



AXIOM™

ENLIGHTENED LEARNING.
INSPIRED SELLING.

THE GUIDE TO SALES COACHING

A MODEL AND TOOLS FOR DELIVERING
CONSISTENT, SUPERIOR RESULTS

Executive Summary

Sales Coaching is the single most effective way to improve the performance of a sales team. Many senior sales leaders are caught up in a quagmire of the administration of their business and neglect to focus on one of the key activities that delivers the highest results and most stability to their organization. Other sales leaders recognize that they need to implement a sound coaching program, but that their teams are inadequately prepared to coach. This is often due to a lack of understanding on how to effectively coach.

This white paper provides an overview of a proven coaching model that has been deployed at numerous Global 2000 companies across multiple industries. To make coaching more understandable and memorable, we have identified five critical coaching behaviors and described what managers must do in each area to become the most effective coaches possible. We will also reference several opportunities to leverage technology to enable more effective coaching and drive superior sales performance.

Five Steps to Effective Coaching

The reality is that nearly all coaches, across a broad range of performance professions, engage in the same five fundamental behaviors. Unfortunately, sales managers – for a variety of reasons – generally fail to apply this essential coaching model to their interaction with salespeople. The result is sub-optimal performance and underdeveloped teams. **The five key behaviors that comprise an effective coaching model are:**

Goal Setting

Uncovering Gaps

Identifying Root Cause

Defining Corrective Action

Evaluating Performance

By executing each of these steps effectively, sales leaders can expose critical information that will allow them to identify strategies and tactics to “course correct” at an individual and team level on an ongoing basis. Once the coaching model is deployed, the organization will be in a state of continuous improvement, rather than relying on the semi-annual or even annual (backward-facing) employee development models that most organizations rely on for performance review and improvement today.

The Case for Coaching

A national communications company launched a \$1 million sales training initiative across 4 regions and 12 offices. The sessions were well received by sales and management. One year later, 8 offices had virtually abandoned the program. The four offices that continued to participate in the program were among the top performing in the country, experiencing dramatically higher sales and margins, with significantly lower sales staff turnover.

Two competing regional technology companies made a decision to implement a sales training program delivered by the same company. The same instructors delivered the training programs to both organizations. Both companies had competent, proven salespeople and management. Both had solid product lines and respected service organizations. Two years later, one of these organizations experienced only modest impact on sales and margins through implementation of the program, while the other had quadrupled sales.

Each of these stories is true.

So what was the difference in each of these scenarios? It wasn't market condition. In each case, the economy and competitive landscape were exactly the same. It wasn't the people. They all came from the same talent pool. And it certainly wasn't the quality of the sales program or instruction. In each case, the same instructors delivered the same training material.

The difference in each organization was the ability of their managers to effectively and systematically coach.

Though the words management and coaching may seem interchangeable, there is a significant difference between the two.

Management is defined as "the act or manner of handling, directing, or controlling." Coaching is defined as "the act of giving instruction or advice." This does not mean that a good manager cannot be an effective coach. However, it does mean that managing and coaching are two separate disciplines that require two different skill sets. We have seen dozens of managers who are great at directing or controlling but are absent or inadequate as coaches. Meanwhile, there are highly effective coaches who couldn't direct or control if their lives depended on it. To further illustrate this important point, let's consider professional sports teams.



What Sales & Sports Teams Have in Common

Like selling, professional athletics is a competitive, performance-based profession in which managers AND coaches play a critical role. Managers can determine who plays on the team, the game plan or strategy for the competition and even which players take the field – all are issues they can directly control. What managers cannot control is the effectiveness with which players execute on the field of competition. For example, New England Patriots coach Bill Belichick can draft Tom Brady, put him in the game and decide what play will be run. However, he cannot control where Tom decides to throw the ball, nor the velocity with which he does so.

In order to elevate the effectiveness of the players to execute on the field of competition, effective coaches are required. Coaches work with players to set goals, uncover performance and behavioral gaps and increase the underlying skill and knowledge required to execute as effectively as possible. Coaching happens consistently and continuously in order to ensure optimal performance by each and every player. In some cases a single person is both the manager and coach, while in others these responsibilities are taken on by separate people.

[CSO Insights](#), a highly respected research firm that continually surveys thousands of Chief Sales Officers representing a broad spectrum of businesses, addresses the significance of coaching in their Sales Performance Report. The report showed that the percentage of firms believing they need improvement with coaching is at the highest level ever, and the percentage of firms thinking that they meet expectations in this area is at an all-time low. The report goes on to point out that, “Coaching is the number one key to improved performance and stability. The companies needing improvement in this area are turning over sales reps at a twenty percent higher rate.” Salespeople tend to go/stay where they feel their success is best supported.

So while the implementation of a clearly defined, formal sales process and methodology is essential to transforming your sales organization from a “qualified vendor” to a “trusted partner,” your managers’ ability to effectively coach will ultimately determine the return on your training investment and the sustainability of any transformation project.

How do we make certain our managers are also good coaches?

In our experience, formalizing the coaching process, including the adoption of the following five key behaviors, maximizes investments in sales transformation and delivers optimal sales performance.

ONE | GOAL SETTING

One of the primary obstacles to effective coaching is the manner in which sales goals are typically established. Quotas are set by month/quarter/year and the success of a salesperson is judged by the final sales output relative to that quota. Unfortunately, that means coaching often occurs after a salesperson fails to meet their assigned sales target. As a result, negative impact (lost sales/margins/commissions) has already occurred before a manager engages in coaching.

This approach couldn't be more wrong, and is highly ineffective.

The reality is, sales are the output of a process and cannot be managed. By the time a sale is made, all actions required to make it happen have already occurred. Improving the performance of a sales person, therefore, requires a change in the behaviors leading up to a sale.

Here, it is important to note the difference between goals and dreams.

For the purposes of this white paper, we submit that the primary difference between goals and dreams is that goals have associated plans by which they will be achieved while dreams do not. We are not suggesting that it is impossible for someone to achieve a given target without a plan, only that the probability that they will do so is dramatically reduced.

Given this key difference, it turns out that for most salespeople and organizations, sales quotas more closely resemble dreams than goals. Rarely do sales leaders work with each sales person to determine exactly what must be done to achieve the target. Worse still, these targets often represent the company's dreams, not those of the salespeople. Moreover, this approach actually precludes a manager from providing effective coaching. Remember, the definition of coaching is "the act of giving instruction or advice." Without a clearly defined plan, the only instruction or advice a coach could give if he or she were focusing on the end result of quota attainment is "I advise that you meet the sales quota the company has given you. Otherwise we will not pay you very well or you may lose your job." This approach is highly ineffective, and unfortunately not far from the reality of how many sales managers are engaging with their people.

So how do effective coaches address these challenges?

First, they realize that without a clearly defined plan to meet or exceed unit, revenue and/or margin targets, quotas are not goals. Second, they understand that their salespeople have to take ownership of the goals and their associated plans – they must view them as personal and meaningful objectives – not something forced upon them by their employers. Effective coaches help bridge the gap between company objectives and the personal goals of people on their team. Third, they know that in order to increase the sales output of their organization, the behaviors of the individuals on their sales team must change.

Building the Sales Success Plan

Given that effective goal setting requires the development of a clearly defined plan, it is important to understand that sales success can be expressed as a simple mathematical formula.

Consider the diagram below:

$$\begin{array}{l} \text{ACTIVITY} \times \text{PROFICIENCY} = \text{SALES} \\ \begin{array}{l} \text{new opportunities} \\ \text{new proposals} \end{array} \quad \begin{array}{l} \text{closing ratio} \\ \text{proposal rate} \\ \text{average sale value} \end{array} \end{array}$$

In this sense, selling is very much akin to other production jobs. A manager running a small manufacturing plant knows that in order to produce finished goods (**sales**), raw materials must be brought into the factory (**activity**).

The rate at which finished goods will be produced is dependent on the operating efficiency of the plant (**proficiency**). The formula models the production that can be achieved given changes in any of the variables. In sales, the underlying metrics associated with activity are the number of new opportunities identified and number of new proposals or quotes generated. The metrics associated with proficiency are closing ratio (the percentage of proposals converted to sales), the proposal rate (the percentage of new opportunities converted to proposals) and average sale value. We refer to these as the Predictive Metrics for selling.

To avoid coaching after the failure to achieve a sales number has already occurred, it makes sense to establish mathematically valid targets for these Predictive Metrics AND ultimately define the behaviors salespeople must engage in to achieve these targets. While sales objectives and the corresponding activity and proficiency targets may vary significantly by person, the behaviors essential to their success should be very similar.

Unfortunately, we have seen many managers demand that every sales person maintain proposal volume at a certain multiple of quota. For example, every rep must have four times their quota in their sales pipeline. The problem is, depending on the selling effectiveness or behavior of each individual and their supporting knowledge and skill level, the metrics required for a given output (sales) target may differ from one seller to the next.

A blanket requirement of "X" times quota may be far too little for some salespeople who are less effective at qualifying and/or presenting solutions or far too high a target for other salespeople who, by virtue of their skill and knowledge, execute better and close more valuable deals at a much higher rate. Either way, most are negatively impacted, as the "one size fits all" target doesn't fit them quite right.

To add to this challenge, as mentioned earlier, quotas are the company's goals, not the sellers' internalized, personal objectives. If a manager is to have any leverage beyond the demand for compliance with quota, the sales reps' personal goals have to be taken in to consideration. What are their goals? What is it that they want to accomplish? How much money do they want to make? These are things salespeople can own and commit themselves to achieving.

An effective coach begins with this understanding and assists in building an individual sales plan, based on the Predictive Metrics, that will allow the sales person to achieve his or her desired end result. If a manager is working with goals and plans established by the reps themselves, their job is to simply assist in holding the reps accountable for their commitment to themselves.

So the first element of effective coaching is to establish realistic goals with each individual on the sales team for:



New opportunities



New proposals



Proposal rates



Closing ratios



Sales volume

Until each person has a customized sales ratio success plan that he or she has committed to executing, effective coaching simply is not possible.

TWO | UNCOVERING GAPS

Once activity and proficiency targets have been established, the second responsibility of an effective coach is to uncover gaps in a salesperson's performance and behavior relative to those commitments. Notice we are uncovering gaps in performance AND behavior, not just performance. Improving a salesperson's output will not occur until there are changes in their selling behaviors that positively impact their performance in terms of activity and proficiency.

Many sales managers define a gap in sales rep's performance as the difference between a sales revenue number that was "committed to" and the number that was actually achieved. This is a problem that actually begins at the very top of most organizations. Wall Street investors' or the business owners' obsession with numbers is essential to determining the company's value to the market and/or equity investors.

Senior management makes performance commitments to shareholders, the expectations are set, and the company's value rises and falls on the organization's performance relative to those commitments and expectations. Unfortunately, that obsession and those commitments, like other things, flow downhill from executive leadership to middle management and field sales management, ultimately landing on the desks of salespeople.

When expectations are met, performance reviews can be a pleasant experience for both salespeople and their managers. In these cases few, if any, coaching opportunities are typically identified. The salesperson did her job and met her sales objective. Even if there could be opportunities for changes in the salesperson's behavior that would result in increased sales output, these reviews typically turn to a discussion of sales output expectations for the coming weeks or months with little regard for the actual behavior that produces the result.

When sales performance expectations are not met, many managers believe their obligation is to discuss the shortfall and reset sales output expectations for the coming weeks or months in order to make up for the short fall.

Their coaching consists of things like “Your sales are off for this month. What are you going to do to get them back to where they are supposed to be next month? What do you expect to close? How are you going to close it? What can I do to help you?” In the least effective instances, managers actually refer to this discussion as the gap plan for the sales person. However, in far too many cases, the same discussion takes place on a recurring basis with little or no appreciable improvement in results.

It doesn't have to be this way.

The challenge is, many sales managers see these performance reviews as a weekly/monthly/quarterly event, not a coaching process that is continual and ongoing. As a result, actual coaching is inconsistent at best, completely absent at worst.

If a manager monitors a salesperson's performance relative to the predictive targets established for the activity and proficiency metrics, any failure to meet sales output objectives should be uncovered weeks or months in advance. This is an area where reports and dashboards like the one shown below can deliver real insight in advance, assuring all parties have line of sight on performance gaps as a starting point to uncovering gaps in selling behavior.

Candidly, it doesn't take a performance review in order to remind a salesperson of their failure to meet quota. Both sales manager and rep know when quota is missed and making this the focus of a “coaching conversation” is really nothing more than piling on.

Good coaches don't just point out the differences between a sales objective and what was actually achieved. They are looking for the following gaps (differences) in activity and proficiency metrics:

- Number of new opportunities required vs. actual
- Percentage of new opportunities converted to proposals required vs. actual
- Number of new proposals submitted vs. actual
- Average sales value required vs. actual
- Closing ratio required vs. actual

Importantly, uncovering these performance gaps provides the sales person and manager with a clear direction for their discussion of possible gaps in seller behavior.

For example, on the dashboard shown above, the most significant performance gap is in this sales person's closing ratio. The coaching conversation will have the most significant impact if Marc and his manager focus their discussion on the qualifying, presenting, and negotiating behavior that is producing this result.

When performance gaps are used to drive deeper conversations that ultimately uncover gaps in selling behavior, opportunities for continuous improvement ensue.



THREE | IDENTIFYING THE ROOT CAUSES OF FAILURE

After gaps in activity and proficiency have been identified and the selling behavior producing this result has been discussed, the next responsibility of an effective coach is to determine the root cause of the gap in the sales person's selling behavior.

We have seen many managers who address shortfalls in sales performance by directing their reps to simply make more calls, see more customers, generate more proposals, and make more sales. Unfortunately, they may be asking these reps to do more of the things they are already doing poorly. There is a chance the rep is unwilling or incapable of engaging in the behaviors required to convert more activity into better results.

Salespeople can fail to perform, that is fail to execute on the optimal selling behavior, for any one or more of the following reasons:

-  The **environment** in which they work is impeding their performance
-  They don't have the **commitment** to the goal and/or behavior required for success
-  They don't have the **capacity**, or innate abilities, for the work
-  They don't have the required **knowledge**
-  They don't have the necessary **skills**

Two of these five causes should be addressed as a function of management, not coaching. The others, and arguably most likely causes of performance failures, can and should be impacted on a regular basis through effective coaching conversations.

Environment

The aggregate of surrounding things, conditions, or influences; surroundings.

Some examples of environmental challenges that could impact sales performance include:

- Too many salespeople covering too small a territory
- A company's inability to provide the infrastructure to properly support a sales team.
- A company's service reputation being so poor that prospects are reluctant to buy

It is a function of management to continually eliminate or mitigate the impact of all environmental variables. It is important to note, that salespeople will often blame their poor performance on their environment, even while others are succeeding while operating in exactly the same or analogous environment. When this occurs, it is highly unlikely that the environment is the root cause of the sales person's failure.

Capacity

Power of receiving impressions, knowledge, etc.; mental ability: the actual or potential ability to perform.

If salespeople don't have the physical or mental capacity to do their job, it isn't their fault. Their failure is associated with management's hiring process. The coaches' job is to enable people to realize their full potential for success. Even the best coaches cannot improve a person's innate abilities or capacity for success. Therefore, it is a function of management to ensure that only people with the capacity to perform are hired as salespeople.

On those occasions where we have mistakenly hired someone for a job they simply cannot perform due to lack of capacity, the only compassionate remedy is to help them move into a job for which they are better suited.

While capacity issues will arise, even when the hiring process is thorough and effective, the primary focus of a sales coach is to determine whether or not the cause of performance and behavioral gaps are due to a salesperson's lack of commitment, knowledge, and/or skill.

Let's say, as an example, a salesperson is failing to identify the number of new opportunities required by their plan and that the underlying behavior gap is that they aren't making a compelling case for prospects with whom they are attempting to secure meetings. This failure could be caused by a gap in the salesperson's knowledge.

It is possible the rep doesn't know enough about the impact of their products and services to connect them to their customer's driving business issues. Or it could be lack of skill. The salesperson has sufficient knowledge of their products and services, but doesn't have the skills necessary to convince customers to engage in meaningful conversations.

If skills and/or knowledge aren't the problem, the cause of the failure could be the sales person lacks the commitment to engage in the activities required to identify new opportunities. Perhaps this person isn't willing to invest the time necessary to be effective or possibly doesn't believe that making a compelling case is essential to his or her prospecting success.

There are three types of questions that can help an effective coach determine the root cause of gaps:

"What" questions help to identify lack of knowledge.

What areas of your customer's business can you impact? What information is needed to qualify opportunities? What are the six steps to handling an objection?

"How" questions help to identify lack of skills.

How do you approach customers when you are trying to set appointments? How do you present products and services to your customers? How do you determine the criteria by which your customer will make their decision?

"Why" questions help to identify lack of commitment.

Why is it important for you to state an agenda to open customer meetings? Why is it important that you identify gaps in your customers overall business performance before approaching them with a solution?

Unless a salesperson has openly admitted that his or her lack of commitment is the root cause of their failure, it is best to begin with questions concerning knowledge and skill.

Adults can be, and often are, prideful beings. You may find that lack of knowledge or skill can manifest in the appearance of lack of commitment. If a sales person doesn't know what something is or how to do it, they may be reluctant to exert the energy necessary to attempt to execute the skill or apply the knowledge.

FOUR | DEFINING CORRECTIVE ACTION

Effective coaching impacts commitment, skill and knowledge to drive behavior that produces predictable, consistent, superior results. When the root cause(s) for failure have been identified, an effective coach has an opportunity to be exacting and prescriptive while defining assignments for corrective action. Here we will delineate between two separate types of tasks, selling assignments and developmental assignments.



Selling Assignments

Selling assignments direct the person to take some action that is a normal part of his or her job as a sales professional. For example, "I want you to call your prospect and arrange a time for us to meet next week," or "Be certain to schedule at least four hours of prospecting time this week." In order to be effective, selling assignments must be limited to activities for which the sales person has demonstrated adequate skill and knowledge to execute the task.

To go back to the sports analogy, telling Tom Brady to throw a "deep out" won't produce the desired result if he doesn't know what a deep out is, or cannot throw with the necessary velocity to complete this pass. Similarly, telling a sales person who is not yet effective at gathering information about a prospect's business to go meet with the prospect to do this will only frustrate the seller and the prospect.

Leveraging automated solutions to document completion dates for these assignments will extend the value of the overall process to include workflow, reminders, completion dates, etc. as well as provide the basis to look at the correlation between coaching assignments and performance improvements.

Developmental Assignments

When we determine that performance and behavior gaps are being caused by deficiencies in skill and knowledge, it is essential that we assign a developmental task to help improve the sales person's underlying skill and knowledge.

Undocumented, casual assignments with unassigned resources, outcomes and completion dates are formulas for coaching futility. Things like "You need to learn more about our products," "You need to brush up on your prospecting techniques," or "You need to practice your presentation skills," are often perceived more as suggestions than assignments for corrective action.

They are far more likely to be ignored or forgotten by both the manager and salesperson.

Such solutions also allow the organization to evaluate coaching effectiveness and create accountability for meaningful coaching conversations, both of which are essential for driving the adoption of the coaching model.

In order to be effective, it is critically important that all developmental assignments meet the following criteria:

- Clearly defined to address the specific root cause (commitment, knowledge, skill)
- Are agreed to by the salesperson
- Can be completed in one hour or less
- Use readily available resources (print, web, audio, video, human resource)
- Have a designated completion date
- Include a requirement for proof of completion (oral/written test, role-play)
- Documented as an assignment (email, calendar, SFA, coaching solution)

Following are examples of proper developmental assignments:

 **Knowledge**

“By next Friday, read the section of your product manual on “X” feature and participate in the on-line tutorial available on the company web-site. Memorize what it does and the business impact it delivers and be prepared to pass a test on it by Friday afternoon at 4:00. I’ll send you an email with a link to the tutorial, confirming the assignment. Agreed?”

 **Skills**

“By our next one-on-one, please review the section of your sales training manual dedicated to effectively preparing and stating an objective and agenda for a sales presentation. I’ll ask Mary, a senior sales rep who is excellent in this area, to also demonstrate how it is done. Be prepared to describe how you developed the objective and agenda and role-play it to demonstrate proficiency on Friday afternoon at 4:00. I’ll send you an email confirming the assignment and record it as an action in SFA. Agreed?”

 **Commitment**

“By next Wednesday, review the information objectives for qualifying opportunities. As you review each one, record why gathering the information would be in the customer’s best interest and why it’s important for you to have as well. Be prepared to share this information with me during our one-on-one at 4:00. I’ll send you an email confirming the assignment and record it as an action in SFA. Agreed?”

It is also important not to “over-assign” corrective actions. Multiple assignments can be overwhelming and create environmental root causes for failure in other areas.

Two developmental assignments for the root causes most dramatically impacting the salesperson’s performance should be the maximum in any given week.

FIVE | EVALUATING PERFORMANCE

One of the most critical elements of effective coaching is follow-up. As mentioned earlier, casual assignments are typically ignored or forgotten and the desired improvement in skill, knowledge, and commitment along with the corresponding improvement in selling behaviors never occur. All assignments, selling or developmental, must be reviewed in order to create the proper accountability, which is essential for effective coaching. However, the review of developmental assignments must include conversations that determine:

- Whether or not the assignment has been completed and if not, why?
- Whether or not the assignments that have been satisfactorily completed have resulted in the desired improvement in skill or knowledge.
- Whether the assigned tasks need to be redefined and reassigned.
- What the new completion date will be for any reassigned tasks.
- The rationale for not assigning a follow up task when either the original task has not been completed or it has not produced the desired result.

When multiple assignments are given, but are not completed, it is quite probable that a fundamental commitment issue exists that must be addressed in order for effective coaching to occur. On the other hand, salespeople who complete well designed assignments without any corresponding impact on the targeted skill or knowledge gap may in fact have a capacity issue that precludes improvement in these areas.

Moreover, the evaluation step is as much an evaluation of the coach's effectiveness as it is an evaluation of the sales person. Coaches must be alert to the possibility that they have improperly diagnosed a behavior gap or that the selected assignment wasn't properly linked to the root cause.

By continuously evaluating the completion of assignments, and beginning again the cycle of Uncovering Gaps, Identifying Root Causes, Defining Corrective Actions, and Evaluating Performance, sales managers can transform their coaching conversations and set a course for continuous improvement in sales performance.

SUMMARY AND CONCLUSION

Sales transformation and the significant improvement in performance it delivers, is dependent on changing the behaviors of salespeople and management so that customers perceive them to be trusted advisors and partners. Consistent, effective coaching is essential to this effort and can only be achieved in conjunction with these key elements:

-  Well defined, structured coaching model
-  Customized sales plans
-  Well defined selling methodology
-  Ownership/buy-in from the entire sales organization
-  Reinforcement tools and Assignment library
-  Systems alignment (SFA, CRM, Coaching)
-  Executives play active role, drive inspection
-  Practice and on-going, incremental improvement for all is the norm
-  Documentation

Once you have created your process and structure, leveraging a platform that can underpin the coaching process, and provide visibility at all levels of the organization, then you will ensure that adoption is both pervasive and permanent.

Only then can you be certain your teams will produce consistent, positive results by reinforcing the transformation process.

**INTERESTED IN SEEING HOW THE AXIOM
GUIDE COACHING SYSTEM CAN WORK
FOR YOUR ORGANIZATION?**

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Bob Sanders Bob Sanders has more than twenty five-years experience in sales, sales management, and marketing. He is dedicated to elevating the sales profession and delivering exceptional results for sales people, their customers and their companies. Bob co-authored AXIOM's "Selling Sciences Program™" workbook and audio program, and is a contributor on A Journey to Sales Transformation. Bob currently serves as President and CEO of AXIOM Sales Force Development sharing his passion about sales behavior, coaching, and developing people into their best selves.



About AXIOM

AXIOM provides a sales enablement solution that has completely redesigned how to improve the effectiveness of sales teams.

Unlike traditional sales training events or learning management systems, we embed AXIOM coaching applications and micro learning assets directly into Salesforce.com.

Our solution augments your existing sales process and methodology to create total alignment between your CRM and the execution of sales efforts while encouraging continuous learning.

Our customers spend less time and money on sales training, their reps learn more effectively and their managers become experts in sales coaching. It works so well we offer a guarantee that your revenue per rep will increase.

ARE YOU READY TO BOOST YOUR SALES GAME?

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