

ANNUAL SALES KICK-OFF: A STRATEGIC APPROACH

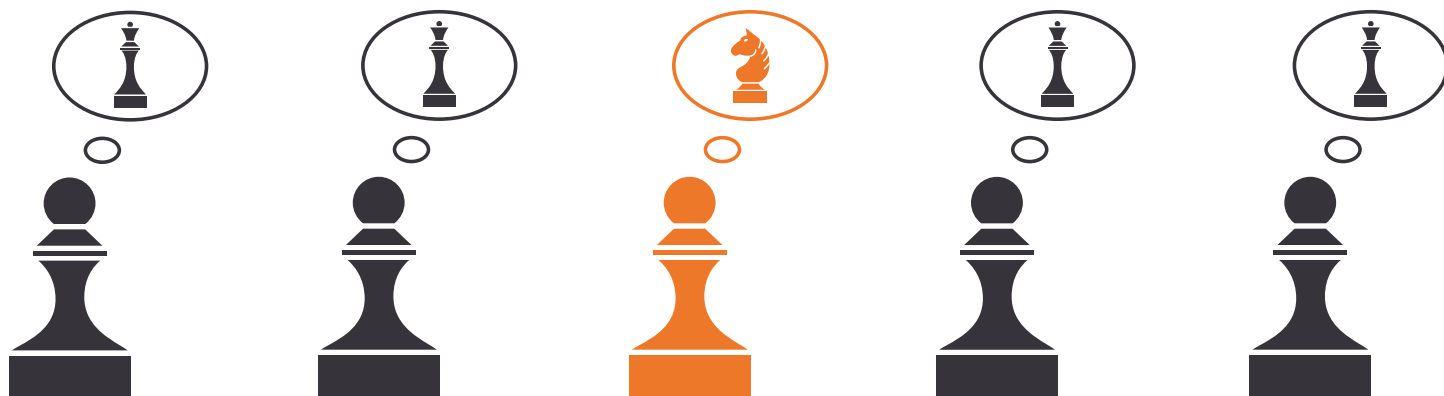
IT'S THAT TIME OF THE YEAR THE ANNUAL SALES KICK-OFF

Let's think about it differently.

If you have worked in a professional sales role for more than a couple of years, you have probably attended a kick-off meeting. And if you have been in the world of sales for any significant time, you have probably attended a sales kick-off that was excruciatingly bad.

Some meetings try too hard to come up with an event or activity to be memorable. The awkwardness spreads from anything like iron chef competitions with sales reps and managers running around with cutlery and meat in their hands. While others become lashing sessions from sales leaders, laced with threats of how things need to change. And while no extreme is good, we continue to hold these events year after year.

Thus, we're overdue to start thinking about sales kick-offs differently – more strategically. We need to look at how these meetings are critically important to sales organizations' success, and how we can improve, and prolong the effects of sales kick-offs.



THE HARD HITTING FACTS

Just why is holding an annual sales kick-off event so important? **Newsflash: Half of your reps are missing quota.** Sales leaders gloss over this each month and quarter because at least their top reps are over achieving and making up the difference. But it doesn't change the startling fact.

Let's envision this scenario in other departments: Consider engineering – half the developers checked more than their share of code for the release, but half did not. Those features weren't really necessary anyway, right? Or how about the marketing team? Demand generation only made half their lead goal this month – but it's okay because the social team tweeted twice as much as planned! Would that fly with the CMO?

Sales is the ONLY profession where this is acceptable.

But given the industry's high-pressure culture, perhaps all of this isn't too surprising after all. When business is bad, the first thing to do is apply pressure to sell more. And even when everything is going according to plan, sales leaders still feel the need to "capitalize on the opportunity" and pressure sales to sell more. **No wonder the average turnover is around 34%.**

Compound this with the time it takes for your **reps to ramp up.** On average, time to revenue on new hires is somewhere between 9-12 months. How much does that cost you for each

new hire, and what if you could reduce that by just 1 or 2 months?

And here's another surprising tidbit – over half of B2B customers select and are loyal to vendors based on **sales experience over price**, features, or anything else. A buyer's time is valuable, and their team and network is even more so.

A great sales experience sets up the expectation of great products and services, and most would rather place their bets there than select the "cheap" alternative that will disappoint in the long run.



Check out our infographic, [More Content, More Problems: the Struggles of a Sales Rep](#) ➔

THE ROLE OF SALES KICK-OFFS

Sales organizations are complex vehicles with many moving and interconnected parts (intra and inter departmental). Aligning the sales team to meet business objectives might only require small incremental improvements or it could involve wholesale transformation. In any case, it's important to tackle the need for a **true behavioral shift** – changing the way reps sell. And while this is inarguably not easy to initiate and even harder to sustain, done right the annual sale kick-off can be a **powerful catalyst for communicating the need for change and engaging the team to meet a common goal**.

Here's some background context – the sales kick-off started about 125 years ago by John Henry Patterson of National Cash Register. Patterson was truly an innovator in his time and is credited with many sales and business practices we still use today. Patterson held the first annual sales kick-off with four specific goals in mind:

- **Motivate** – It's important to get the sales organization fired up going into the New Year. The meeting is an opportunity to build and reinforce the corporate culture you're trying to create. It's a great time to set aspirational goals, and highlight big rewards out on the horizon.
- **Recognize** – With the entire sales team gathered, it's a perfect time to make a point of recognizing top producers. This public acknowledgement of their success satisfies best performers' need to be seen as achievers. The public recognition establishes role models and

goals for everyone.

- **Communicate** – In an era before widespread access to telephones, when most communication was handled by letter or telegram, Patterson used the sales kick-off to communicate with the sales team about changes in policies, products, and procedures. Now in an era where communication is in all sorts of electronic form – emails, texts, intranets, portals, communities, Facebook, and so on – the face to face time you have with your team is more critical than ever.
- **Train** – The sales kick-off is a time to introduce new products or features to existing product lines. This is also the opportunity to ensure your teams are selling the "right" way. For Patterson, the right way meant following the Primer that he had based on the approach used by his #1 salesman. Currently, this might be an existing or new methodology, a best practice sales process, consultative selling skills or another area of skill development to ensure reps are selling in what you consider to be the "right" way.

Interestingly enough, the Sales Management Association (SMA) conducted a study last year reviewing organizations' best practices in preparation and planning for their annual sales meetings and identified that the most important objectives for annual kick-off meetings align perfectly with those very four goals Patterson set over 125 years ago. Is this at all surprising? **Are companies doing the right things by increasing activities in the original four goals, or are they missing something?**

A DEEPER DIVE: FOUR ORIGINAL GOALS

Motivation

Motivation is “the general desire or willingness of someone to do something.” This is referring to ongoing motivation – not short term goal achievement. Think of it this way, you’re at the starting line of a marathon, and to keep you going for 26+ miles, what playlist are you tuning into? What is keeping you going when both your mind and body are telling you to give up? That’s motivation.

And it’s not just about the money – even in sales.

Motivating your sales team at kick-off is an opportunity to re-gain buy-in into the corporate vision and mission. The meeting gives us a chance to formally ask: Why are we here? What is the problem we are solving and how do we make our customers’ lives better?

In a recent TED Talk, Daniel Pink – author of five books that focus on the “changing workplace” – discussed some research and experience that is counter intuitive to our instincts. Pointing to an MIT study which looked at the correlation between financial reward and performance of cognitive functions, he reveals that when simple and straightforward tasks are involved, financial rewards work. But for just slightly more complicated tasks, those that require a

little rudimentary cognitive skill, more reward for better performance actually doesn’t work. The results repeatedly showed that when large financial rewards are at stake, performance on complex tasks is consistently poor.

In other words, for tasks requiring just rudimentary cognitive skills – aka the art of sales – there’s need to think beyond just money as a motivator. Pink further identifies three keys to get the most of your team:

1. Autonomy

This is the desire to be self-directed and in charge of our own lives. In many ways, Pink says, traditional management runs in conflict of this. In other words, traditional management is great if you want compliance, but if you want engagement, self-direction is better. As an example, consider companies that grant developers “free time” to work on anything they want without supervision. That time has led to a whole array of fixes and innovations for the likes of companies like Google that would otherwise never have emerged.

2. Mastery

Mastery is the urge to get better at whatever you set out to do. This is one reason why people engage in such hobbies as playing musical instruments on the weekend. It's not going to make them any money, so why are they doing it? Simply because it's fun, and since it's possible to get better at it, it's satisfying. Another example is doing extra work and volunteering to a cause or project that would rather give away a product rather than selling it. Examples like Linux, Drupal and Wikipedia are run by people who have other jobs. Challenge and mastery, along with making a contribution are powerful motivators.

3. Purpose

Organizations want to have a transcendent purpose. This is partly because it makes coming to work easier, and partly because it attracts better talent. However, unintended and poor consequences can arise when profit gets unmoored from purpose. You might see ethical problems, bad products, inadequate service, and unfavorable work environments. Companies and organizations that are flourishing are animated by these purposes, such as Skype and Apple – two revolutionary entities that set out to make a real difference in our daily lives.

So take a moment to think about what will motivate your team through 2015. Ask yourself, what playlist will keep my sales team running all the way through the finish line?

Recognition

Recognition is tied very closely to motivators. Awards and recognition programs are typically used outside the boundaries of the annual sales incentive plan and salary structure. They focus sales efforts on a brief concentrated period (for instance, 3-4 months). The reward is typically tied to specific performance requirements or goals. For example, you may want to accelerate a particular product line in the upcoming year – and adding an award program for achievements

for that particular line will help drive the pipeline and business for that specific goal.

Recognition programs can range in type and award:

- **Traditional, positive recognition** – Such as inscribed plaques, team outings, employee of the year, etc.
- **Work-life balance programs** – Or motivators that allow sales to have a better work-life balance are very appealing. Additional paid time off, or recognition of significant other or family like family trips or dinners can be very effective.
- **Career Boosters** – Anything that helps to accelerate career opportunities – or anything from top assignments, removal of unproductive accounts, upgrade to better territories, conference attendance, time with executive team, and dinner with CEO.
- **Status Awards** – Senior or prestigious titles, corner offices, travel upgrades (flying business class), golf/club membership.
- **Monetary** – Whether it be cash or gifts – such as electronics, services or company stock.



Communication

Communication is heavily associated with previously discussed SMA research and the objectives as tied to the four original goals for the sales kick-off – focusing mainly around communicating the strategic focus. The annual sales kick-off meeting is thus a prime opportunity to launch the strategy for the New Year to those who are responsible for executing it. Here's what you should be considering:

- Strategies – what are the main corporate strategies for 2015?
- Culture
- New Markets
- New Products / Features
- Organizational changes
- Deal sizes / bundles
- GTM approaches
- Competition – new ones or updates on existing
- New infrastructure – systems/tools
- Compliance regulatory requirements

It's important to think of communication as a two way stream. It's not just for leadership to share corporate objectives, but an opportunity for sales to contribute feedback.

Train

In order to focus more keenly on your training efforts, you must first understand your critical gaps. By focusing on closing these gaps, you'll make the valuable face to face time more effective, and see bigger payoffs downstream. An overused cliché from the world of sports may help to help illustrate how to identify your critical gaps:

A coach can devise the perfect strategy for

winning against a particular opponent. The coach can also drill his or her players in the plays that will enable them to execute that strategy. He can purchase all the required equipment to allow them to execute effectively. However, if the players fail to execute the strategy—if they simply lapse into old patterns of play during the heat of competition—**having the right strategy is no better than having no strategy at all.**

Now bringing that back to sales....

If the sales team fails to see the connection between the sales strategy and the resources provided for them, or if the team understands the strategy but does not believe the resources they have will help them execute the strategy, a **capability gap** will surface. It's of critical note to recognize that sales needs confidence that they have the right resources to do their job. For example, if the 2015 strategy requires them to call into a different level of target – moving from managers to executive – then we need to enable them to get access to the right person, and shift value propositions. So this might translate to social selling/networking skills, appointment setting training, presentation skills – anything related to the ability for them to use the resources at hand for the adjusted strategy.



On the other hand, if the sales team understands the strategy but cannot comfortably perform the behaviors required of them to execute that particular strategy, we'll face a **knowledge gap**. Perhaps the sales force fully understands the need to use the new boardroom presentation for their executive buyer – but just can't do it comfortably. They fear embarrassing themselves or facing questions they can't answer. In this situation, sales people need training and practice in developing specific sales techniques. This might translate into leveraging a sales methodology – Challenger or Miller Heiman for example – to help them effectively navigate the new kind of deal.

The third gap is more challenging. We may find that the sales team understands why they need to do certain things. They know what resources are available to them and they know how to use them – but they simply choose not to. If we gave them a written test on the sales practices and tools they are expected to use, they would probably pass it. But when they are in the field in front of prospects and customers, they revert to old behaviors and fail to use any of the new methods.

This is the **execution gap**. To close this kind of gap, we need to persuade and motivate the sales team to change the way they work. Thomas Edison once said that "Vision without execution is hallucination." We might paraphrase that to say, "Strategy without execution is merely hope."

Leaders who have a solid strategy but who do not get their employees to execute will be doomed to frustration and failure.

THE MISSING PIECE TO STRATEGIC SALES KICK-OFFS

The majority of sales kick-off meetings combine the key elements of communicating strategy and company vision, recognizing success, training on new products or selling skills and motivating the troops. New initiatives are announced, and are followed by introductions of new processes, new tools, competitive intel, new pricing models, new company plans, commitment to train and coach the team – a real buzz takes off.

Moving the performance needle entails capturing that energy and consuming it throughout the year.

But here's a reality check. Within a few days, the buzz has gone and the day job takes over. Not just because we have short attention spans, but because it's hard to combine change (which is often behavioral) with the pressure to perform and make quota. For the most part, sales reps will simply 'snap back' and get on with doing whatever they were doing the week before.

There's clearly something missing – a *fifth pillar* for successful sales kick-off meetings: **Reinforcement.**

Investments in training, coaching, technology and content are necessary to effect change – but consider a key point: Just how successful were those initiatives? It's widely commented that 87% of training content is forgotten or ignored

after 30 days. Moreover, many companies admit their CRM adoption is not where they need it to be. So if that's the case, you can't rely on your forecasts.

There are 3 main factors that contribute to this dilemma:

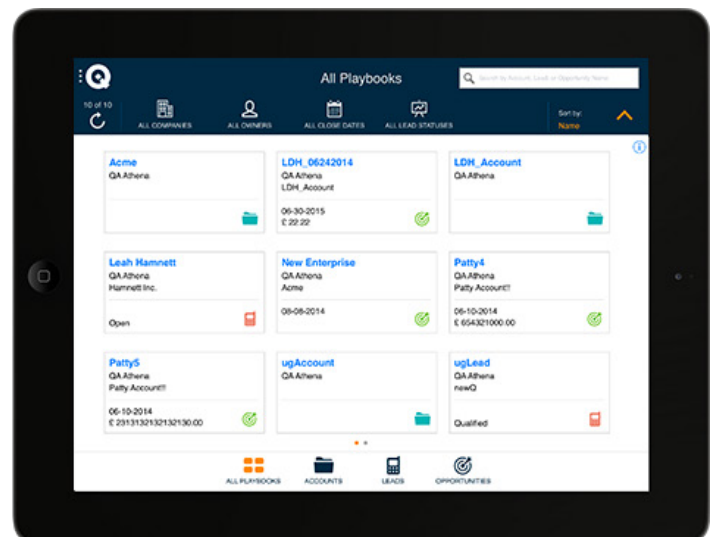
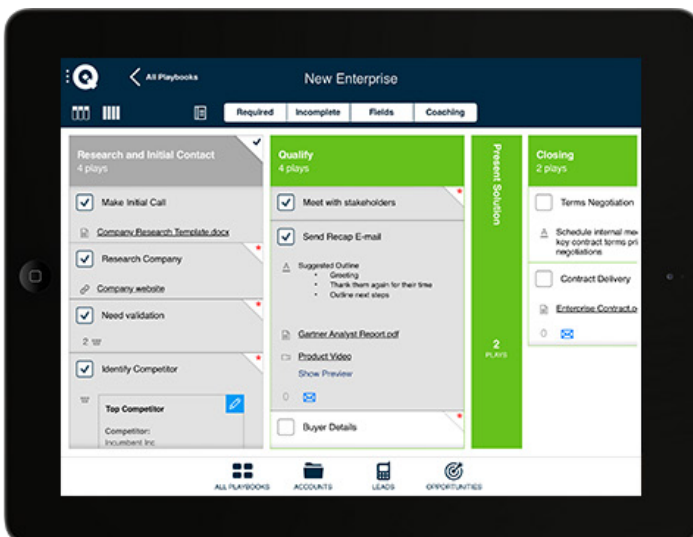
1. WIIFM - It's important to remember the "what's in it for me" for sales reps. If your reps don't find value, they simply won't use it.
2. In isolation the investments have limited payback – it's the combination of training with coaching, for example, that makes a difference.
3. Rate of change – The minute the rep has embraced a new process, the music starts and someone takes a chair away. It simply becomes too hard and the natural reaction is to revert to what you know in light of the pressure to make the number.

Therefore, it's imperative to unlock the value of all of these necessary investments through a framework that **underpins and reinforces your sales process, training and coaching, technology and content assets.**

THE QVIDIAN SOLUTION

Qvidian solutions manifest as the “go to” resource center for guiding sales reps through a deal, guiding them through the best course of action, and delivering the right technology and content to move the opportunity forwards. And here’s the neat bit, **it’s completely situational** – guidance and available assets will adapt based on the deal dynamics.

In the context of sales kick-off meetings, Qvidian offers a platform to deliver the numerous changes introduced – providing a means to continually measure what’s working, what’s not working and adapt as necessary.





Want to learn how you can improve, and
prolong the effects of sales kick-offs?

LET'S TALK

Start executing sales strategies and closing more deals. Qvidian offers a guided selling framework that underpins and reinforces your sales process, training and coaching, technology and content assets. If your team could benefit from better sales execution, let's start a conversation.

Visit www.qvidian.com or call (800) 272-0047 for more information.

ABOUT QVIDIAN

Qvidian provides cloud-based sales execution solutions that enable companies to exceed quota targets, accelerate sales cycles, and win more business by closing the gap between strategy and execution. The company's innovative software and advisory services offer real-time insight to ensure sales teams do what's needed to win, by driving repeatable methodologies and making the sales organization more agile. With over 1,200 global customers including Dell, Citi, ADP, CA, and Splunk, Qvidian is helping organizations significantly increase their profitable revenues while eliminating waste and reducing costs.

For more information, visit www.qvidian.com or call 1-800-272-0047 or +44 (0) 870-734-7778.

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