

Second Quarter 2020

The Chief Sales Officer

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Featured Insight

3 CSO Strategies to Build Resiliency During Disruption

Fixing Sales' Gender Diversity Problem

How Buyer Dynamics Will Change Sales Force Deployment

Lessons in Sales Leadership: An Interview With Dave Brock



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The Chief Sales Officer

Second Quarter 2020

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Letter From the Editor

The Chief Sales Officer is a quarterly publication that equips CSOs to stay ahead of competitors by sharing the latest insights on leading and managing sales functions. In this issue, we explore how CSOs can successfully navigate uncertainty to keep pace with a rapidly changing commercial landscape.

So far, 2020 has seen unprecedented uncertainty stemming from pandemic, economic and geopolitical pressures. These pressures — coupled with shifting customer expectations and buying behaviors and an evolving technological landscape — have created a new commercial reality unlike any we have experienced before that has upended old assumptions and unlocked new opportunities. This climate requires thoughtful but quick and decisive action by sales executives to help their teams and customers adapt to keep pace with the changing environment.

This issue of The Chief Sales Officer provides strategies to help you build resiliency and succeed through the current disruption and beyond. We'll cover this from a variety of angles, including:

- **Guidance on making “no regret” decisions in the wake of disruption (page 4)** — We detail three different strategies CSOs can use to drive customer and seller confidence in order to emerge from economic disruption with improved competitive positioning.
- **Research on the importance of gender diversity in the modern sales organization (page 10)** — As buying groups become increasingly diverse, we explore the results of our 2020 Diversity in Sales Survey and consider how gender diversity contributes to organizational resilience.
- **Analysis of changing customer dynamics and the impacts they will have on sales force deployment (page 17)** — We explore how CSOs should respond to increases in buying complexity at a time when customers simultaneously report desiring less interaction with sellers.
- **A conversation with the leader who leaders go to for lessons in leadership (page 23)** — Our Brent Adamson sits down with consultant and “CEO whisperer” Dave Brock to discuss the problem-solving strategies he uses with high-performance organizations around the world.

In times of uncertainty and disruption such as this, it is critical to have well-developed yet flexible plans to react to shifting commercial realities and customer behaviors. We hope the insights and strategies outlined in this journal will equip you to succeed through challenges now and in the future.

Be well,


Alex Boyd and Matt Dudek



3 CSO Strategies to Build Resiliency During Disruption

by Nick Toman, Maria Boulden, Dave Egloff and Steve Herz





After initial organizational responses to COVID-19 and the ensuing economic disruption, a general sense of uncertainty has settled in among customers and sales teams alike.

Regardless of macroeconomic outcomes, organizations that quickly adapt to this new normal of uncertainty and help their customers make sense of new market dynamics will see a host of benefits. Having a well-developed but flexible plan that helps the business evolve to shifts in customer behaviors and related impacts on sales team morale is critical. Organizations with these plans will be better-positioned to provide clearer points of engagement for customers, partners and sales teams.

To build their plans in the wake of this disruption, CSOs should target three strategies:

- Help customers deconflict information to reduce uncertainty.
- Monitor and address seller disengagement before it results in waning attention on the customer.
- Prepare the sales organization to strengthen its postcrisis competitive position.

1 Help Customers Deconflict Information to Reduce Uncertainty

Recent uncertainty has caused customers to pause purchasing processes as they speculate on a range of “what ifs.” Because most sales organizations have a strategic reach across a broad swath of customers, industry verticals and geographies, they have a unique, evidence-based perspective to contribute, and thus a clear opportunity for suppliers to make sense of rapidly shifting conditions and bring clarity to their customers. Whether a prospect is evaluating a new relationship, an existing customer is considering new spend or an existing account is sitting commercially idle, questions likely exist on what — if any — actions the customer should take. Periods of uncertainty result in customers unlikely to act on non-mission-critical projects. However, leading suppliers will help forge clear economic linkages to such projects, both directly and indirectly, helping customers act on their priorities.



CSOs should assess patterns in how their customers are struggling in their response to the crisis and related economic uncertainty. Commercial opportunities will exist where flawed assumptions and rapid decision making are driving customers' business responses. In discovering these powerful teaching moments, ensure as many customers as possible are exposed to the insight. Omnichannel messaging — spanning direct sellers, indirect channels and digital campaigns — must reflect a singular and devoted narrative that helps customers manage through the implications of the disruption.

CSOs should ensure that these messages establish their organization as a relevant thought leader, with a sharpened focus linking the supplier's value proposition to the most critical and timely concerns of their customers. Even if the products and services fail to directly intersect with the most critical priorities, the message should clarify the value gained. CSOs must be able to answer the simple question, "How do your capabilities help the customer with their mission-critical priorities right now?"

The recent disruption has only increased customer overload, with a glut of industry speculation about market dynamics. This results in customers trying to make sense of an overwhelming amount of often contradictory information. CSOs must help customers find confidence in navigating business decisions. Have sellers utilize the Sense Making sales approach, which positions sellers as guides helping customers process and consume the deluge of information during crisis management and subsequent recovery.

2

Monitor and Address Seller Disengagement Before It Results in Waning Attention on the Customer

Maintaining seller engagement is always challenging in periods of economic uncertainty. This issue is exacerbated when a greater percentage of variable pay, or cumulative annual performance, is aligned to sales targets. If either performance slows or uncertainty increases

— both of which occur during times of crisis — sellers may be distracted by income loss. Such stressors can be detrimental to both employees and customers, who may feel a loss of attention.

CSOs have a responsibility to the organization to effectively use variable pay to drive behaviors that lead to commercial success. Looking for quick wins at the expense of the customer relationship is not the desired seller approach for most companies. However, during a situation like the present, legacy practices of linking pay to performance can prove to be detrimental to sellers, customers and the entire organization.

CSOs have a few options to mitigating the stress of sales compensation, including:

- **Reducing sales quotas to reflect the market declines.** While this commonly used mechanism is frequently the one sellers favor, this practice can backfire if the crisis reverses and sellers are paid at a premium as performance improves. Remember that it is always easier to lower quotas (potentially with a cap) in the face of underperformance than it is to increase quotas during times of overperformance.
- **Establishing draws or guarantees to mitigate underperformance compensation risk.** Another common practice that can be used independently, or in conjunction with reduced quotas. CSOs may want to ensure that sellers have mitigated downside risk with some levels of overplan compensation benefit. In other words, sellers should still be able to earn more if they exceed expectations.
- **Replacing expensive recognition programs with more cost-effective alternatives.** The current crisis will see most sales organizations canceling incentive trips and other large-scale celebrations of sales performance for both health and economic reasons. Leadership will have a significant obligation to fill this gap in the employee value proposition. Even though many of the expensive recognition events may be postponed or canceled, CSOs can design a mix of recognition programs to celebrate the critical sales activities with much smaller budgets.

As sales-performance uncertainty continues, CSOs should establish long-term scenario plans for sales compensation changes, developed specifically to address seller engagement.



An inventoried list of options should be created with clear guidelines on how to logistically execute and communicate to sellers. Given the nature of these use cases, as well as the possible liabilities, regulations and consequences of each option, CSOs should assemble a cross-functional stakeholder team that spans frontline sales managers, finance, HR and legal.

3

Prepare the Sales Organization to Strengthen Its Postcrisis Competitive Position

Even as they are assessing and acting to reduce the immediate negative impacts of the current situation, CSOs' next step is understanding how decisions today can strengthen the sales force's competitive position when the crisis eventually passes.

Decisions that sales leaders make during a crisis — about sales force deployment, customer and channel partner management, and order fulfillment — represent long-term opportunities to strengthen relationships with customers and channel partners.

The following priorities, used during a crisis, are likely to be repaid with increased trust and stronger partnerships long after business returns to normal:

- **Strengthen loyal customer partnerships, and win over challenging accounts.** Wherever sales are disrupted, trusted customer partners with existing contracts or orders should be prioritized. However, elusive accounts that are willing to commit (in writing) to a mutual partnership during a crisis should be rewarded by being included in the global priority list.
- **Redefine channel partnerships to the company's advantage.** Channel partners who have blocked sellers in the past from downstream accounts may be won over during times of scarcity.
- **Differentiate and reinforce the brand.** A complete stoppage in sales caused by supply issues is an opportunity to demonstrate contrast and differentiate the company's offering against alternatives. Sellers should lay the groundwork for these "revenueless

selling activities" by giving customers advance warning about what to expect from competitor products, what to monitor and what they will notice as different and substandard.

Senior sales executives can galvanize and inspire the team to great effect, even when times are hard. How you lead now can set the pace for a powerful and career-making experience for everyone in the sales function. These actions are designed to ensure that experience is the right kind:

- **Lead with purpose.** Reinforce the overall business goals and mission and that you will work together as a unified team.
- **Emphasize "one team."** Punctuate this mission of working as one team — not just within sales but across all functions. Demonstrate your commitment by being visible and vocal with your own functional peers, and share updates based on these discussions with your leadership team.
- **Be relevant to the sales team's success.** Work with sales leaders to understand where they need help. Eliminate activities that waste sellers' or customers' time. Provide resources to support difficult customer challenges with a clear execution plan that helps customers and clarifies what the team can deliver.

The current economic climate has accelerated the rate of change in a world that was already experiencing constant reinvention. While there are tremendous challenges in sustaining a profitable market share position, there are also tremendous opportunities to emerge stronger — as a supplier, as a team and as a company. Customers will remember how they are treated during turbulent times. A smart, proactive plan that keeps the sales team safe, leads with clarity, drives frequent external and internal communication and executed with precision is the foundation for lasting, impactful growth while the competition is hunkering down.

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Fixing Sales' Gender Diversity Problem



Despite many voices exhorting CSOs to do more to increase the gender balance of sales teams, most CSOs are in fact satisfied with the progress their organizations have made (see Figure 1).

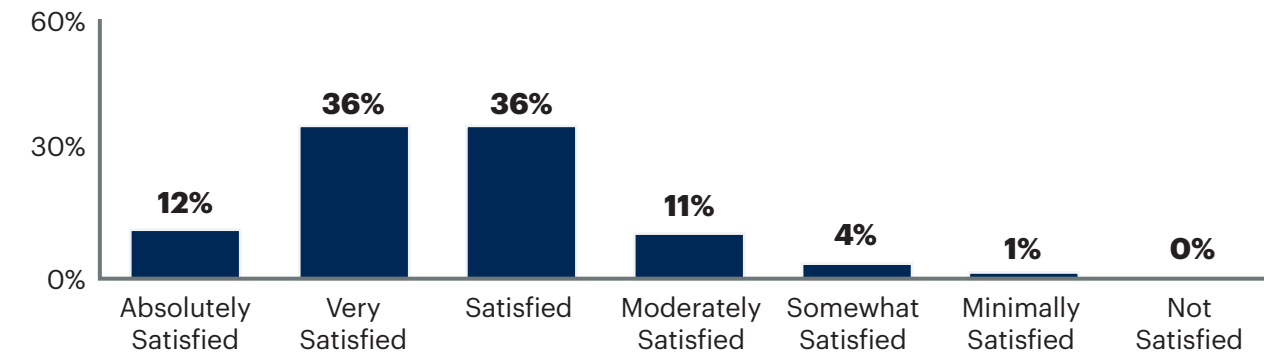
In our recent survey, 84% of heads of sales reported they were satisfied, very satisfied or absolutely satisfied with the gender diversity of their sales leadership team. What's more, no heads of sales reported being unsatisfied with their team's gender diversity. However, our research found their organizations are not gender-diverse and that many women in sales are dissatisfied with their organizations' progress on creating inclusive environments.

Our data reveals that women remain underrepresented at all levels of the sales

organization (see Figure 2). In fact, men still outnumber women three to one in individual contributor roles. Perhaps more troubling, female representation in the sales organization only decreases at more senior levels.

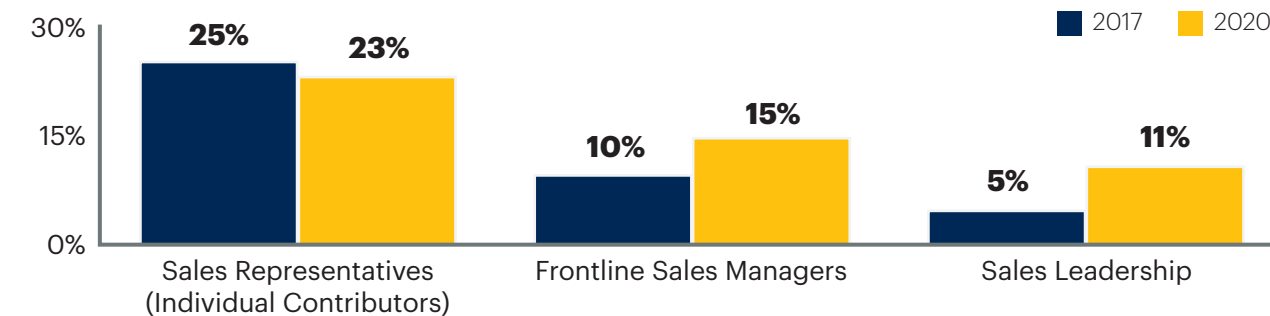
Despite their underrepresentation, recent research has shown that women attain quota at the same — or even higher — rate as men. This, coupled with the fact that women make up more than 50% of college graduates, means that the ability to effectively recruit and hire female sales leaders is a critical capability for sales organizations.

Figure 1. Heads of Sales' Satisfaction With the Gender Diversity of Sales Leadership Team



Q: How satisfied are you with the gender diversity of your sales team?
Source: 2019 Gartner GSL Sales Market Survey

Figure 2. Female Employees Within Sales Constituencies



n = 126 (2020); 64 (2017)

Q: Please indicate the approximate percentage of female employees in the following roles in your organization's sales function.
Source: 2020 Gartner Diversity in Sales Survey; 2017 Gartner Women in Sales Survey

To this end, in 2020, 70% of respondents report their sales organizations target achieving greater gender diversity in their hiring and recruiting efforts, up from only 55% in 2017. Despite increasing the focus on gender diversity in hiring and recruiting, more than half of sales professionals still believe their organizations are struggling to recruit and hire female talent (see Figure 3).

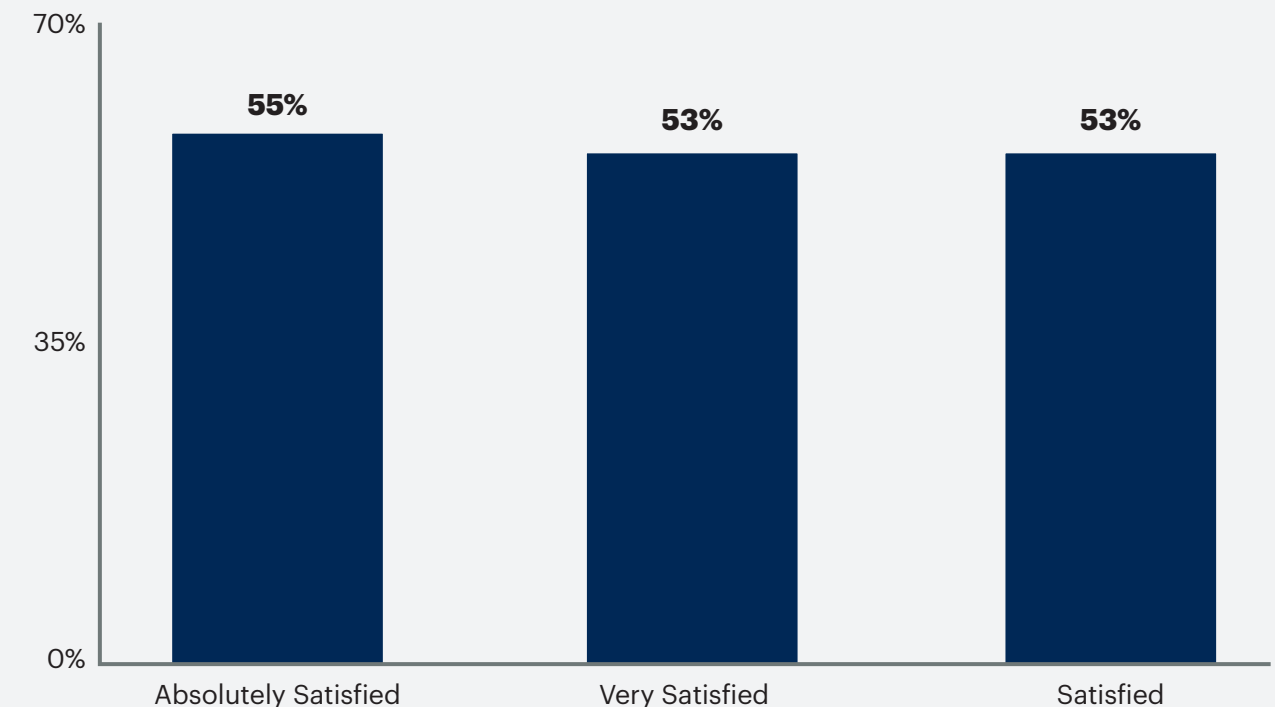
CSOs must put pressure on their recruiting partner to source candidates from more diverse pools. Additionally, it is important to audit job postings to ensure they resonate with female candidates and do not include language that discourages women from applying.

Hiring managers must be challenged to identify biases within their hiring practices. Hiring managers should examine the criteria they are measuring candidates against, embrace nontraditional backgrounds and expand their understanding of what characteristics are needed to succeed with diverse buying groups in today's complex sales environment.

Significant Inclusion Barriers to Women's Advancement in Sales Remain

Despite some efforts being made to increase gender diversity, our research found female sales

Figure 3. Percentage of Respondents Who Believe Their Organization Struggles to Recruit and Hire High-Performing Female Talent



n = 234

Base: Total, excluding N/A or unsure

Q: Please indicate the extent to which you agree or disagree with the following statements as a reflection of your experience in your current sales function: Our sales function struggles to recruit and hire high-performing female sales professionals.

Source: 2020 Gartner Diversity in Sales Survey

professionals still feel excluded. When we dig into the results of our survey, it becomes clear that CSOs need to recognize and address the remaining biases that exist within the operations of sales organizations.

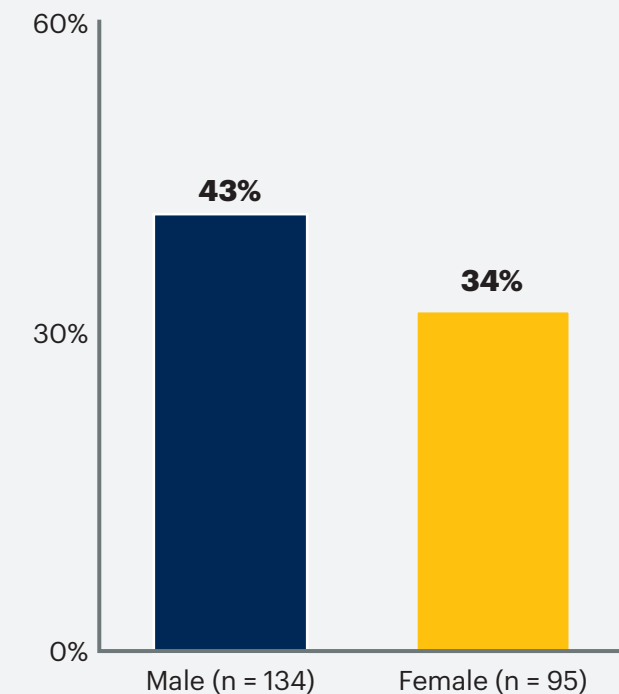
Retention challenges with female sales talent is a strong indicator of this inclusion problem (see Figure 4). Only 34% of women reported their organization does not struggle to retain high-performing female sales professionals. Sales organizations may be increasingly concerned about diversity, but a lack of focus on inclusion is undercutting efforts to recruit more women into sales positions.

A likely driver of the retention challenge is that sales organizations have male-dominated sales cultures (see Figure 5). In our survey, nearly three-quarters (74%) of female respondents reported this problem. A narrow majority of men also agree that their organization's sales culture is male-dominated.

This underscores a mandate for sales leaders to work to foster a culture within their organizations that feels welcoming and comfortable to all sales professionals.

Throughout our study, the differences between men's and women's responses to our questions provide a window into this male-dominated sales culture as men consistently report conditions are

Figure 4. Percentage of Respondents Who Believe Their Organization Does Not Struggle to Retain High-Performing Female Sales Professionals

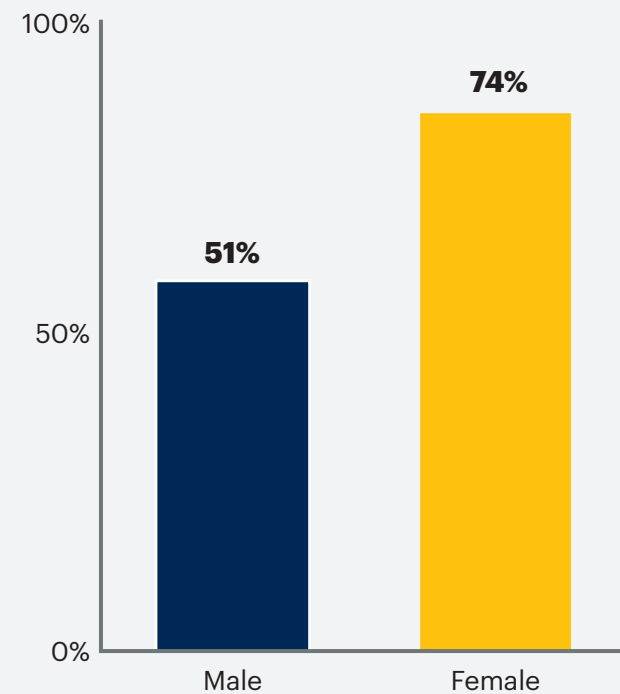


n = 229

Q: Please indicate the extent to which you agree or disagree with the following statements as a reflection of your experience in your current sales function: My sales function struggles to retain high-performing female sales professionals.

Source: 2020 Gartner Diversity in Sales Survey

Figure 5. Percentage of Respondents Who Agree Their Organization Has a Male-Dominated Sales Culture



n = 201

Q: Please indicate the extent to which you agree or disagree with the following statements as a reflection of your experience in your current sales function: Our organization has a male-dominated sales culture.

Source: 2020 Gartner Diversity in Sales Survey

more equal and less problematic than women. This disconnect is a real challenge that heads of sales must rapidly work to address and increase inclusion within their sales organizations.

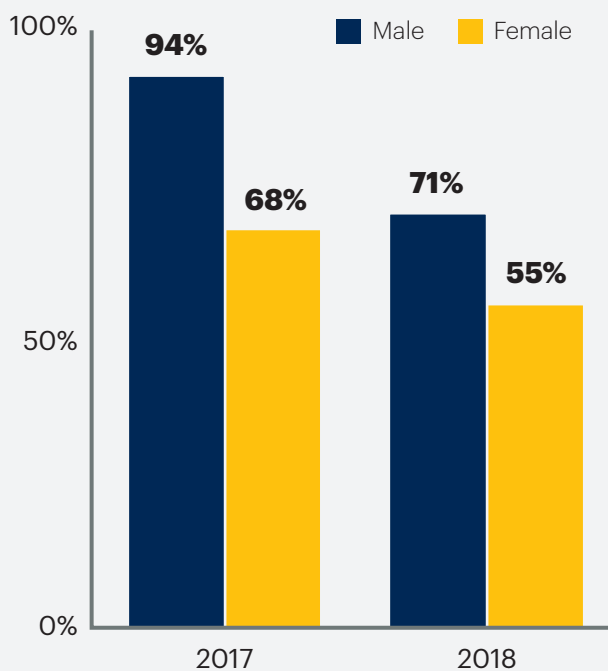
This cultural challenge is a serious problem that permeates deep inside sales organizations. For example, we considered sales professionals' perceptions of resource access within the sales organization (see Figure 6). In our 2020 survey, only 63% of women agreed that women and men have equal access to resources on attaining or exceeding goals at their sales organization.

CSOs should work with sales operations and HR partners, in coordination with legal and/or compliance partners, to audit and

improve internal practices exclusive to female sellers. Compensation, awards attainment and promotion rates by gender should all be examined carefully. Bias in territory alignment and quota assignment should be explored.

It is perhaps unsurprising then that if women in sales have unequal resource access they have unequal access to advancement opportunities (see Figure 7). Our survey found only 61% of women believe they have the same opportunities for advancement as their male counterparts with the same skills and qualifications. What's more, the gap between men's and women's perceptions here suggests obstacles to advancement faced by women are unseen by many of their male colleagues.

Figure 6. Percentage of Respondents Who Agree/Strongly Agree Women and Men Have Equal Access to Resources

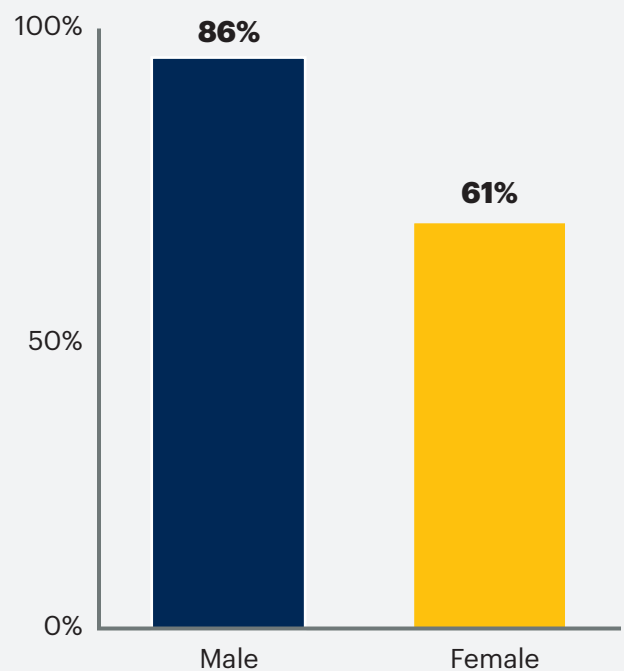


n = 64 (2017); 224 (2020)

Q: My company's nonmonetary rewards (incentive trips, competitions/prizes) appeal equally to men and women at my sales function.

Source: 2020 Gartner Diversity in Sales; 2017 Gartner Women in Sales Survey

Figure 7. Percentage of Respondents Who Agree Female Sales Professionals Have the Same Opportunities for Advancement as Male Counterparts



n = 232

Q: Please indicate the extent to which you agree or disagree with the following statements as a reflection of your experience in your current sales function: Female sales professionals have the same opportunities for advancement as male counterparts with the same skills/qualifications in my organization.

Source: 2020 Gartner Diversity in Sales Survey

Time for Change

CSOs must recognize the progress their organizations are making on gender diversity has been insufficient. This lack of progress affects business performance in the form of open territories from vacancies, inability to connect with diverse buying groups and underperformance from exclusive culture to name just a few major negative outcomes.

Fortunately, there are a wide variety of initiatives available to CSOs as levers to pull (and organization partners) to improve the gender diversity of their sales organization. Heads of sales should discuss implementing these

initiatives — mandatory diversity and inclusion training, to mentoring programs, to diversity-targeted succession planning — with their chief HR officer, HR business partner and recruiters.

To effectively improve gender diversity in their sales organizations, heads of sales will need to take a planned and purposeful approach to auditing broad elements of the seller and sales leader experience. These range from hiring and recruiting to retention, career opportunities and overall culture — to identify and eliminate the outdated policies and practices disadvantaging female talent.

... identify and eliminate
the outdated policies and
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How Buyer Dynamics Will Change Sales Force Deployment

by Craig Riley and Dave Egloff

Even before the current COVID-19-related disruption and uncertainty, the complexity faced by modern buyers had been steadily increasing.

Today's buyers are confronted with more information than ever before and must navigate collaborating with larger and larger buying groups. Consider these facts:

- An average of 11.1 customers stakeholders
- Fifty percent of buyers saying they encountered an overwhelming amount of trustworthy information
- Forty-four percent of buyers finding the information they encountered was trustworthy but contradictory

Given this, it is no surprise that 77% of B2B buyers rate their latest purchase as very difficult, yet 33% of buyers say they would prefer a rep-free B2B buying experience.

These changes will force CSOs to make difficult decisions. How can they align sales resources in a way that supports buyers who, on one hand, struggle with increasingly complex purchases, while at the same time, adapt to buyers' expectations for reduced interaction with B2B sellers? Balancing buyer expectations and resource constraints will require CSOs to place strategic bets when it comes to sales force deployment.

While field sales play a significant role in today's sales coverage, sales and operations leaders indicate they expect its relative importance to decline over the next five years.¹ Instead, high-performing sales organizations will shift to a more bifurcated direct sales deployment. In this strategy, field sales still play a role, but relative investments are focused on increasing capabilities in two key direct channel personas:

- **High-effectiveness sales channels** specifically designed to support large, information-dense, complex buying groups during new business acquisition and then drive growth in these accounts after initial opportunity conversion.
- **High-efficiency sales channels** to leverage

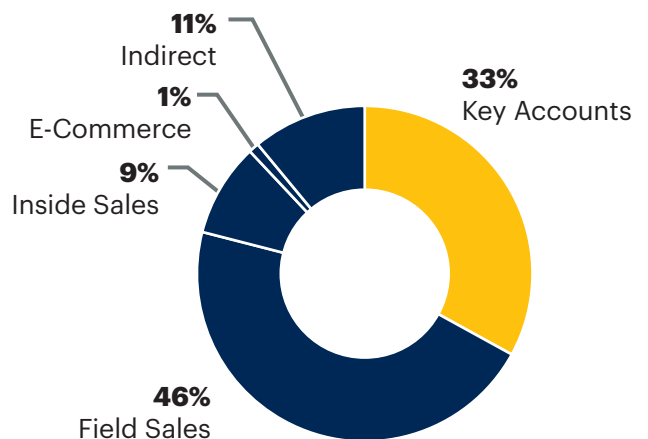
technology to provide buyers valuable information and support while meeting their preferences for limited or no direct engagement with the sales team.

High-Effectiveness Sales Channels

Key account program investments and coverage expand as both buying complexity and buyer autonomy increase.

With the nature and size of key accounts, CSOs have a disproportionate amount of opportunity and exposure to their performance. With, on average, 33% of total revenue coming from key accounts, it is easy to see why CSOs recognize key accounts as an important channel for meeting strategic goals (see Figure 1).

Figure 1. Percentage of Sales Revenue by Channel



n = 229

Q: Please indicate the extent to which you agree or disagree with the following statements as a reflection of your experience in your current sales function: My sales function struggles to retain high-performing female sales professionals.

Source: 2020 Gartner Diversity in Sales Survey

Unfortunately, while key accounts are strategically important to suppliers, these accounts may not reciprocate with proportionate loyalty. CSOs should assume their key accounts receive regular communications

from competitors to lure them away with promises of better service and lower prices. During this period of economic and increased price disruption, KAMs may find their accounts submitting requests for proposals rather than signing COVID-19-related approach consistent with broad cost management recommendations to request proposals from multiple vendors as a sanity check and strategy to secure better pricing. Rather than a renewal or resell, the process, from the buyer's perspective, is more like a new purchase.

As a source of future success, key account programs require investments and support. Even today, while this direct channel represents relatively low efficiency and higher cost of sales, it can also be characterized as the means for the most effective sales engagements. This proactive and often customized approach is an essential part of managing and growing strategic accounts, especially with the new reality of sellers having less time with buyers.

To adapt key account programs to changing buyer dynamics, CSOs should:

- Enable key account managers to drive unique value to key accounts through joint account planning and buyer enablement.

- Reduce long-term key account program costs by investing in technology solutions to improve key account manager efficiency and hiring key account support staff to free seller capacity.
- Justify key account program investments and calculate the ROI using measures of program performance, such as sales contribution margin, cost of sales and coverage ratio.

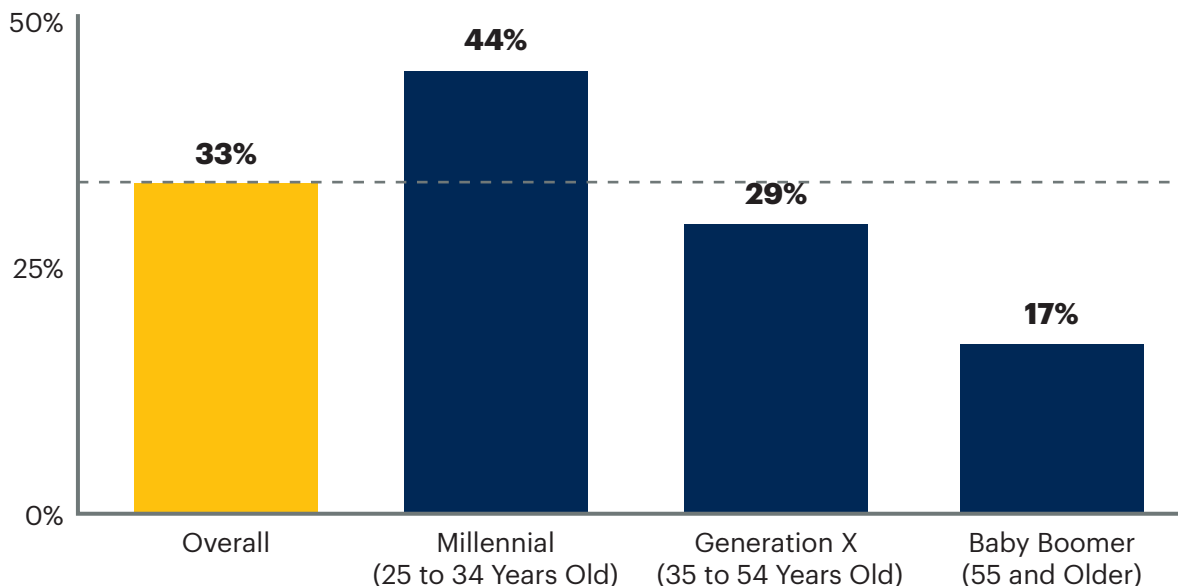
High-Efficiency Sales Channels

High-efficiency sales channels become more important with increasingly channel-agnostic buyers.

A broad consumer trend toward disintermediation is also present in the B2B environment. Our research shows 33% of all buyers desire a rep-free sales experience — a preference that climbs to 44% for millennials (see Figure 2).

Previously, buyers preferred and required frequent interactions with suppliers.

Figure 2. Proportion of B2B Buyers Preferring a Rep-Free Experience



n = 1,040 B2B buyers with completed purchases

Source: 2018 Gartner B2B Buying Survey

The democratization of information combined with increasing online platform capabilities has enabled buyers to more easily and independently conduct research, compare suppliers, and make confident purchase decisions.

E-commerce saw the largest relative increase in importance when sales and operations leaders rated a channel's ROI today compared to its importance in five years. While e-commerce is responsible for a small percentage of overall B2B revenue today, shifts in buyer preference and accompanying advances in sales technology, artificial intelligence and machine learning will make e-commerce an essential go-to-market channel on par with inside sales and key accounts. However, capitalizing on e-commerce requires CSOs to take a hands-on approach and assist in designing an e-commerce channel that capitalizes on these advances and meets buyers' expectations. **This means CSOs must work closely with internal GTM executive stakeholders to adapt to two realities:**

1. **Buyers need easy access to critical information to be confident in purchase decisions.** On average, today's buyers rate the information they receive from sellers and digital channels equally impactful in their purchase decisions. Digital channel success requires CSOs and CMOs to work together to put the right information in buyers' hands to enable a digital purchase at a drastically reduced cost of sale. The key to success in creating buyer enablement is to provide the information buyers need to feel confident in their decisions to make a purchase.
2. **B2B e-commerce needs to offer the seamless experience common in B2C.** Buyers often seek the path of least resistance, wanting nothing more than to identify the best solution quickly and make an easy purchase. CSOs should focus on providing a guided, easy-to-follow path to make digital B2B purchases similar to those in B2C environments. CSOs must direct sales operations to work with its colleagues in IT and marketing to ensure digital channels leverage sales data to facilitate easy configuration and when necessary quickly direct digital buyers experiencing problems to inside sales reps who can help complete the purchase.

Inside sales plays an important role in changing sales force deployments.

A well-designed inside sales department can flex and support other direct channels in addition to being a stand-alone way for buyers to make purchases. **To fully capitalize on the opportunity inside sales presents, CSOs should ensure:**

- Inside sales should be trained to support digital buyers who stall in the process, thereby improving conversion rates.
- Inside sellers should be available as lower-cost resources for key accounts, providing an additional point of contact for common customer requests. This frees up key account manager capacity, enables a larger book of business and helps manage the costs and scalability of the key account program.

Inside sellers acquire and serve customers at a relatively lower cost than field sellers as they don't travel and often have lower on-average compensation structures. These savings have driven many CSOs to leverage their capabilities for everything from providing early funnel support to full ownership of certain, generally lower-complexity segments.

Finally, as inside sales capabilities evolve, CSOs will shift their thinking from "What can inside sales cover?" to "What must field sales cover?" Inside sales will not be the last resort but instead a preferred channel to reach buyers. This trend will accelerate in the face of COVID-19's economic disruption. Our research found the percentage of CSOs who are considering shifting traditional field sales to virtual sales on a permanent basis increased from 5% to 25% after one week of their field sales teams working virtually.²

In many ways, the capabilities of inside and field sellers have converged. A well-trained, enabled and tenured inside sales force can meet most customers needs. As a result, CSOs will increasingly shift their inside sales strategy and coverage to become the default for small- to midsize customers. In the past, many companies had strict rules for which accounts should be served by an inside sales representative. Today,

the burden is shifting, and field sales managers increasingly need to justify why the organization should invest in, and cover the costs of, field support.

The uncertainty and disruption brought on by the COVID-19 crisis has ushered in broad changes in buying and selling. While the long term effects of this are unwritten, we expect the existing shifts in buying dynamics outlined in this article to outlast the initial impacts of the pandemic. By shifting focus and investment to these high-effectiveness and high-impact sales channels, CSOs will effectively adapt their organizations to these changing dynamics, simplify the purchase for their customers, and outperform their peers.

¹The 2019 State of Sales Operations

² 2020 Gartner COVID-19 CSO and Sales Leader Pulse Survey;
n = 20 companies



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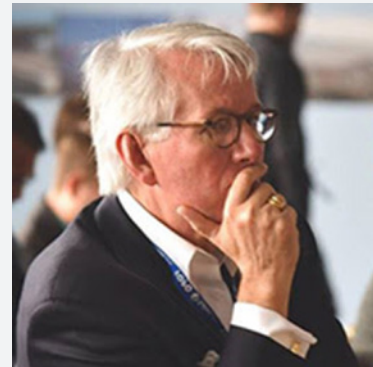
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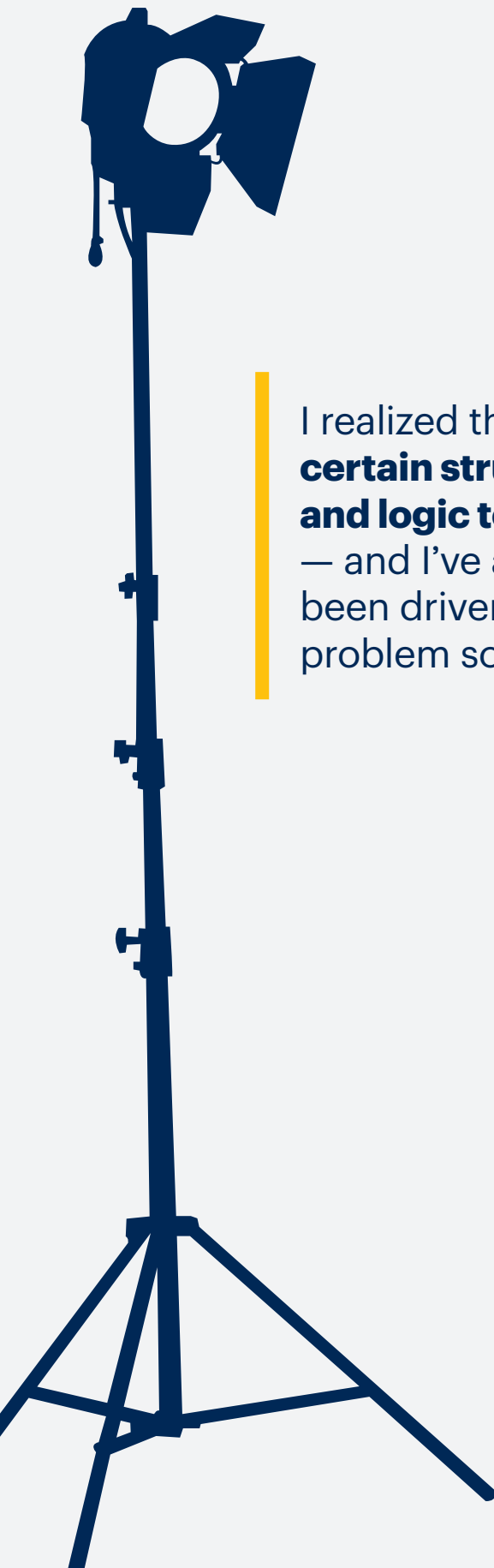
An Interview With Dave Brock

by Brent Adamson

Each month, Brent Adamson interviews CSOs on our “Lessons in Sales Leadership” podcast. He recently spoke with Dave Brock, author of “Sales Manager Survival Guide,” about his approach to helping high-performance sales organizations all around the world.



As a consultant, Dave Brock is recognized as a thought leader in sales and marketing, new product introductions and strategic partnering. He has researched, written and spoken extensively on these topics. Dave established the consulting and services company Partners In EXCELLENCE as a means by which he could have a profound impact on improving the effectiveness of business professionals.



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This is one of the first podcasts we've done where we're not talking to an actual head of sales, but essentially an advisor to CSOs and CEOs around the world. Can you give us a sense of how you landed where you are?

I arrived where I am in a very roundabout way. I went to Berkeley, and was on the path to getting my Ph.D. and becoming a theoretical physicist, but instead I ended up on the darkest side that a Berkeley theoretical physicist could ever go: I went and sold mainframe computers to money center banks for IBM in New York City. I realized there's a certain structure and logic to selling — and I've always been driven by problem solving. What really drove me to be so interested in sales was problem solving. Every time you're working with a customer, it's like a puzzle that you're putting together — except some of the pieces are missing.

A lot of people are motivated by the joy of success — or more often, the fear of failure — but for you, it sounds like you are more interested in the journey?

Absolutely. We work with some of the smartest people in the world. Driving sales performance and driving corporate growth is really tough stuff. So for me, it's all about getting together all these great thinkers with different experiences to come up with solutions to challenges that they couldn't have done otherwise.

You're usually brought in by CEOs to look at the entire company — the supply chain, the product design, the go-to-market model — but your writing really gravitates toward sales. Why is that?

I find that acquiring, retaining, and growing customers is so often the biggest challenge that organizations have. This seems obvious, but it leads to some very interesting existential questions, like: Who is our customer? How do we reach them most effectively and efficiently? How do we create value for them? How do we create relationships over a lifetime?

One of the interesting mindsets I learned in IBM was that it is your God-given right to have 100% share of wallet and 100% share of market. As a salesperson, it's my job to figure out how to do that, and that's the type of problem solving that really excites me about sales.

Those questions may seem simple at first, but they are actually hard to answer, right?

Often, companies will focus way too much on what they do or what they make. This is a very inside-out mentality. This is why so many salespeople and product marketers pitch in a very product-centric way. What I have learned is that it is awfully tough to sell that way. Instead, I encourage companies to identify the problems they are the best in the world at solving, then identify who has those problems and then focus on dominating those customers.

We hear from a lot of CSOs who talk about trying to move their sales organizations “back to the basics.” Is what you are advocating for here?

Yes, I think going back to the basics is a real innovation. There’s a human tendency to get distracted by shiny objects. I think salespeople are even more susceptible to this tendency because they have to be very optimistic and very positive because sales is probably the toughest job in business. Because of this, sellers are often distracted by lots of new technologies and new techniques to the point where they lose track of the basics and the fundamentals. They lose track of who their customer is.

What are the basics of sales, to you?

Think about it this way: What is the fastest way to improve your win rates? Vicious disqualification. When they are in trouble, sellers and sales managers start casting a wider and wider net. So they get further and further away from their ideal customer. I’m counseling sales organizations on getting back to the basics of identifying the problem they solve and then finding the customers who have that problem. Additionally, I often find that people don’t always understand how the pieces of selling fit together. Right now I see a lot of sales leaders myopically focusing on building the pipeline. The problem is, if I fill my funnel with opportunities but I don’t know how to manage those opportunities through the buying process, then I am wasting my time. You have to do the whole job of selling, you can’t just do individual pieces.

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You are currently working on a book called “Sales Executive Survival Guide,” but your first stop was titled “Sales Manager Survival Guide.” Why did you start with sales managers?

Frontline sales managers are the key leverage point for driving performance because their job is to maximize the performance of each person on their team. Many of the frontline managers I talk to think it’s their job to make the number, but I think that’s wrong. It’s the sellers’ job to make the number. The manager’s job is to make sure sellers have the resources, capabilities, skills and whatever else they need to make those numbers. I was seeing a lot of sales managers coming into their roles not really knowing what their job was. They didn’t know what the pieces of their job were and how they fit together. So I wrote the book to give them a practical handbook about how to do their job.

If we were to sit down and have this conversation in 10 years, would we essentially be having the exact same conversation?

I certainly hope not. We’re entering a transformative period in sales. There are a lot of people and a lot of market research companies who are predicting that the number of salespeople is going to go down. I actually think the demand for some salespeople is going to skyrocket because the complexity all of us face in our jobs is accelerating at a pace that we cannot cope with. Because of this, the salespeople who can help customers make sense of what they’re doing, and help them figure out how to move forward, will become the real differentiators. This is a real opportunity for sales because it allows sellers to get engaged with customers to help them solve their problems and sell a lot more. I anticipate a lot of the transactional sales jobs will go away — and should go away — but there will be even more demand for sellers who help customers work through complexity. I think we’re entering a golden age of selling — we just need to be smart enough to know how to make the most of it.

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