

Force Multipliers
Best Practices in Deployment to Generate Organic Growth

A research study by Critical Path Strategies, Inc.

October 2007



Executive Summary

In general, successful companies leverage internal “force multipliers” to organize, manage, and execute for organic growth. A force multiplier is a military term referring to a factor that dramatically increases the combat effectiveness of a military force. Within the sales context, force multipliers enhance sales roles, process, and effectiveness to dramatically increase revenues from existing accounts.

This paper describes the effective deployment of force multipliers that leads to consistent sales performance in order to meet or exceed expectations of growing a business organically. It is based on 27 interviews across 20 organizations spanning North America, Asia Pacific, and Europe. Interview participants included senior corporate executives, business unit heads, and frontline managers.

We define organic growth as that which comes from existing accounts—revenue generated by the same customer set. Our definition of non-organic growth is that generated by new customer accounts, mergers, or acquisitions.

Broadly speaking, the key force multipliers aimed at stimulating top-line revenue from existing accounts fall into three categories:

Sales Execution. Successful sales execution accommodates all types of selling situations, promotes consistent sales team actions, contains easily monitored markers of progress at the account and opportunity levels, and provides common language to bring sales staff quickly into context. The outcome: predictable, sustainable revenue results.

Sales Management Leadership. Without enlightened sales leadership and good sales management, there is little likelihood of a sales organization acting in a consistent way to deliver regular, reliable results.

Sales Team Effectiveness. Sales leaders usually have an uneven set of skilled performers. They need to give their performers every kind of support to perform better, including clear directions and expectations and suitable rewards and recognition.

Deployment of these key leverage points varies based on industry, company size, sales leadership, and organic growth velocity.

Our analysis shows that an organization is more likely to achieve its organic growth targets by deploying a balanced portfolio of force multipliers rather than any one of them alone.

Organic Growth
▪ Existing Key Accounts
▪ Same Customer Set
Non-Organic Growth
▪ New Customer Accounts
▪ Mergers
▪ Acquisitions

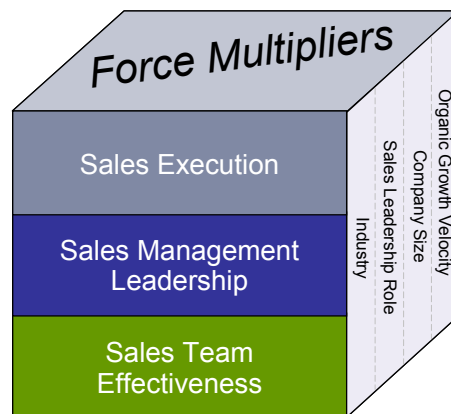


Figure 1. Force Multipliers Analytic Framework

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Partial List of Participants

- Acxiom
- AFLAC
- ARCADIS N.V.
- Avnet
- Caterpillar Logistics
- CMIT Solutions
- EG&G
- Force3
- IBM
- Insurity
- Jacobs Engineering
- Microsoft
- NetIQ
- Northrop Grumman
- Siemens IT Solutions and Services
- Sun Microsystems
- Texas Instruments
- Waste Management

Study Introduction

In the third quarter of 2007, Critical Path Strategies, Inc. (www.cpstrategy.com) conducted a study intended to identify best practices in the effective deployment of force multipliers that leads to consistent sales performance and meets or exceeds expectations of organic growth.

Twenty-seven product and service company executives with measurable revenue objectives contributed to the study via in-depth interviews. Participants were from the technology, services, manufacturing, and engineering industries, and represented a broad distribution of revenue sizes. Within their specific span of control, the participants were engaged in managing from under 10 to over 1,000 direct sales representatives, and supported or managed businesses from less than \$10 million to more than \$1 billion in revenue. The participants represented general management (33%), sales management (52%), and sales support (15%).

The force multiplier project produced a number of worthwhile insights. Sound input was collected on:

- Participants' use of and discretion to deploy force multipliers
- Best practices for deployment
- Areas to improve in deployment
- Inhibitors to deployment

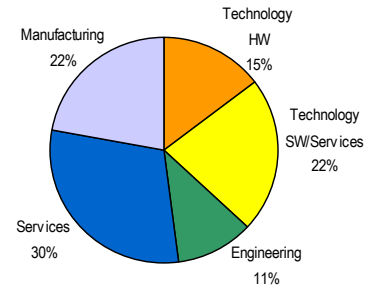


Figure 2a. Participants by Industry

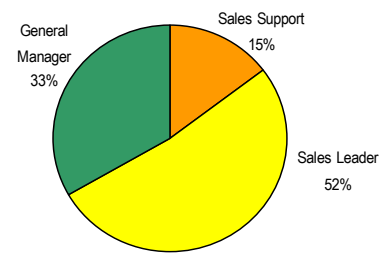


Figure 2b. Participants by Role

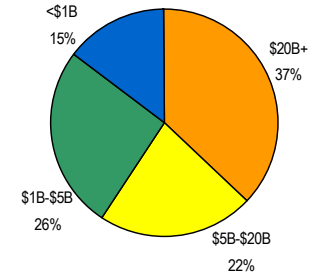


Figure 2c. Participants by Company Size

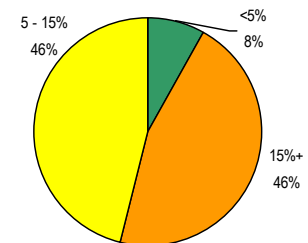


Figure 2d. Participants by 2007 Organic Growth



Key Hypothesis

Most business practice is about allocating resources, managing expenses, growing revenue, and increasing profitability. We were interested in learning about where sales executives make investments aimed at stimulating growth in existing accounts. What levers do they pull?

We began our study process with the following hypothesis:

As Wall Street has increased its vigilance over how sales are generated, more and more executives are searching for ways to increase their company's organic growth. While eager to pursue organic growth strategies, sales executives struggle with identifying the elements that influence this growth and aligning resources to them.

Effective deployment of force multipliers leads to consistent sales performance that meets or exceeds expectations of organic growth.

Based on our findings, we conclude that an organization is more likely to achieve its organic growth targets by deploying a balanced portfolio of force multipliers rather than any one of them alone. **Again, these are Sales Execution, Sales Management Leadership, and Sales Team Effectiveness.**



Key Findings

Executives use a wide range of force multipliers to pursue organic growth. Aggregating results proves that strong organic growth is fueled not by isolated interventions but by a combination of carefully selected ones. Our analysis also shows that contextual differences in organizational culture and maturity are important in evaluating the success of force multipliers to generate organic growth.

In unaided interviews, participants repeatedly identified 15 common force multipliers (as identified in Figure 3 below), in addition to their company-specific force multipliers.

CPS grouped and categorized them as follows.

Sales Execution was the biggest lever pulled by far, representing more than half of the force multipliers mentioned. **Sales Management Leadership** and **Sales Team Effectiveness** represented 25 percent and 16 percent, respectively, of the total multipliers cited.

With growth from existing accounts as their target, it is not surprising that our respondents ranked **Sales Execution** as the most popularly used force multiplier. With the 80/20 Rule in play, more emphasis is put on grinding out the “yard-by-yard” march downfield than on throwing touchdown passes.

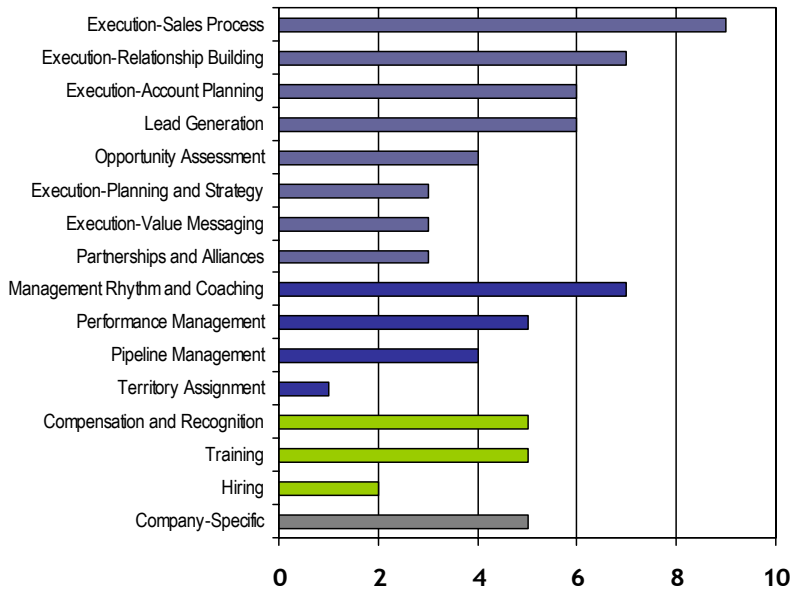


Figure 3. Common Force Multipliers Identified by Participants

Sales Execution	
▪ Execution	– Sales Process
	– Relationship Building
	– Account Planning
	– Planning and Strategy
	– Value Messaging
▪ Lead Generation	
▪ Opportunity Assessment	
▪ Partnerships and Alliances	
Sales Management Leadership	
▪ Management Rhythm and Coaching	
▪ Performance Management	
▪ Pipeline Management	
▪ Territory Assignment	
Sales Team Effectiveness	
▪ Compensation and Recognition	
▪ Training	
▪ Hiring	

Figure 4. Force Multipliers Categories



Key Findings

By Industry

- When considering the deployment of force multipliers by Industry, Sales Execution was the most consistently cited force multiplier for achieving organic growth.
- Industries with longer product/project life cycles, like Manufacturing and Engineering, do not view Sales Team Effectiveness initiatives as a force multiplier.
- By and large, Services and Technology industries apply force multipliers that cross the organizational sales spectrum.

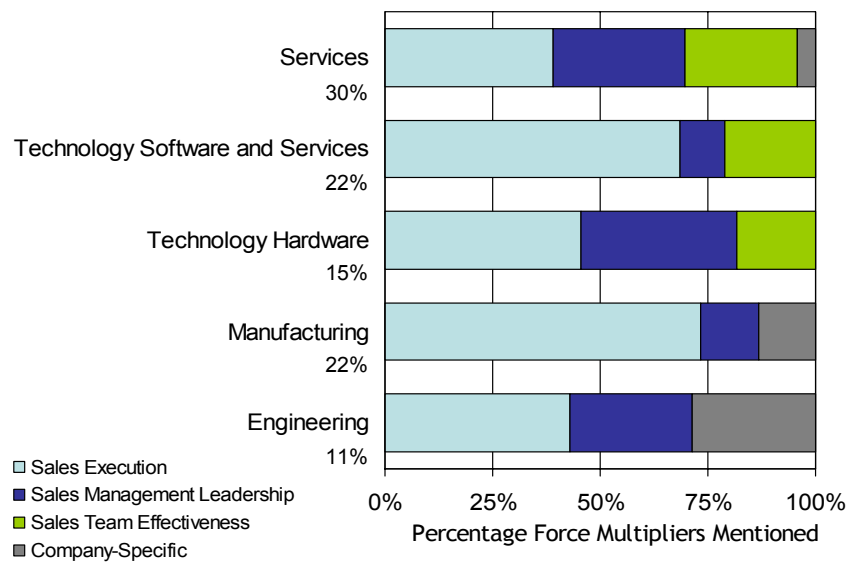


Figure 5. Key Findings by Industry

Key Findings

By Role

- General Managers deploy a balanced portfolio of force multipliers. As a group, they place more emphasis on Sales Management Leadership as a force multiplier to make organic growth happen. They lean heavily on their sales managers to recruit the right people and execute consistently for repeatable, sustainable growth.
- Sales Leaders emphasize Sales Execution to achieve organic growth. They do not view Sales Team Effectiveness nor themselves as an organic growth force multiplier.
- Sales Support views Sales Team Effectiveness and Sales Execution as integral to organic growth achievement.

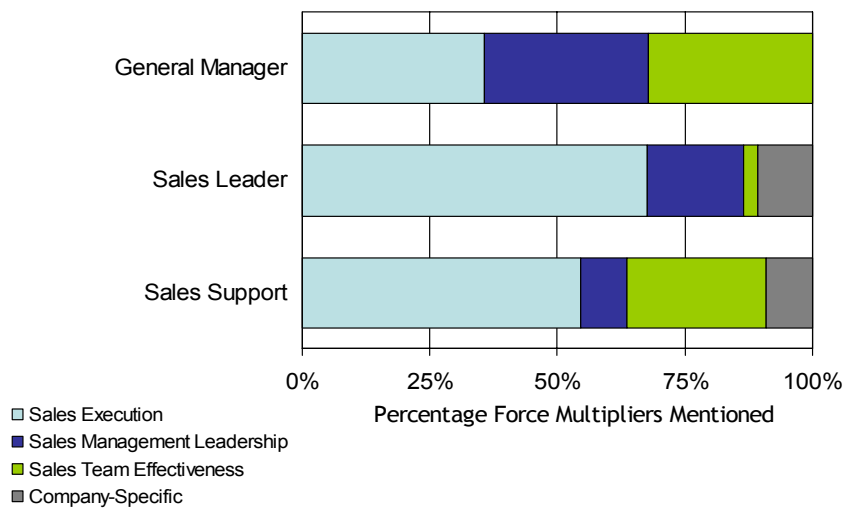


Figure 6. Key Findings by Role

Key Findings

By Company Size

- Regardless of size, companies used a balance of Sales Team Effectiveness, Sales Management Leadership, and Sales Execution multipliers.
- Interestingly, the smallest and largest companies were more likely to deploy Sales Execution multipliers.
- The \$1.0-\$5.0-billion second-tier companies rely more on Sales Management Leadership to take their organic growth to the next level.

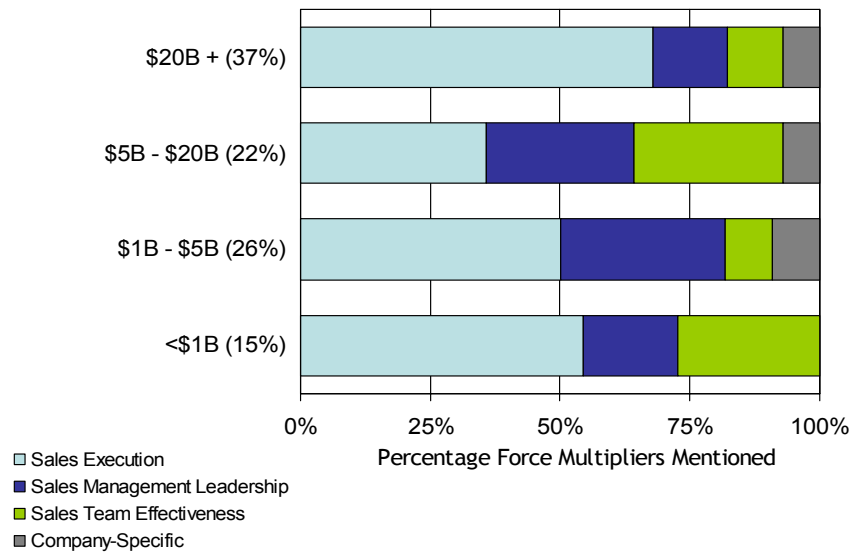


Figure 7. Key Findings by Company Size

Key Findings

By Organic Growth Achievement Goals

- Business units with greater year-over-year increases in organic growth use a more balanced portfolio of multipliers versus those overly dependent on Sales Execution.
- Companies achieving marginal organic growth do not leverage Sales Team Effectiveness as a multiplier—their emphasis is on Sales Execution.
- Capital-intensive companies that grow more slowly seemingly do not rely on Sales Team Effectiveness as a multiplier.

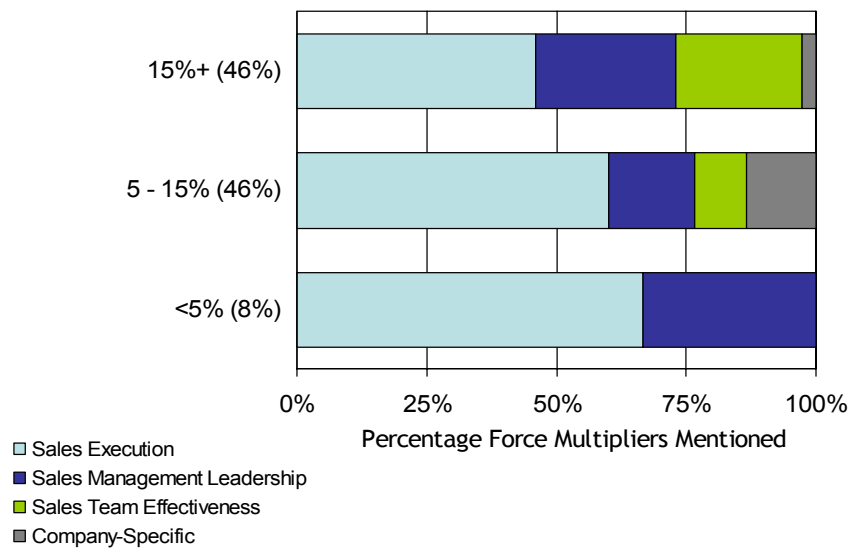


Figure 7. Key Findings by Organic Growth Achievement Goals

Best Practices and Areas to Improve

The following tables capture the sales leaders' best practices—and areas to improve—when deploying force multipliers.

Sales Execution		
Force Multiplier	Best Practices	Areas to Improve
Execution - Sales Process	<ul style="list-style-type: none"> Use structured sales process and tools with common vernacular across the company Establish common performance metrics Engage cross-company team to identify, qualify, and work opportunities Prioritize opportunities based on customer needs Brief executives before calls Provide productivity tools to increase selling time vs. administrative time 	<ul style="list-style-type: none"> Ensure sales process and tools are fully deployed Invest more management time on coaching and reinforcement of sales process Integrate services and sales teams early in the sales cycle Improve sales skills, including qualification and close steps, and solution-based value propositions Increase training on sales productivity tools
Execution - Relationship Building	<ul style="list-style-type: none"> Establish clear sales team relationship objectives for customers and partners Map relationships and leverage existing relationships of other divisions Align senior management with major opportunities; include in call planning process 	<ul style="list-style-type: none"> Raise contact point to "C" level Build relationships across the organization—to key internal and external influencers
Execution - Account Planning	<ul style="list-style-type: none"> Establish and use standard account planning process and tools rigorously Declare "meets minimum" for account plans Focus opportunity pursuits to align with customer business objectives Structure ongoing team communication to review and update the account plan 	<ul style="list-style-type: none"> Increase use of standard tools and process Integrate account plan with tactical daily activities Challenge teams to work opportunities and build relationships intentionally
Lead Generation	<ul style="list-style-type: none"> Execute customized, high-quality, high-touch demand-generation activities focused on value Measure with quantifiable ROI analytics Package marketing campaigns for partners Map the white space Define process for assignment of leads 	<ul style="list-style-type: none"> Develop industry-specific messaging directed to CXOs Reduce budget constraints with focus on a smaller universe of quality opportunities
Opportunity Assessment	<ul style="list-style-type: none"> Review opportunities systematically and communicate status to the entire team Understand the customer's view of the opportunity - research their approach to the market, objectives, and risk; align solution Understand customer and end-user processes Align with market-leading customers 	<ul style="list-style-type: none"> Educate sales team about new products and trends Engage strategic customers in new product development Utilize common pipeline assessment tool
Execution - Planning & Strategy	<ul style="list-style-type: none"> Implement rigorous deal management process to drive repeatable solutions Focus on three-year strategic view of offerings Standardize services offerings for profitability 	<ul style="list-style-type: none"> Communicate vision with measurable customer results Leverage supplier partnerships more effectively
Execution - Value Messaging	<ul style="list-style-type: none"> Focus sales efforts on value (including risk reduction) and associated financial return Develop and communicate snapshot of our performance (metrics) every six months 	<ul style="list-style-type: none"> Secure customer input on performance communication process (metrics) Ensure seamless market messaging across geographies Increase sales force skill in development of value propositions
Partnerships & Alliances	<ul style="list-style-type: none"> Implement structured partner recruiting process based on fulfilling specific needs Cross train partners and sales team on offerings 	<ul style="list-style-type: none"> Increase mind share of partner's sales team—align our message Develop and refine resources for partner training and "ramp up" Invest in alternative routes to market



Best Practices and Areas to Improve

Sales Management Leadership		
Force Multiplier	Best Practices	Areas to Improve
Management Rhythm and Coaching	<ul style="list-style-type: none"> Establish clear communication cadence—annual, quarterly, monthly, weekly Implement 100% standardized review process based on repeatable and predictable sales management process...review short-term and long-term opportunities Engage executive team in exception management Review call plans for all executive and decision-maker calls Track sales traction with key performance indicators (KPIs) 	<ul style="list-style-type: none"> Improve utilization of pipeline tool and reporting Provide more management support for opportunity-driven goal setting vs. pure forecasting Ensure executives spend time adding value—use standard tools to engage them
Performance Management	<ul style="list-style-type: none"> Link performance objectives to account and relationship strategy execution Define clear roles and responsibilities and skills required (from basic to most sophisticated) Build team with complementary skills and establish team accountability Set performance objectives that “stretch” the individual and team, and coach to achieve 	<ul style="list-style-type: none"> Drive more consistency in roles and responsibilities Link individual performance to performance development plans
Pipeline Management	<ul style="list-style-type: none"> Develop and implement deliberate and structured process Compare opportunities to credible data based on actual customer experiences for “go/no go” decisions; balance desire to win and risk Implement disciplined pipeline measurement techniques with specific targets for all stages in the pipeline Involve executive team in quarterly pipeline reviews; ensure they are trained 	<ul style="list-style-type: none"> Continue to add effective rigor Improve consistency in organization and communication among sales teams Ensure the “right” attendees at review meetings Ask better questions
Territory Assignment	<ul style="list-style-type: none"> Deploy “hunters” and “farmers” strategically Align SMEs to supplement direct sales team 	<ul style="list-style-type: none"> Ensure team is deployed to identify opportunities across all customer organizations
Sales Team Effectiveness		
Force Multiplier	Best Practices	Areas to Improve
Training	<ul style="list-style-type: none"> Assess individual’s core competencies as input to plans for tools and training Mandate requirements for sales team professional development Provide schedule and content of training classes online 	<ul style="list-style-type: none"> Target training offerings to strategic focus areas for current year Mix product content and sales skills Customize content for local/regional needs and opportunities; include unique competitive advantages
Compensation and Recognition	<ul style="list-style-type: none"> Set attainable targets with defined metrics Design, promote, and manage creative, inclusive, clearly measurable contests and recognition that drive behavior change 	<ul style="list-style-type: none"> Align targets to business goals and communicate alignment to sales team Allocate more funding to local recognition Reduce number of contests and increase duration
Hiring	<ul style="list-style-type: none"> Develop precise definition of knowledge, skills, experience, etc. required by position Provide structured coaching and comprehensive package with all initial resources needed to get new hires up to speed quickly 	<ul style="list-style-type: none"> Offer more introductory (standard) training on tools, sales process, billing, etc. to on board effectively Calendar checkpoints for new hires to meet with management



Inhibitors

Participants were asked to name what they consider to be their greatest inhibitors to force multiplier deployment. By and large, participants reported that they had discretion to deploy force multipliers at will and were not inhibited. The following were the few inhibitors cited.

Allocation of sales reps' time. Carving out time and mind share on important, not urgent selling activities like relationship building, team communication, strategy development, and planning is a sales team best practice. However, more than once we heard about how much time salespeople spend responding to other people's agendas, depleting their time in front of customers.

One sales leader declared email the bane of his existence (he receives up to 150 emails a day)—the majority of his time is spent in front of his computer. Another dreads the Monday and Wednesday conference calls with his boss and 5 fellow sales managers—each call lasts from 2 to 4 hours. These are processes gone wild.

A key account director would like to create a strategic shift in the allocation of his sales teams' time throughout the sales process. He reported that his teams spend more time on the back end of the sales process trying to capture demand from existing customers rather than work the front end of the process to create new demand for the company's services.

Lack of rigor. More than one respondent bemoaned the lack of discipline in Sales Execution, saying, "The challenge is how to get our salespeople to utilize the tools, services, and information that we provide them. There are a lot of things that we could do—hit rate analysis, pipeline forecasting. But unless you have prescriptive systems, you can't do them."

A manager of corporate accounts agreed. "Our department has been around for decades, but it wasn't until we instilled a process and discipline around how we manage our key accounts that we took them to the next level. Long-time customers have commented on the difference in the professionalism of our account managers over the last 4 to 5 years."

Lack of budget. Sales leaders continue to wrestle with the challenge of evolving the sales function to deliver better results. There is no shortage of great ideas in which to invest time, talent, and money. But prioritizing, selecting, and funding—against a wide range of stakeholder and market factors that must be considered, coordinated, and managed—continues to challenge sales leaders. Our research underscores that sales leaders who judiciously select the few things that have the greatest potential to drive sustained performance, accountability, and results are the most successful.

Corporate drag. A director responsible for strategic accounts observed that larger organizations' ability to deliver services and bundle offerings differently on a national basis is hindered by sheer size and corporate inertia.

Restructuring limitations. The transitional chaos following a merger or acquisition challenged some of our respondents. We refer to it as "wing walking." While charged with reorganizing the sales organization for higher-class delivery ("flying the plane"), they have to "pay the bills" while the transition is occurring (wing walking).



Detailed Observations

Our interviews confirmed that achieving extraordinary results requires good planning and processes, management discipline, people management, and a relentless focus on execution and accountability.

While our interviews may have confirmed the obvious, some of the more interesting observations were found in company-specific one-off initiatives our participants are engaged in or in the complexities they face.

Innovation

Innovation can move the selling organization toward differentiation and competitive advantage. The president of a global business unit told us that his company did not have a strong history of innovation. It had been a “me too” company—maybe better, but not unique. Following the success of an innovation program in the products organization, the president started a similar program two years ago in the services organization, embedding “innovation thinking” among his sales teams. They have found that focusing on the customer naturally leads to innovation, and two truly innovative offerings—well received in the marketplace—prove it.

As the selling organization constantly seeks ways to create and deliver value to the customer, it has also improved its own performance, both internally and in relation to the customer.

This may energize a regional sales manager who questioned if creativity could be learned. He has seen creativity in his company’s process design group after they elevated their thinking about the customer above product sales. He is seeking how to instill that same creativity in his selling organization to help differentiate his company.

Environmental Sustainability

An interview with a major accounts manager illustrated for us that environmental concerns continue to rise in the corporate consciousness. He sells his products and services to mining companies, which are under heavy scrutiny from the communities in which they work and the government for their impact on the environment. To help keep his customer in a positive light, the account manager leverages the environmental benefits of his products and services. This helps his customer address the triple bottom line—economics, environmental, and social.

Measurement

A business unit leader believes that how force multipliers are executed are as important as the multipliers themselves. He translates his force multiplier deployment strategy into measurable parameters that can be tracked dynamically and adjusted when required. These measures reflect a chain of flexible performance drivers that determine the effectiveness of the strategy implementation.

Product Maturity and Deployment

The leader of this business-process management provider is faced with difficult and challenging tasks when it comes to the company’s product mix. His main product is the industry standard which enjoys dominant market share. In spite of this extremely mature product, the company has continued to lead the industry through product innovation. His challenge lies in reshaping his sales force deployment based on multiple product curves, and how to best sell innovation to strategic customers earlier—before the product is actually ready for market.

A client executive manager for a technology company uses new product development to keep his customers engaged. Involving his customers in new product pilots means they have less time to spend with his competitors’ products.



Conclusion

Our participants recognized the need for a balanced portfolio of force multipliers to generate organic growth. **When at their best, participants deployed a manageable combination of Sales Execution, Sales Management Leadership, and Sales Team Effectiveness. Participants shared that it was important to focus and not have an excessive number of initiatives to drive growth.**

Participants consistently identified 15 interconnected factors that result in organic growth. **The highest-return focus areas were Management Rhythm and Coaching, Sales Process, and Relationship Building.**

- **Management Rhythm and Coaching.** Sales leaders demonstrate discipline and predictable rhythm in their actions, and cascade that discipline through the customer-facing organization.
- **Sales Process.** The discipline of a sales process promotes consistent actions, optimizes business operations, and concentrates attention on where it matters most—customer outcomes.
- **Relationship Building.** When the fabric of relationships is woven across the entire customer organization, possibilities open up for an even greater exchange of value for both parties.

There is only a limited amount of resources sales leaders can access and leverage at any one time. **Regardless of their specific role within an organization, sales leaders were consistent in their deployment of Sales Execution to achieve organic growth.** They maintain that the implicit power of Sales Execution is that it focuses the thinking, planning, and actions of selling organizations on the

customer. Every initiative is driven by an effort to serve customer needs and uncover ways to create additional value for the customer and their company. **The final and most important step in delivering client value is execution.**

CPS would like to thank all the contributors to this effort. We hope our conclusions will provide you and your team with actionable strategies to deliver on your commitment for organic growth.

About Critical Path Strategies

At Critical Path Strategies, our mission is to help clients develop successful selling organizations. Our portfolio of services addresses the strategic, organizational, and relationship issues that impact selling performance. Underpinning these services are proven best practices that we have observed in the most successful selling organizations.

Building successful sales teams the Critical Path way enables clients to build high-value customer relationships, expand sales opportunity, improve sales productivity, and increase revenues.

Our clients—emerging companies and members of the Fortune 500 alike—typically measure 100 to 500 times their CPS investment in revenue growth.

