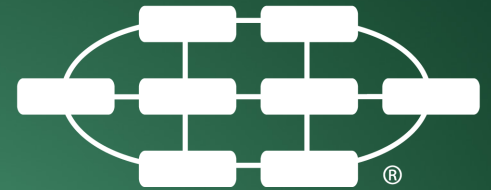


DEAL COACHING

is a

LOST ART

THE COMPLEX SALE, INC.



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About the Author

Peter Bourke is a Senior Principal at The Complex Sale, Inc., a market-leading sales methodology and training firm, and the Founder and Principal of Better Way Sales Strategies. He has more than thirty years of experience in sales leadership in the professional services, high tech, and outsourcing industries. Prior to joining The Complex Sale in 2003 he served as president of the outsourcing division of Spherion Corporation.

Peter's background in sales leadership, marketing and operational management includes key roles with Andersen Consulting (now Accenture), IBM, NYNEX, and First Financial Management. At Andersen Consulting he was Global Director of Business Development. In this role, Peter led the development of the business development framework that was implemented throughout the firm for outsourcing and consulting services.

Peter received a Bachelor of Science degree in Business Administration from California State Polytechnic University, Pomona, as well as an MBA from Pepperdine University.

Through Better Way Sales Strategies (www.betterwaystrategies.com), Peter provides keynote speech programs, win/loss reviews, and large, strategic opportunity coaching to his clients.



In the 15 years since leaving Accenture to join The Complex Sale I've worked with dozens of companies who are intent on improving their sales effectiveness. The results an organization derives from their sales improvement initiatives are impacted by many things including the quality of their sales talent, the strength of their solutions, and the discipline in their sales processes. With few exceptions though, the key determinant of success (or lack thereof) in these initiatives is most closely correlated with a sales organization's commitment to effective and efficient opportunity ("deal") strategy and coaching.

It's harder than you might guess to find a sales organization that does a great job of deal coaching. This reality is illogical at best and derelict at worst! Isn't this what sales managers are paid to do? Is there a better use of management's available time? Is deal strategy that difficult to implement and sustain? Answering these questions and providing recommendations is what I'll address.

HOW DOES YOUR ORGANIZATION STACK UP?

- Before we go too far, let's take a minute to have you assess your own organization's strengths and weaknesses in the disciplines of deal strategy/coaching:
- **On a scale of 1 to 5 (5 is the highest), please rate your organization on the following dimensions:**
-

	IMPORTANCE (1-5)	STRENGTH (1-5)
Our sales reps/teams commonly conduct deal strategy sessions on opportunities we pursue.		
The deal strategy sessions we conduct are efficient and effective.		
Most of our strategy/coaching sessions are done early in the deal (vs. late in the game when it's not optimal)		
Our sales managers are well trained to conduct deal strategy sessions.		
We're currently satisfied with our win rates on key opportunity pursuits.		
Our sales people tend to be reactive and opportunistic in their pursuits (vs. proactive and strategic).		
We often pursue opportunities we shouldn't chase.		

If your score in the "strength" column is greater than 28 – congratulations! You are likely a "best practice" example when it comes to deal coaching. If your score is between 21 and 28, you are likely getting some value from deal coaching and yet you can still make significant improvements to your win rates by making this a core competency. On the other hand, if your score is less than 21, you are missing the most powerful lever in improving your sales results through effective deal coaching. And, the categories that have the biggest difference between "importance" and "strength" columns represent the best opportunity for improvement. The following was written for your benefit!

THE REALITY

I've had the opportunity to witness good and bad deal coaching from several perspectives. I sometimes see how well it's done when I'm invited by my clients to coach their deal teams that are pursuing opportunities they can't afford to lose. It's where I've spent the largest amount of my time in the last few years. I see it when I lead sales training workshops where we use (and coach) live, "in-flight" opportunities as part of the learning experience. And finally, I see the fruits of the coaching (or lack thereof) from the client's perspective when I conduct the face-to-face interviews with key stakeholders as part of a win/loss review to derive lessons learned.

Based on these three dimensions and some well-respected research on the topic, I can say with conviction that

effective DEAL COACHING is a lost art.

Here's the evidence:

- CSO Insights researches sales effectiveness-related issues in the U.S. every year and for 2012 they concluded that only 46% of "forecasted" opportunities are won. Think about how profound that is! It means that over half of the deals that your sales reps say are "forecastable" (which means they believe they will win these deals) are lost! What does that tell us about the quality of our deals and the quality of our strategies to win them? When we're surprised this often we are either allowing the client to mislead us, haven't qualified the deals effectively, or we lack the strategies to close business we ought to be winning.
- Perhaps even more staggering: of the 54% of the deals that are lost, over 40% of those are lost to "no decision." If we're not coaching sales people effectively it usually translates to poor qualification and that means we're chasing deals we shouldn't pursue. It may be the biggest sin that a sales organization can commit and it's caused by several factors:
 - Prematurely selling (or affectionately known as "dashing to the demo") – we don't take the time to ask the hard questions early about whether we can actually win the business and instead we embrace a philosophy that we've never met an opportunity we didn't like.
 - Sometimes we're savvy enough to resist the temptation to sell but we jump instead to the discovery phase of the selling process – which takes significant time and resources which may not be warranted.
 - Or, we make the mistaken assumption that in order to make our numbers this quarter we must have plenty of opportunities in the pipeline to achieve our goals. We therefore become less discerning about which deals to chase and the downfall of this approach is that you aren't going to win the deals you don't belong pursuing. In fact, when you embrace this strategy you dilute the time and effort of the entire organization from the deals you can't afford to lose.

The conclusion I draw is that while many VP's of Sales know they're not winning their fair share of new business, they're often frustrated because they can't put their finger on the root cause(s). Effective deal coaching and strategies might be the biggest antidote to the challenge.

ROOT CAUSES OF LOSING DEALS YOU CAN'T AFFORD TO LOSE

Losing is not a one dimensional challenge and the problem is almost never just a coaching problem. You can't just focus on developing tools and tactics to defeat your most formidable competitor and then "hope" your win rate rises dramatically. You also can't just rely on conducting a sales training class and expect results to rise and be sustained. Instead, let's look at the most common causes of losing new business to see why coaching can be instrumental in the context of these challenges:

- **SALES AND SALES MANAGEMENT TALENT**

You could have the best products and a great sales methodology but if you don't have the right people in your organization you will lose more often than you'd prefer. Which kind of talent is most important? I'd suggest sales management without hesitation. The reason is that great sales managers will hire great sales people, will develop B players into A's and will move C players out of the business as quickly as practical. Great sales managers will also ensure that they are coaching the key opportunities and developing the strategies and tactics to win these critical deals. **Do you have the right sales management talent in your organization?**

- **SALES AND MARKETING STRATEGY**

There are several components in this category that can contribute to sales excellence (or mediocrity):

SEGMENTATION – do you have clarity on the ideal target markets and clients that represent the best fit for your solution? If not, you could have a great weapon but when aimed at the wrong target can result in shooting something near and dear to you (like your foot).

SOLUTIONS – do you have the right solution that the market needs and do your solutions have a competitive price/value equation? If not, the greatest sales management and coaching in your industry will not overcome this liability.

SALES AND MARKETING TOOLS – do you provide the collateral, case studies, tools, and roadmap to your sales teams to make them as efficient and effective as possible? If not, your sales reps will "wing it" to see what works individually and won't leverage the best practices that your most successful people employ to win.

- **LACK OF EFFECTIVE DISCIPLINES AND TOOLS**

Perhaps the biggest cause of losing too often: you lack effective disciplines and tools for deal strategy and coaching. When coaching is done well – a lot of the problems outlined above are mitigated because:

You'll get out of deals you don't belong chasing – particularly early in the buying and selling process.

You'll see, first-hand, the strengths and weaknesses of the sales people and managers on your team that you don't otherwise witness.

You'll get a lot smarter about how to understand and defeat your key competitors and leverage and apply the knowledge you gain in this process to the myriad of other deals in which you compete against these same predictable, formidable competitors.

And most importantly, **you'll end up winning more than your fair share of new business!**

WHY DEAL COACHING IS A LOST ART

It seems so simple – deal coaching doesn't take a lot of time (when done well) and has an obvious return on time invested. Why isn't it a core competency of more sales organizations? There are several reasons (which doesn't mean they're excusable):

- Sales reps and managers are too busy. When I ask sales managers why they don't coach opportunities more consistently they often talk about the “tyranny of the urgent” in their average day or week. An example response may represent the comfort of ‘busyness’: “At least I feel valuable and needed if I am always busy, even if my time is not allocated to the most important activities that can help us close more business.” Translation: They may be too busy to win!
- They have a “forecast-flogging” mentality (i.e. the forecast discussion goes something like this, “When's the deal going to close? For how much? What help do you need?”). These aren't strategy questions. They're questions that allow the sales manager to provide a semi-educated guess about the validity of their forecast submission this month and nothing more.
- Perhaps worse yet, when these managers actually conduct a strategy session they do so with little or no structure. They may employ what I call “ambush” coaching – asking a surprise set of questions each time they coach opportunities with the sales teams.
- Often the sales reps in an organization have a built in resistance to deal coaching either because they perceive minimal value or, worse yet, it actually hurts their productivity because it takes valuable time away from their clients and they perceive little value in the exercise when it's not done well.
- They don't have the tools to coach effectively. Said another way, they lack the straightforward ability to efficiently review the status of a deal, i.e., whether they're winning or losing, whose vote they need to win, and their strategy to close the deal. If deal coaching isn't simple and repeatable, it typically doesn't happen.
- Sales managers don't proactively build this coaching discipline into their schedule. Instead, they “hope” they can find time in their calendar “gaps” to conduct deal strategy sessions and the time is rarely found.
- Or, perhaps your sales managers have never been taught how to coach deals effectively. You promoted them from a career as a successful sales rep and assume that since they were a great “player” they are likely to be a great “coach.” It doesn't happen that way in sports, why do we think it will work any better in sales?



Even when deal coaching is done regularly, it doesn't mean that the coaching will be effective and there are a variety of reasons:

- Group forecast conferences – what a joy! We've all been there: a 90 minute forecast call that involves 10 sales people which means that each of the sales reps presents for approximately 9 minutes to update the manager on 10 deals in their pipeline. How much value do these bring to your team? More importantly, how useful was it to the other 9 reps who had to listen for 81 minutes with no relevance to their territory or deals?!
- Coaching deals at the wrong time. As you might guess, most coaching I witness is done towards the end of the deal pursuit, mostly because it is the time when the deal is forecasted at a high probability and the business is counting on the revenue. It begs the question: when is the best time to coach deals? You guessed it: early - when you have time to adjust or to help discern whether the deal is worth pursuing in the first place.
- Deal strategy sessions that have no structure, no consistency about the coaching questions that are used in each session and, perhaps most painfully, a session where we wander aimlessly into issues and topics that aren't even applicable to the deal we're working.
- Premature prescription – the sales manager hears a few updates on the background of the deal and 3 minutes into the session the manager jumps to the uniform answers – mostly unencumbered by the facts! Sound familiar? It happens every day in most sales organizations!
- Stealing the deal – this is the “superman” sales managers who hears about trouble in an opportunity that is critical to make this month's forecast and instead of coaching and equipping the sales person to win the deal they jump in with both feet and take over the pursuit because that's what they feel best equipped and most comfortable doing. This strategy can work in the short term but it doesn't help their people or their team's results in the long term!
- Or, perhaps worst of all, sales managers in a deal coaching session are more focused on fixing the blame instead of fixing the problem or addressing the challenge. Being overly judgmental is not the answer and trying to find and place the guilt is usually counter-productive.

SHIFTING FROM WORST PRACTICE TO BEST PRACTICE

Now that we've outlined the pitfalls and common mistakes associated with most deal coaching today, let's turn our attention to the best practices and why it matters...a lot!

Perhaps the place to start this discussion is to ask the question – why does it really matter? Are there tangible benefits that a sales organization can benefit from if they get serious about effective deal coaching? Let me offer a few!



BENEFITS OF DEAL COACHING EXCELLENCE



- When done well, deal coaching will help you get out of opportunities you don't belong pursuing. Not qualifying effectively is arguably the most common, and painful mistake we can commit – not just because you are likely to lose the opportunity but far more because of the time, resource and energy that you take away from the deals that most matter and that you actually have a reasonable chance to win!
- You'll minimize what I refer to as the dreaded, "do nothing" pursuit. We've all been victimized by this threat: you just spent months chasing a deal where the prospect has no serious intention of buying anything at all. Instead, they usually intend to stay with whatever they have today. "Do nothing" may be the biggest competitor you face today. Have you ever measured this phenomenon? It may represent the biggest benefit of improving your organization's discipline in coaching opportunities!
- You'll also lose less often to your key competitors. Most of my clients have become astute at understanding who their competitors are and what they tend to do and say to the prospect to intentionally disparage and/or undermine them. When you create an effective deal coaching culture, not only do you develop the strategies to proactively counter these competitive threats (in a non-disparaging way) but you also become better at sharing these insights with the balance of the sales teams to minimize the competitor's impact on other deals.
- Effective coaching also plays an instrumental role in developing your sales talent. Deal coaching sessions highlight the strength of your "A" players (often for the benefit of other, less experienced reps); it develops the skills and thought processes of your "B" players; and just as importantly, it exposes the weaknesses of your "C" players that allow you to either develop their skills or move them out of the business more efficiently.
- Perhaps the largest benefit of conducting deal strategy sessions occurs before the actual strategy session. Why? Because the sales team is now thinking proactively about what questions are likely to be asked and what they need to do and learn to be credible in the strategy session itself. No one wants to go into a session like this looking unprepared and it actually encourages both self-coaching and self-accountability.
- You'll grow the average size of your deals. A common trap sales people fall into is that their clients tend to dictate the buying and selling process and want your sales people to subserviently comply by providing them what they want (not necessarily what they need). When effective coaching becomes common you'll see the average size of the deals you close will grow because we embolden our sales teams to ask the right questions, at the right time (early) to better understand the real client pains we can solve.
- You'll shorten the average length of the sales cycle as your sales people will become far more proactive in influencing and managing the buying and selling process – not just deferring to the prospect's judgment on the steps and criteria that they think should be taken.
- You'll also win more often – because you focus the time and attention on the deals that most matter and reduce the fruitless pursuits. The most compelling reason you'll win more often is that your teams will understand how to assess key stakeholders to proactively determine how to win the votes of the key decision makers.

Here's the **BOTTOM** LINE:

You'll find that your revenues and margins will rise and your cost of sales will actually be reduced. So, you're likely asking: what are the keys to doing deal coaching well?

HOW DO WE COACH DEALS THE RIGHT WAY?



It doesn't have to be complicated, or excessively time-consuming. After two-plus decades of deal coaching, here are the basic tenants:

- Standardize on a deal coaching process that is well understood and efficient – where you can coach most deals in 30 minutes or less. If it takes longer than 30 minutes to coach the average deal – it won't happen! That doesn't mean you can't allocate 2 hours to strategize on large, strategic opportunities that warrant the focus because of their size and/or complexity, but for the most part deal coaching needs to be efficient to be effective!
- Make it constructive – not a witch hunt. Show me a sales organization that makes deal coaching a painful indictment of the sales person or team and I'll show you an organization that doesn't do deal coaching well (or often). In fact, evidence of a healthy coaching culture is one where deal strategy sessions are common and invited by the reps, not avoided like the plague.
- Include a coach who isn't part of the team. It's what I've spent the majority of my time doing in the last few years because, like a golf coach, I can be more objective in my coaching (i.e. not too close to the forest to see the trees). I may not be as knowledgeable about my client's solution or their competitors as the team members are but I can bring a new set of eyes looking at the same set of problems to help identify new ideas and fresh thinking, which is worth a lot when it comes to winning and losing! Alternatively, you can train a handful of well-trained coaches within your organization to bring a sort of "outside" perspective.
- Recognize success – behavior change often comes because we reward or recognize people's progress. Your sales reps and managers will not be experts in the coaching process when you start – that's ok! In short order, with encouragement, they will do it more often and more effectively and your business will benefit and their success will grow.
- Make it a team effort - when a sales rep and a manager get together to coach a deal it's beneficial but when you add an experienced rep and a technical specialist and have a strategy session with 4-5 individuals you get broader thinking, a healthy discussion and more value for everyone.
- Major in the majors – I'm often asked if deal coaching should be done on every deal you pursue. The short answer: "No." When you have effective opportunity strategy sessions for your most important deals (the ones you can't afford to lose) you'll find that the organization's effectiveness on the rest of the deals pursued rises substantially. This is not intended to be a bureaucratic, "check the box" exercise for every opportunity in your pipeline. In fact, if you over-administer the discipline you'll actually lose the effectiveness and it won't be as sustainable long term.

KEY SUCCESS FACTORS

Every sales leader should be asking the question: Are we executing these best practices in our deal coaching approach? If not, here are a few key success factors for reaching best-in-class:

- Deal coaching is most effective when done early in the buying and selling process. Oddly enough, most organizations do more coaching late in the process. In fact, when you coach deals early in the process you can then be more efficient in subsequent strategy sessions as you move through the sales process.
- Create standards – for the coaching process itself and for the opportunity template that sales people are required to use to capture the essence of the opportunity they are pursuing (ideally not more than 1-2 pages). You can even standardize on the coaching questions used in the strategy sessions (see below for some examples). The more well-defined, repeatable, and manageable the process the more likely it is to be sustainable and effective.
- Integrate these disciplines into your business processes. If a sales person forecasts an opportunity to close, they should have an opportunity strategy template completed that supports the forecast. If they want a technical sales specialist to make a call on one of their forecasted prospects, they should have a documented strategy that supports making the investment. If the VP of Sales is being asked to make a call on a key prospect, they shouldn't jump on a plane until they are comfortable that we're calling on the right stakeholders and that we know what our strategy is for the call and for the deal overall.



How well does your team do in deal strategies? Are they “winging it” or are they using a straight-forward, repeatable process that grows your business?

If you're not winning your fair share of new opportunities, deal coaching may be the missing link to enable you to increase your win rate and lower your cost of sales.

TO LEARN MORE:

Contact Peter Bourke at pbourke@complexsale.com or visit www.complexsale.com or www.betterwaystrategies.com.

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