

# TOUGH TIMES CALL FOR CREATIVE ACTION

## *The 2008 Chief Sales Executive Forum*

### *Summary of Key Findings*

By: Gary Tubridy, Sr. Vice President | The Alexander Group, Inc.



#### **SPEAKERS**

##### **SCOTT BROWN**

VP, Worldwide Sales Enablement  
Cisco Systems

##### **WILLIAM COKER**

Sr. Mgr., Sales Productivity Ops.  
Seagate Technology

##### **KEVIN DECKER**

Global Director of Sales Programs  
GE

##### **DAVID EDMONDS**

Sr. Vice President, Sales  
FedEx Services

##### **MATT GALLAGHER**

Vice President, Sales Operations  
Apria Healthcare

##### **BETH ANN HALVORSON**

VP Strategic Accts, Wholesale Div.  
Qwest Communications

##### **BILL KING**

Exec. Vice President, Sales  
Fujitsu Computer Systems

##### **OLIVIER KOHLER**

SVP & GM, Global Alliances  
Hewlett-Packard

##### **ALEXIS LANGAGNE**

Dir., WW Sales, Global Prog. Office  
Hewlett-Packard

##### **MICHAEL MacDONALD**

President, Mktg. Operations  
Xerox Corporation

##### **KEVIN MADDEN**

Vice President, Global Sales  
Honeywell Building Solutions

##### **MICHAEL MARCINEK**

Vice President, Sales & Marketing  
Covidien

##### **HILARIE KOPLOW-McADAMS**

EVP, Global Corporate Sales  
salesforce.com

##### **THOMAS McEVOY**

President, Business Markets  
Embarq Corporation

##### **JILL MERKEN**

VP, WW Sales Operations  
Polycom

##### **MALCOLM REES**

Global Head of Sales  
DHL Express

##### **RICHARD SMITH**

VP, WW WebSphere Solutions  
IBM Corporation



*The message is clear...most companies are NOT backing down from growth expectations in 2009 despite headwinds from a recessive economy.*

The median growth expectation for over 50 large sales organizations\* is an aggressive 8%. At the “2008 Chief Sales Executive Forum”, we examined what companies are doing to gain the edge needed to deliver results in a difficult economy. Read on to learn more about their plans. To schedule a one-hour detailed briefing on the 2008 Forum findings, in the convenience of your offices, see the contact information on the back of this summary.

The 2008 Chief Sales Executive Forum was held on November 12 - 14, attracting leaders from some of the world's largest sales organizations. This year's event examined the role of sales coverage innovation in producing revenue growth. In particular, we examined what companies are doing to gain the edge needed to produce growth in a difficult economy.

This is an important question given preliminary findings from this year's Sales Pulse Survey. Conducted in conjunction with the Forum, the Pulse Survey reflects the input of over 50 sales organizations to date averaging \$2.0 billion in revenue from a diverse set of industries. The median growth expectation for these organizations in 2009 is an aggressive 8%. At this stage, only 3 participants anticipate negative growth. The message is clear...most companies are not backing down from growth expectations in 2009 despite headwinds from a recessive economy.

How are senior sales executives planning to stimulate growth and productivity in these difficult (and cost constrained) times? We noted the following seven themes:

*\* Findings as of November, 2008: “2009 Sales Leadership Pulse Survey”*

# SEVEN THEMES FOR 2009

## THEME 1

**Take the offensive. Find under-covered markets. Re-balance available resources to better cover sectors that are either growing or where share gain is possible. Stop over-investing in markets that will produce marginal returns. Break the mold and examine alternatives.**

- ▶ Overseas; don't shy away from reallocating expensive resources from low growth markets and segments (e.g. key accounts, North America) to markets that promise significant growth given proper investment...particularly Brazil, Russia, India and China.
- ▶ Consider how well penetrated you are in the SMB (small/medium business) right here in North America. This is a high growth area, eager for solutions to business problems that many sales organizations are under-invested in covering.
- ▶ Agility counts...improve visibility into the management system, assess where you can grow and get it covered now. Do not delay.

## THEME 2

**Re-balance coverage with multiple channels to increase both coverage efficiency and agility. Consider tele and partner channels. Avoid over-reliance on the direct channel.**

- ▶ Team tele resources with field sellers to quickly increase "face time" with customers that offer growth opportunities. Be sure to assign tele resources responsibility for discreet elements of the sales process for better accountability.
- ▶ Use tele and partner channels to reach the under-served SMB market if customers will buy that way. If customers prefer on-site sellers, consider using tele for lead gen and qualification with hand off to Business Partners.
- ▶ Consider Business Partners in only those segments where they already have presence. Earn partner loyalty with access to field marketing programs and resources.

## THEME 3

**Preserve investment in "quota carrying sellers"... as well as the support assets that make them effective. Beware of calls for across the board cuts. With increased pressure on pricing, smaller deal size and elongated "time to close", executives estimate that they will need to increase productivity of on board sales assets by 15% to 20% to stay even with 2008.**

- ▶ Wholesale cuts to front line sellers are not consistent with growing or even preserving the sales base. Cuts in assets that make sellers more effective and efficient...tele support, product specialists, deal specialists...don't make sense either.
- ▶ Get more from current resources by identifying "time traps" (low value admin tasks, meetings, service calls on low value customers, etc.). Redirect assets away from traps to invest time where there is potential for greater return.
- ▶ Shift non-selling tasks (configuration, pricing, order processing, etc.) to alternate resources that can both lower costs and improve outcomes.
- ▶ Find your cuts in headquarters staff, among positions that interact with neither customers nor sellers on a daily basis.

## THEME 4

**Package and promote products and services that help customers better manage their productivity. Help your customers do more with less by offering solutions that impact their business processes. Take share at accounts that are open to such “profit impact selling.” Transition to solution selling as quickly as possible in the segments/accounts that value it.**

- ▶ Sell high to executives who care about profit and ROI.
- ▶ Invest in resources that can expedite access to and influence with these executives.
- ▶ Leverage your own company’s executives to build relationships among top executives at key accounts.
- ▶ Focus on industries/customers where solutions have “game changing” potential.

## THEME 5

**Team with marketing and finance to build momentum and create strong internal partners.**

- ▶ Marketing; collaborate to increase investment in field programs that produce more and better leads for sellers.
- ▶ Finance; work with them to better understand their ROI criteria...and prove that sales is one of the best opportunities for investment in a down market.

## THEME 6

**Keep top talent. Avoid short term “savings” with wholesale cuts in development programs that impact knowledge, skill and loyalty of the sales team...especially among your most successful sellers. Get mileage from low cost programs that cast a big shadow.**

- ▶ Training; shift training investment into high impact programs associated with strategic products and markets.
- ▶ Coaching; believe it or not most first line managers invest less than 5% of their time in coaching. Set a goal to quadruple this to 20% or one day per week and watch your sales talent flourish.
- ▶ Recognition; small rewards and sincere public recognition are very inexpensive and go a long way towards motivating and modeling desired behaviors.
- ▶ Compensation; if you have to change anything, cut back on pay for sellers at the low end of the performance curve and reallocate this to top performers. Make sure top performers are well compensated; if you don’t your competition will.

## THEME 7

**Ensure leadership sets an upbeat tone. Communicate that despite difficult times, “there is business to be had.”**

- ▶ Minimize distractions; don’t let rumors or negativity grab the spotlight. Keep the emphasis on winning and what you are doing to achieve this. Pay particular attention to first line managers who control the cadence and the day - to-day mood of the sales organization.
- ▶ Keep the leadership message simple; tell the organization what is expected. Remind them of the resources available to make this happen. Show them steady progress toward goal attainment.
- ▶ Over communicate with the troops. Tell them how the company is doing. Offer frequent encouragement, celebrate wins.

**Forum executives see tough times ahead. The consensus view...don't look for a turnaround until the first quarter of 2010. What does that mean for sales? In tough times, go-to-market excellence is a key to delivering optimum results. In 2009, look for top sales leaders to selectively invest in their organizations and avoid headcount reductions. Top organizations will play to win by looking for opportunities to take share and emerge more dominant than ever.**

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**The Chief Sales Executive Forum** is a unique, annual gathering of world-class sales and marketing leaders. Distinguished by its senior level "peer to peer" environment and unmatched networking/learning opportunities, executives come to the Forum to gain insights from an all star cast of speakers, share experiences with peers and sharpen thinking on growth strategies and support initiatives.



**The Alexander Group, Inc.** specializes exclusively in go-to-market consulting by helping Fortune 1000 sales executives accelerate revenue growth and improve sales results. We're proud to be an industry leader in this area since 1985, and to maintain relationships with leaders at some of the most admired companies in the world. We bring expertise in go-to-market strategy design and execution using proprietary analytics and benchmarking insights. As a collaborative partner, we can help you make objective, fact-based decisions on the right selling strategies, programs and execution models. This translates into swift action and near term results, a good antidote for a challenging economy. For a better understanding of how we can help your sales organization, contact Gary Tubridy – author of this Executive Summary – at 203-905-5591. Visit our website at [www.alexandergroupinc.com](http://www.alexandergroupinc.com)



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**For more information or to arrange an executive briefing please call or write:**

**Betty Corrado, Senior Director**

**The Alexander Group, Inc.**

**203-905-5593**

**[bcorrado@alexandergroupinc.com](mailto:bcorrado@alexandergroupinc.com)**