that keep the sales pipeline full?
4. Are you maintaining a clean sales pipeline for accurate sales forecasts?
5. Are you acquiring net-new customers at a profitable cost?

Without a disciplined approach to pipeline development, sales teams will find it difficult to fill the pipeline and achieve quota.

For Most Teams, Sales Pipeline Health Is Poor

- Only 8% of leaders indicated their salespeople have a consistently healthy sales pipeline 85-100% of the time.
- 38% said their teams maintain a consistently healthy sales pipeline 50% of the time or less.

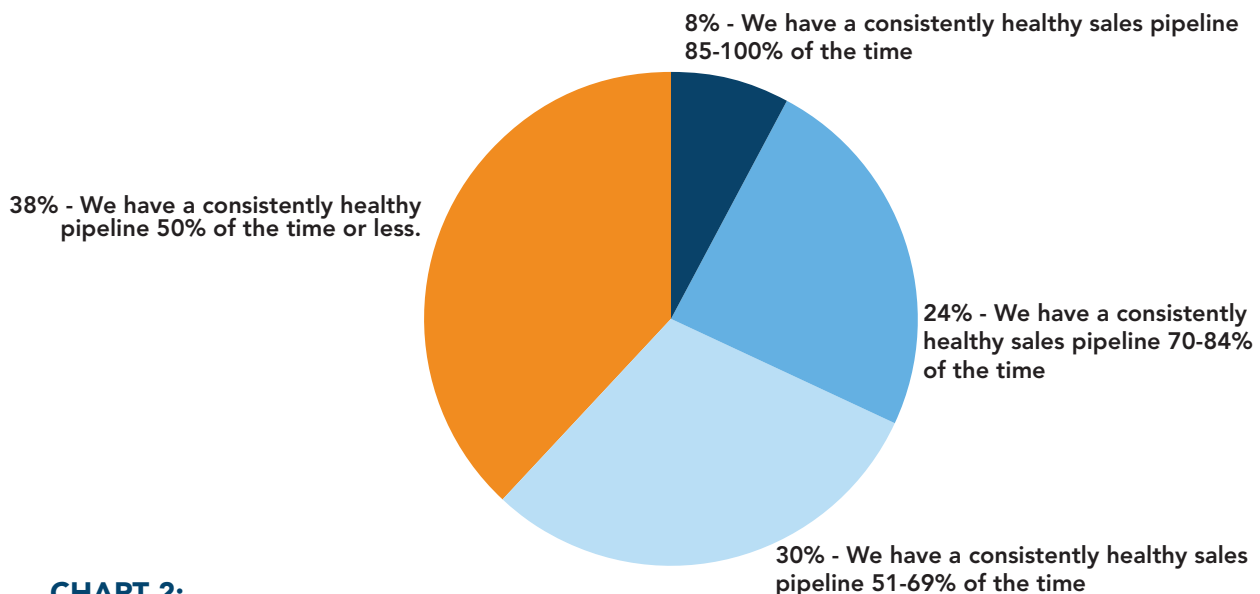


CHART 2:
What percentage of the time does your company have a consistently healthy pipeline to ensure reps reach quota?

Analysis: Poor sales pipeline health perpetuates the trend of missed quotas by negatively impacting forecasting, strategic decision making, coaching on prospecting skills, and sales behaviors.

At minimum, a healthy pipeline means your team has enough opportunities to close in order to reach your sales goals. A healthy sales pipeline also means:

- Not stuffing the pipeline with deals unlikely to close within a certain time frame (or ever)
- Not allowing deals in the pipeline to stall indefinitely
- Having a formal sales process that fits your organization and is measured intently to determine overall sales pipeline health

Poor pipeline health impacts your team in some critical areas, including forecasting, coaching, and sales behaviors.

Forecasting. Without a clean, healthy sales pipeline, it's difficult for sales leaders to create accurate sales forecasts, and this will negatively affect your strategic decisions regarding sales enablement, sales training, operations, and marketing.

Coaching on prospecting skills. Poor pipeline health also means sales leaders can't provide clear direction to frontline sales managers on when to coach, what skills to coach on, and who on the team needs coaching most. Good sales coaching is a highly effective way to help salespeople improve performance and lift overall team performance. EcSell Institute studied the top 20% of sales coaches and found they achieved:

- An average 110% of goal (the bottom 80% averages 91%).
- Teams that produce an average of \$4.1 million in additional revenue.

But, without insight into how deals are moving (or not) through the sales pipeline, sales managers have a cloudy view of how to best apply their coaching efforts and improve performance.

Sales behaviors. Poor pipeline health can potentially contribute to poor selling behaviors. Without clear insights about sales opportunities, salespeople may act from a place of desperation to close deals (spending too much time with poorly qualified leads and opportunities, for example, or engaging in heavy discounting). Sales teams that maintain a healthy sales pipeline are better able to sell from a place of clarity and confidence; and smart, effective sales behaviors are more likely to enhance overall sales performance.

MANY SALES LEADERS HAVE LOW LEVELS OF INSIGHT ABOUT PROSPECTING

Many sales leaders fail to monitor any prospecting metrics or efforts among their salespeople.

- 18% indicated their company does not set out specific metrics/goals on how much time reps should spend prospecting and conducting business development efforts.
- 32% of sales leaders indicated they don't know how much time reps prospect; the same percentage indicated they don't track rep prospecting time at all.

TOP FIVE WAYS REPS PURSUE NEW BUSINESS DEVELOPMENT

1. Referrals/partners
2. Cold calling
3. Expanding existing accounts
4. Networking
5. Social media
6. Trade shows

HOW LEADERS THINK REPS FEEL ABOUT PROSPECTING

1. Reluctance
2. Anxiety
3. Fear

HOW REPS ACTUALLY FEEL ABOUT PROSPECTING

1. Optimism
2. Excitement
3. Anxiety

Analysis: Sales leaders' lack of insight about prospecting makes it difficult to maintain a clean sales pipeline and support quota attainment.

Prospecting is a key building block of quota attainment and sales growth. Survey results show a number of problems related to prospecting:

1. There's a disconnect between reps and sales leaders regarding sales prospecting: Salespeople are more eager to prospect than many leaders assume. Salespeople also have lower levels of anxiety and fear about prospecting.
2. Sales leaders lack critical insight about how much reps are prospecting, which indicates they also probably don't know (or are not tracking) how many leads they need in the pipeline in order to reach quota each month or quarter.
3. Sales leaders leave reps on their own to figure out how much to prospect, when to prospect, and which prospects to target.

Reps with strong prospecting skills and routines will need less time to move deals from the sales funnel into the pipeline.

Another interesting note is that most salespeople are optimistic about prospecting. This suggests there's an opportunity for sales leaders to help channel that optimism in constructive and strategic ways. This could be done through a combination of sales training and coaching for skill development and establishing the right processes.

PART TWO: WHAT ARE BEST-IN-CLASS TEAMS DOING DIFFERENTLY?

Top Characteristics of Best-in-Class Sales Teams versus Laggards

According to survey results, best-in-class sales teams do a number of things well compared to their underperforming peers.

- 82.8% have clearly defined buyer profiles (compared to 57.4% of laggards)
- 86.2% have clearly defined target markets (compared to 69.6% of laggards)
- There is greater alignment between sales and marketing (especially around generating qualified leads for their salespeople)
- Reps have access to accurate data and metrics for prospects they are calling on
- They have a clear approach, strategy, and process for prospecting
- Salespeople receive training and coaching on prospecting skills

Analysis: Best-in-class companies invest in winning strategies related to prospecting to help salespeople regularly reach or exceed quota.

LEADERSHIP ACTION STEPS TO IMPROVE PROSPECTING

Action Step 1: Assess Your Current Prospecting Culture

Examine what (if any) prospecting responsibilities you currently ask salespeople to assume. Here are some key questions to ask.

- Is prospecting for new business an integral part of a salesperson's job?
- Is prospecting within existing accounts an integral part of a salesperson's job?
- If so, does each salesperson on your team understand those expectations?
- Does each salesperson practice good prospecting habits (defined activities combined with defined frequency)?

Recall: The results of our survey indicate 18% of underperforming sales teams work at companies that have not set out specific metrics/goals on how much time reps should spend prospecting; and 32% of sales leaders indicated they don't know how much time reps prospect.

We recommend sales leaders assess how much responsibility salespeople are asked to assume for managing existing accounts and growing customer relationships. This information will be helpful as you think through what percentage of revenue will come from new business versus existing accounts.

Action Step 2: Identify Metrics That Impact Prospecting and Drive Revenue Growth

From there, identify key metrics related to prospecting, pipeline, and revenue growth. These include:

- Number of deals needed to fill the sales funnel
- Average deal size
- Number of opportunities needed to fill the sales pipeline
- Opportunity conversion rates

Identifying these metrics will give you a good sense of how much time salespeople will need to devote to prospecting in order to fill the funnel and pipeline so you can grow revenue.

If you don't have insight into how many deals you need in your sales pipeline each quarter, now's the time to calculate those metrics. Remember: Our data on underperforming teams shows only 8% of leaders indicated their salespeople have a consistently healthy sales pipeline 85-100% of the time.

Some sales leaders also find it helpful to generate an agreement between sales and marketing that establishes what percentage of the required qualified leads should be generated from marketing efforts, and what percentage should be generated from sales efforts. You can then define the quantity, frequency, and quality of sales activities that yield good prospecting results. Tracking those sales activities with accuracy can help you identify where to supplement or support the team with coaching, tools, and technology to help them course correct if needed. Actively support prospecting efforts through strategy, training, targeted skills development, and the right process.

Action Step 3: Create Your Ideal Prospect Profile

Successful prospecting starts with knowing whom to target, and why. With that in mind, create a profile of your ideal prospect. If you already have a profile, make sure it's up to date.

Action Step 4: Craft a Winning Value Proposition

Weigh your value proposition against the business needs, buying preferences, and customer-relationship expectations of your ideal prospect. (Results of our survey show best-in-class sales teams tend to have greater alignment with marketing.) Collaborate with your salespeople and marketing team to answer these questions.

- Who's most likely to find our value proposition appealing?
- Who's most likely to want to collaborate with us to provide mutual value?
- Who has clear needs that our offerings and solutions can address?

If your salespeople can't answer these questions (or articulate your value proposition), that's a sign you need to invest in sales training and process development to get them up to speed.

Action Step 5: Craft a Winning Elevator Pitch

Getting your salespeople to understand your unique value proposition is just a first step. Next, you must make sure they're promoting the value proposition via a winning "elevator pitch." In addition to reflecting your value proposition, your elevator pitch should:

- Be brief and clear
- Appeal directly to your ideal prospect (use the key words and phrases that would engage them)
- Be routinely deployed by salespeople at opportune times (i.e. on outbound calls, during networking events, or when following up on referrals)
- Be articulated verbally and in written communication

Again, collaborate with your marketing team; they'll help you craft a winning value proposition, elevator pitch, and any content (email sequences or social media posts, for example) salespeople can use to prospect with success.

Action Step 6: Identify and Enhance Multiple Prospecting Skills and Align Them to Strategy

To prospect well, salespeople must also be able to:

- Research potential prospects to identify their interests and business needs (which will open the door to effective conversations).
- Develop connections and build rapport.
- Uncover business needs during an initial meeting.
- Position value early to earn the right to have further discussions with that prospect.

Assessing the skills and competencies of your salespeople in these areas will help you make sure your prospecting efforts are aligned with your overall sales process.

Coaching on Prospecting Leads to Measurable Results

To support the steps above, you'll need to develop the coaching skills of your frontline sales managers. This aligns with our survey findings, which show best-in-class companies tend to invest in coaching salespeople on how to prospect effectively.

According to Harvard Business Review, sales managers are essential to any business strategy because they oversee execution. This group has the biggest influence on the daily habits and routines of salespeople.

If you need to shore up your prospecting culture and help salespeople develop strong prospecting skills, frontline managers will determine how well (and quickly) your efforts succeed.

If you implement coaching for sales managers, what kinds of results can you expect?

Consider a global professional services organization that struggled with disparate sales coaching practices and strategies. Its team wanted a partner to help them collaborate across

departments, unify their language around coaching, and collaborate across departments. They partnered with **Janek Performance Group** for its ability to apply a customized coaching solution that suited the various needs across the organization.

After implementation:

- Sales managers felt more empowered and confident as coaches, particularly around prospecting.
- The sales management teams showed deeper engagement with their individual sales reps.
- Sales managers were able to provide specific targets and expectations around observable behaviors.
- Sales managers reported improved one-to-ones, better sales management meetings, and more holistic engagement with salespeople (versus just managing by numbers).

REPORT SUMMARY: ALWAYS FOLLOW PROSPECTING BEST PRACTICES

When Selling Power and Janek Performance Group conducted a survey in Q4 of 2019, they found only 6% of sales teams achieved or exceeded quota in the previous 24 months.

Survey responses also show most sales teams have poor prospecting/business development processes and aren't filling the sales pipeline effectively.

Meanwhile, best-in-class sales teams tend to have:

- Clearly defined target markets
- Greater alignment between sales and marketing (particularly around generating qualified leads for sales)
- Accurate data and metrics about the prospects salespeople call on
- Good strategies, processes, and tactics for prospecting
- Proper training and coaching on prospecting skills for salespeople

To improve prospecting and pipeline health (and attain quota), the report recommends that sales leaders do the following.

- 1) Build a strong prospecting culture from the top down.** Salespeople must prospect routinely so they can keep the pipeline full of opportunities. Assess your team's current approach to prospecting and business development. Do you track prospecting metrics? Do you have visibility into how often salespeople are prospecting? Identify the prospecting metrics that will help salespeople fill the pipeline and grow revenue.
- 2) Help salespeople improve prospecting skills.** Make sure your sales team has strong core prospecting skills, including developing rapport, earning trust, uncovering business needs, and leading with value. Collaborate with marketing to create your ideal prospecting profile, craft a winning value proposition, and equip salespeople with a great elevator pitch. Align your prospecting processes with sales strategy.

3) Develop the coaching abilities of your sales managers to improve reps' prospecting skills. Invest in sales coaching that enhances the ability of your frontline sales managers to coach salespeople on prospecting. Survey findings show best-in-class companies tend to invest in coaching salespeople on how to prospect effectively.

ABOUT JANEK PERFORMANCE GROUP

Janek Performance Group, headquartered in Las Vegas, Nevada, is an industry leader in sales performance solutions. At its core, it is focused on the continual improvement of sales effectiveness and performance across a variety of industries and selling environments. As sales consultants and thought leaders, Janek strives to stay at the forefront of what truly works for top sales performers in today's competitive marketplace. It is this combination of research and identified best practices that drives the development of world-class sales training courses and consulting processes.

Janek works with a broad range of clients in a variety of industries to provide the resources, expertise, training, and consulting services to address today's toughest sales challenges. Learn more at www.janek.com.

ABOUT SELLING POWER

In addition to *Selling Power* magazine, the leading periodical for sales managers and sales VPs since 1981, Personal Selling Power Inc. produces the Sales Management Digest and Daily Boost of Positivity online newsletters, as well as a series of five-minute videos featuring interviews with top executives. Selling Power is a regular media sponsor of the Sales 3.0 Conference.