

# *Catherine Competitive Corporation A & B*

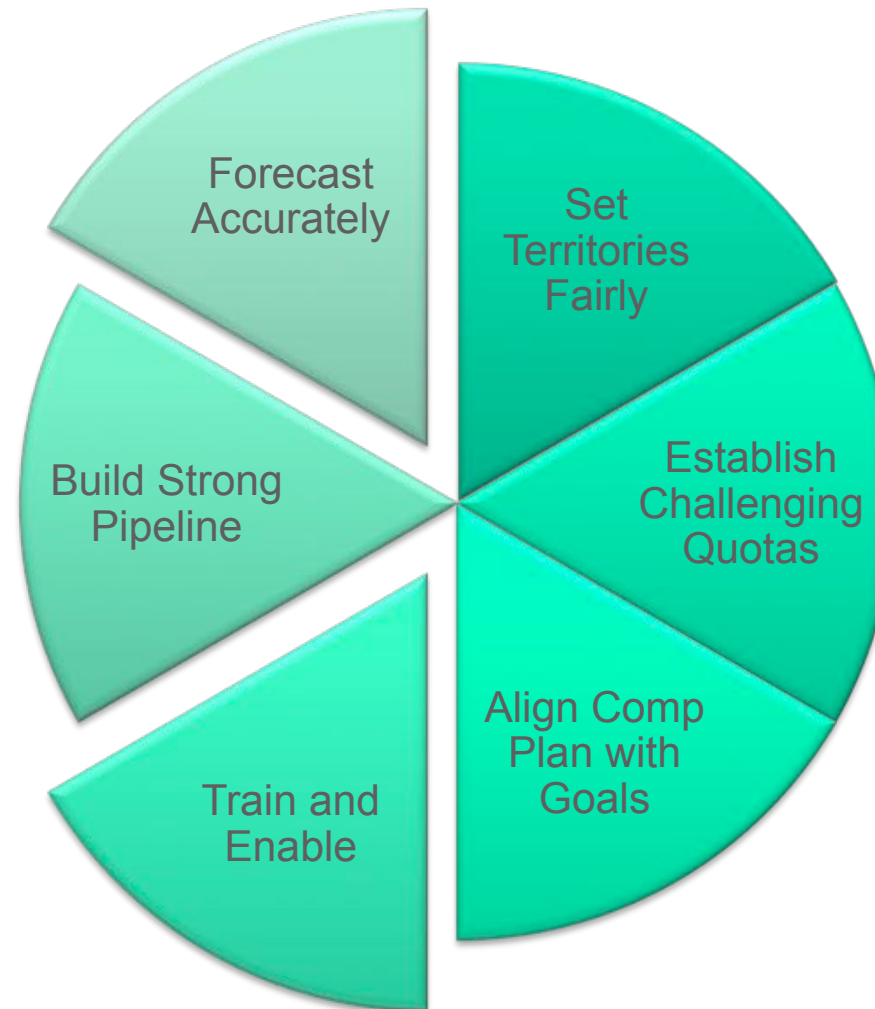
## ***Sales Training and Forecasting***

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# Context

- Last Time: Microsoft
  - ▶ Team Selling
- Today: Catherine Competitive A&B
  - ▶ Sales Management: Forecasting and Training
- Thursday: Form Print
  - ▶ Channel Problems

# Sales Management: “Blocking and Tackling”

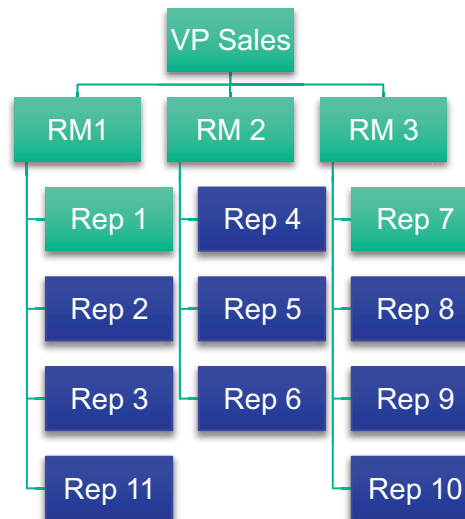
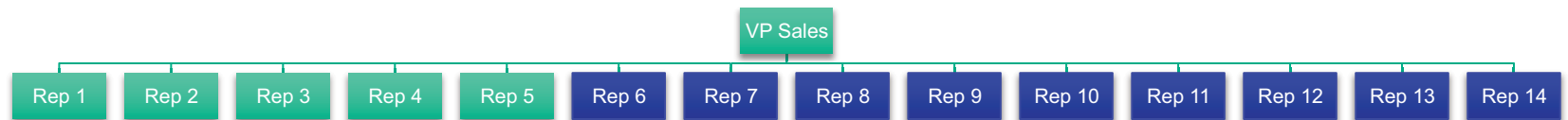


# Catherine Competitive Corp.

- Revenue: \$3.4M → \$10.0M Goal
- Sales Capacity: 7 Reps → 14 Reps
  - ▶ 2 Reps Shot
  - ▶ 3 Reps Promoted
  - ▶ 9 New Reps



# Structure: Year 1 to Year 2



# Catherine Competitive Corp.

- Revenue: \$3.4M → \$10.0M Goal
- Sales Capacity: 7 Reps → 14 Reps
  - ▶ 2 Reps Shot
  - ▶ 3 Reps Promoted
  - ▶ 9 New Reps
- Industry Trade Show – Las Vegas
  - ▶ Everyone is at the show
  - ▶ 2 Day Training Opportunity
  - ▶ \$20,000 Budget

# Sales Training

- Multiple subjects within sales training
  - ▶ How to sell (sales skills)
  - ▶ What we're selling (product training)
  - ▶ How to sell our product (best practices)
  - ▶ How to use our systems/processes (tools)
- Investment, not an expense
  - ▶ Ongoing investment, not one time
  - ▶ Unless you cannot keep your good reps!
- Can (should) be a source of sustainable competitive advantage for your business

# Sales Training Mix Differences

	Sales Skills/ Process	Product/Industry Knowledge
Inside sales - SMB	XXXX	X
Commercial Sales (250-1k employees)	XXX	XX
Enterprise sales	XX	XXX
Global account sales	X	XXXXXX

Years of Experience ↓

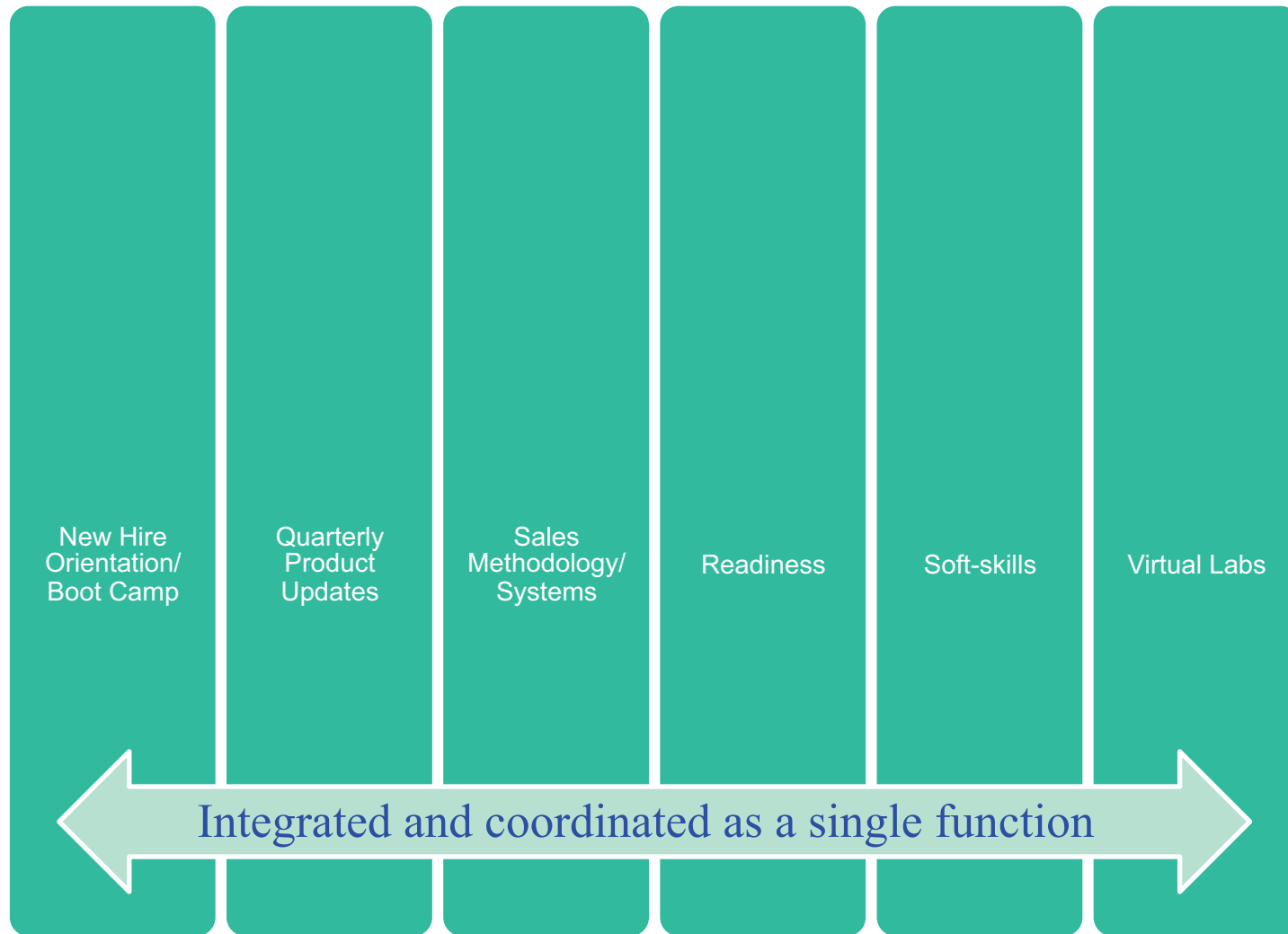
- In general: A sales person with 5+ years of experience cannot be expected to learn new sales processes
- Process training is most effective with recent college grads



# Sales Training Vehicles

- On-line/individual
  - ▶ Works well for product knowledge and updates
  - ▶ X hours per quarter
  - ▶ Each module < 1 hour
  - ▶ On-line test at completion
  - ▶ Use employees for content/credibility with sales force
  
- On-site/group
  - ▶ Content provided by product marketing
  - ▶ Sales force breaks into groups to present new content (role play)
  - ▶ Sales force presents wins and losses to peers
  - ▶ Very expensive (real and opportunity cost)

# Large Company Sales Training



Images removed due to copyright restrictions.

# Sales Training @ EMC

- New (Experienced) Hire Training
- + Quarterly Sales Accreditation
  - ▶ 40 hours/quarter on mix of subjects
  
- Inside Sales Training
  - ▶ 750 Inside Sales Reps (ISRs)
    - 1,000+ Applicants
    - 140 Hired
    - 82 Promoted to Field, 18 to ISR Management
  
- 2015 “Core” Sales Budget ~ \$3 Billion+

# Closing Thoughts on Training

- More than meets the eye
  - ▶ Multiple subjects within “training”
  - ▶ Mix differs by seniority and maturity of company
  - ▶ An ongoing investment that must be made
  - ▶ A source of competitive advantage
  
- Another part of a winning sales equation
  - ▶ A really important part... but just a part
  - ▶ Territory assignment, quota establishment, compensation plan design...
  
  - ▶ ... and Forecasting!

# Sales Forecasting



# Sales Forecasting

- Businesses forecast sales in order to:
  - ▶ Run efficiently (product supply chain)
  - ▶ Invest with confidence
  - ▶ Produce predictable and ever-improving results
- Inaccurate forecasting cripples a business
  - ▶ Trust the forecast and miss big
  - ▶ Don't trust the forecast and hesitate
- Forecasting is 80% science
  - ▶ The other half is art (apologies Yogi)

# Sales Forecasting Systems

- The Elements
  - ▶ A way to track, segment and roll up deals
  - ▶ A way to estimate likelihood of close
    - Commit = >95% probability this quarter
    - Strong Upside = current QTR deal w/risk (80%)
    - Upside = 50/50 deal for this quarter
    - Pipeline = a future quarter opportunity
  - ▶ A process for continually reviewing and re-prioritizing current quarter opportunities
  
- The Key
  - ▶ Diligence, Judgment, Focus, Honesty
  - ▶ “Inspect what you Expect”

# Step 1: Capture and Order Deals

## Sales Opportunity Forecast

Date: March 1, 2011

Rep: John Glendenning

Manager: Peter Levine

<u>          </u>	<u>Product</u>	<u>Deal Size</u>	<u>Close %</u>	<u>Close Date</u>
Morgan Stanley	XenDesktop	\$1,000,000		
Bank of America	XenApp	\$750,000		
Wall Mart	XenApp	\$500,000		
Chevron	XenDesktop	\$200,000		
Ford Motor	XenDesktop	\$100,000		
Amazon	NetScaler	\$100,000		
Wells Fargo	XenDesktop	\$75,000		



Order Accounts, Product, by Deal Size



# Step 2: Estimate Close % and Date

## Sales Opportunity Forecast

Date: March 1, 2011

Rep: John Glendenning

Manager: Peter Levine

<u>Account</u>	<u>Product</u>	<u>Deal Size</u>	<u>Close %</u>	<u>Close Date</u>
Morgan Stanley	XenDesktop	\$1,000,000	75%	Mar-11
Bank of America	XenApp	\$750,000	60%	April-11
Wall Mart	XenApp	\$500,000	25%	June-11
Chevron	XenDesktop	\$200,000	75%	Mar-11
Ford Motor	XenDesktop	\$100,000	90%	Mar-11
Amazon	NetScaler	\$100,000	40%	June-11
Wells Fargo	XenDesktop	\$75,000	75%	April-11



Add Close Percentage and Close Date

# Opportunity Forecasting Methodology for % Deal Complete

Manager's role: Make sure reps are getting these questions / steps covered

Manager's role: Talk directly with Exec sponsor on top 5 deals. This will give you insight to the rest

- **10% - Opportunity Qualification**
  - ▶ Problem/Need Identified
  - ▶ Value Prop Identified
  - ▶ Budget Identified
  - ▶ Exec. Sponsor Identified
- **25% - Opportunity Strategy**
  - ▶ Agreement on Exec Sponsor support
  - ▶ Documented process for sales cycle
  - ▶ (>\$25K) Manager intro to Exec Sponsor
- **40% - Executive Sponsorship**
  - ▶ Executive Sponsor attends presentation, reconfirms funding, and allocates resources for the project

# Opportunity Forecasting Methodology for % Deal Complete (con't.)

## Manager's role:

Solidify relationship with exec sponsor & work towards asking for commitment.

## Manager's role:

Stay involved by continuing to communicate with exec sponsor and drive towards close. Validate close date often.

- **60% - Solution Development**
  - ▶ Outline of decision & buying process
  - ▶ Agree on validation process
  - ▶ “Draft” financial proposal
  - ▶ Possible proof-of-Concept or pilot plan
  - ▶ (~\$150K) VP email to most senior-level executive
- **75% - Solution Confirmation**
  - ▶ Close date within current quarter
  - ▶ Solution validation & approval at executive level
  - ▶ Negotiations with agreed-upon completion date
- **90/100% - Solution Closure**
  - ▶ Secure agreement signature & purchase order (P.O.)



# Step 3: Roll-up Individual Forecasts

Sales Opportunity Forecast							Close %		Close Date	
Date: March 1, 2011 Territory: North America Manager: Peter Levine							60%	May-11		
Account	Rep	Product	Deal Size	Close %	Close Date	50%	May-11			
Morgan Stanley	JG	XenDesktop	\$1,000,000	75%	Mar-11	40%	June-11			
Walt Disney	RS	XenApp	\$300,000	90%	Mar-11	90%	Mar-11			
Chevron	JG	XenDesktop	\$200,000	75%	Mar-11	75%	Mar-11			
Home Depot	RS	NetScaler	\$200,000	75%	Mar-11	75%	Mar-11			
Ford Motor	JG	XenDesktop	\$100,000	90%	Mar-11	75%	Mar-11			
Boeing	RS	XenApp	\$75,000	75%	Mar-11					
Exelon	RS	XenDesktop	\$50,000	75%	Mar-11					
Wells Fargo	JG	XenDesktop	\$75,000	75%	April-11					
Bank of America	JG	XenApp	\$750,000	60%	April-11					
Pfizer	RS	XenApp	\$700,000	60%	May-11					
IBM	RS	NetScaler	\$400,000	50%	May-11					
Wall Mart	JG	XenApp	\$500,000	25%	June-11					
CVS	RS	XenDesktop	\$300,000	40%	June-11					
Amazon	JG	NetScaler	\$100,000	40%	June-11					

As a manager, focus here

# Step 4: Manage the Roll-up

Sales Opportunity Forecast

Date: March 1, 2011

Territory: North America

Manager: Peter Levine

<u>Account</u>	<u>Rep</u>	<u>Product</u>	<u>Deal Size</u>	<u>Current</u>		<u>30-day look back</u>		
				<u>Close %</u>	<u>Close Date</u>	<u>Close %</u>	<u>Close Date</u>	
Morgan Stanley	JG	XenDesktop	\$1,000,000	75%	Mar-11	60%	Mar-11	Green
Walt Disney	RS	XenApp	\$300,000	90%	Mar-11	90%	Feb-11	Yellow
Chevron	JG	XenDesktop	\$200,000	75%	Mar-11	75%	Feb-11	Red
Home Depot	RS	NetScaler	\$200,000	75%	Mar-11	60%	Mar-11	Green
Ford Motor	JG	XenDesktop	\$100,000	90%	Mar-11	75%	Mar-11	Green
Boeing	RS	XenApp	\$75,000	75%	Mar-11	90%	Feb-11	Red
Exelon	RS	XenDesktop	\$50,000	90%	Mar-11	75%	Feb-11	Yellow
Wells Fargo	JG	XenDesktop	\$75,000	75%	April-11	40%	April-11	Green
Bank of America	JG	XenApp	\$750,000	60%	April-11	25%	April-11	Green
Pfizer	RS	XenApp	\$700,000	60%	May-11	25%	May-11	Green
IBM	RS	NetScaler	\$400,000	40%	May-11	40%	May-11	Yellow
Wall Mart	JG	XenApp	\$500,000	25%	June-11	25%	June-11	Yellow
CVS	RS	XenDesktop	\$300,000	40%	June-11	40%	June-11	Green
Amazon	JG	NetScaler	\$100,000	40%	June-11	25%	June-11	Green



# The Science of Forecasting

- Accurate forecasting comes from being CLOSE and OBJECTIVE
  - Being close to business on a regular basis
    - How ?**
      - Diligence in your weekly District Roll up call
      - Diligence in your weekly rep 1:1's to walk through the forecast and changes
      - Diligence in getting in front of the customers with Deals in Play
      - Staying on top of next steps, and calling foul when something isn't right
    - Being Objective
      - How ?**
        - Use an objective qualification method like MEDDIC
        - Do not assume anything
        - Do not allow yourself to be sold, these are sales people they sell themselves, then you
  - **You cannot predict the business if you're not close to the business!**

# Forecasting

## The Science

- Deal by Deal – Rep by Rep
- Control what you can control = find and build more deals
- Get in front of large deals to qualify, qualify, qualify
- Not real (for now?) MOVE ON, find more and be real
- There is no easy formula (% of pipeline that will close, etc)
  - You will convert some upside, but it's not always 20%
  - Deals will go sideways

# The Art of Forecasting

- Get to know each rep - their abilities and tendencies
- Build good Channel and “Influencer” relationships for 360° feedback
- Don’t be afraid to be the pessimist, your job is to find the truth
- Trust but verify
  - Build a personal presence in your top 20 customers
  - Qualify the big deals in person
  - Inspect the other transactions diligently



# Know Each Rep's Forecasting Approach

- **Old School:** Commits a big number and promises to get there no matter what. “Not sure how, but trust me... I will get there.”
  - PEEL BACK THIS ONION – AND FORCE ACCURATE REPORTING
- **The Sandbagger:** Commits 50% of the real core value of the very solid deals, especially if it's going to be a big QTR. Fear of the visibility that comes along with having big deals on the radar.
  - FORCE ACCURATE REPORTING, LINK QUOTES & CARTS
- **The Optimist:** “The director said it's good to go, we'll get it, they need it, put me down for \$xyz mil solid”.
  - BE THE VOICE OF REASON AND OBJECTIVITY
- **The Whale Hunter:** 1 deal in Commit. Not a healthy business. Activity Problem.
  - INSERT YOURSELF INTO THIS PERSON'S BUSINESS
- **The Ideal:** A very strong deal qualifier that is 100% objective with high activity and funnel to recover from deals going sideways
  - FIND AND HIRE AS MANY OF THESE REPS AS YOU CAN!

# The Bottom Line

- You cannot hide from Forecasting
- You will be tested in your first 90 days...  
...and every 90 days thereafter
- QTR will start, QTR will end, your number will post
  - *“You are what your record says you are”*
- From sales rep to CEO and everyone in between

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