Catherine Competitive Corporation A & B

Sales Training and Forecasting
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”

- Set Territories Fairly
- Establish Challenging Quotas
- Align Comp Plan with Goals
- Train and Enable
- Build Strong Pipeline
- Forecast Accurately
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

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>Sales Skills/Process</th>
<th>Product/Industry Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside sales - SMB</td>
<td>XXXX</td>
<td>X</td>
</tr>
<tr>
<td>Commercial Sales (250-1k employees)</td>
<td>XXX</td>
<td>XX</td>
</tr>
<tr>
<td>Enterprise sales</td>
<td>XX</td>
<td>XXX</td>
</tr>
<tr>
<td>Global account sales</td>
<td>X</td>
<td>XXXXXXX</td>
</tr>
</tbody>
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- 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

- New Hire Orientation/Boot Camp
- Quarterly Product Updates
- Sales Methodology/Systems
- Readiness
- Soft-skills
- Virtual Labs

Integrated and coordinated as a single function
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

<table>
<thead>
<tr>
<th>Account</th>
<th>Product</th>
<th>Deal Size</th>
<th>Close %</th>
<th>Close Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley</td>
<td>XenDesktop</td>
<td>$1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of America</td>
<td>XenApp</td>
<td>$750,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wall Mart</td>
<td>XenApp</td>
<td>$500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chevron</td>
<td>XenDesktop</td>
<td>$200,000</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<td>NetScaler</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>XenDesktop</td>
<td>$75,000</td>
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**Order Accounts, Product, by Deal Size**
Add Close Percentage and Close Date

### Step 2: Estimate Close % and Date

**Sales Opportunity Forecast**

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Opportunity Forecasting Methodology for % Deal Complete

- **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

**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
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

**Date:** March 1, 2011  
**Territory:** North America  
**Manager:** Peter Levine

<table>
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<tbody>
<tr>
<td>Morgan Stanley</td>
<td>JG</td>
<td>XenDesktop</td>
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</tr>
<tr>
<td>Walt Disney</td>
<td>RS</td>
<td>XenApp</td>
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<td>RS</td>
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<td>CVS</td>
<td>RS</td>
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As a manager, focus here
Step 4: Manage the Roll-up

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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