



# The Business Case for Sales Methodology Training

Chris Patton

## Introduction

In the relationship between sellers and buyers, the balance of power today has tipped almost completely towards the buyers. This may seem obvious, but it wasn't so long ago that sellers had some leverage over buyers. Sellers had *information* that the buyers couldn't access, and so sellers, in *quid pro quo* fashion, had the ability to dictate certain meetings, manipulate the negotiation process or even gain access to higher-level executives.

That relationship has now, of course, changed:

- Buyers can educate themselves on each solution's value, functional capabilities, and even the price range well in advance of ever meeting a seller.
- Buyers have more informational access points than ever before, leveraging allies in social media forums and networks to confirm the seller's solution's capabilities, long-term support, and even price.
- When they do connect with a seller, buyers control the flow of engagement. Their path of investigation is based on what they feel they need to understand about the seller's solution's capabilities.

In short, the seller has very little leverage in today's balance of power with buyers.

At the same time, one of the most profound concerns of the executive team is forecast accuracy. To mitigate this concern, sales operations, enablement and leadership have worked hard to define a set of sales process "expectations" and customer "commitments" that they use to identify their seller's odds of winning. These *qualification criteria* are critical checkpoints locked into every CRM system, and serve as a major contributor to the organization's view of pipeline health and the current forecast.

This means that the poor seller with their limited leverage over the buyer is also being squeezed with expectations over how well they are in "control" of the sales process and how accurately they are "committing" to the forecast.

No wonder companies are still investing heavily in sales methodology programs and training. Sales methodologies are the glue between the intended internal assessment of a deal's likelihood to close and the customer's journey; they connect the "how to" with the expectations of *both* internal sales leaders and external buyers.



## The Re-emergence of Sales Methodology?

Companies realize that simply defining the “qualification criteria” in their CRM does not equate to consistent sales execution in their business. But, they are also starting to realize that consistent sales execution isn’t possible unless someone in the company “owns” the sales methodology and nurtures it into a living, breathing discipline throughout the culture of the sales organization.

The good news is that for the first time, according to CSO Insights’ *2017 Sales Enablement Optimization Study*, a majority of organizations (59.2%) now have a dedicated sales enablement function. This is a sign that companies are beginning to re-assess their commitment to, and deployment of, sales methodology trainings and programs as the means to improve their selling execution and forecast accuracy.

What kind of impact does a successfully deployed sales methodology have on an organization? Is there a business case that justifies the organizational focus and financial investment that a sales methodology requires to be successful? Are there best practices to consider when rationalizing an investment in a sales methodology?

This paper is intended to answer these questions. We will look at how sales methodologies affect seller performance and identify two key areas of deployment (training and adoption) that organizations should take into account when assessing the success of their sales methodology.

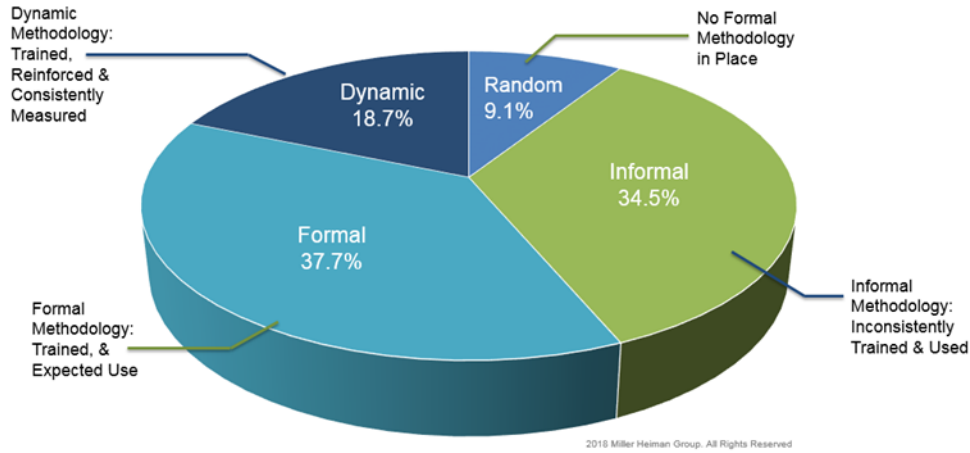
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## Sales Methodology Maturity

In our *2017 Sales Enablement Optimization Study*, we asked organizations to self-identify how well their sales methodology was structured or formalized. We asked them to consider the following criteria:

- Is there a standard methodology in place? (If no, we described this as the “random” level of methodology maturity.)
- Has the methodology been formalized with training? (If no, but they have a methodology, we described this as the “informal” level.)
- Does sales leadership understand the methodology and reinforce its use? (If yes to all of the above and to this question, we described this as the “formal” level.)
- In addition to all of the above, is the methodology measured for adoption and business results and does it influence the forecast? (If yes to the above and it is measured for impact, we described that as the “dynamic” level.)

The results in our last study showed the following spread of responses:



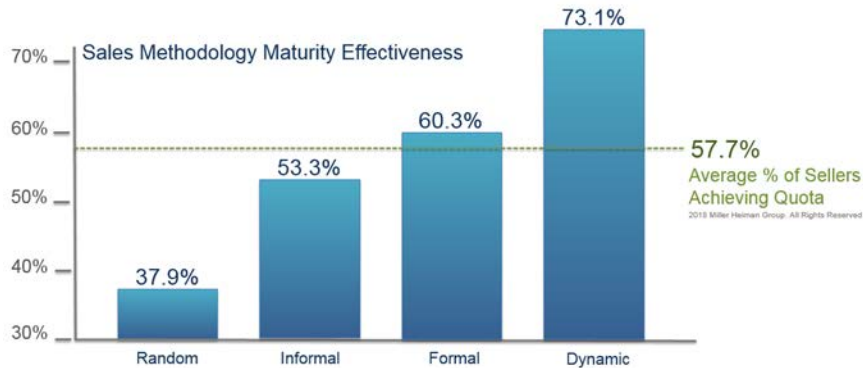
Some key findings:

- 43.6% of organizations still do not have a formal sales methodology.
- Only 18.7% consider themselves at the “best practice” level of sales methodology maturity.
- That means **81.3%** of organizations aren’t measuring the effectiveness of their sales methodology.

## The Impact of Sales Methodology Maturity

The studies that CSO Insights have done over the last five years have shown unequivocally that organizations that are able to invest in building structure and discipline into their

selling approach and sales culture demonstrate better sales performance. And our sales methodology maturity results are no different:



According to our *2017 Sales Enablement Optimization Study's* data, there is a direct correlation between an organization’s ability to leverage a structured sales

methodology as a discipline and the quota attainment of their sellers.



Key findings between Sales Methodology Maturity and Quota Achievement:

- Companies with a *formal* sales methodology in place have a 13.1% better quota achievement rate than those with an *informal* approach.
- Companies with a *dynamic* sales methodology in place have a 21.2% better quota achievement rate than those with a *formal* approach.

- Companies with a *dynamic* sales methodology in place have a **37.1%** better quota achievement rate than those with an *informal* approach.

An important note is that the breakthrough point, meaning the point at which an organization out-performs its peers, occurs between the informal and the formal. Those organizations with an informal sales methodology under-achieved against quota attainment by -4.4% versus organizations with a formal sales methodology, who out-performed quota attainment by +2.6%.

## The Importance of Sales Methodology Training

One of the primary values of a sales methodology is that it provides a common language throughout the sales organization. When a sales methodology has been effectively implemented, sellers, managers and executives all understand the definition of critical selling concepts and this helps them communicate and ultimately rationalize their

investment of resources based on deal potential and qualification criteria of an opportunity.

The success of a sales methodology, therefore, is greatly determined by how well the entire sales organization is trained on it and by how much the sales methodology is consistently utilized by sellers and their sales managers.



And this proves true when we look at the data. There is a clear correlation between the effectiveness of sales methodology training and seller performance:

- Organizations that felt that their sales methodology training *met expectations* out-performed those

organizations who felt that their sales methodology training *needed improvement* by 10.2%.

- Organizations that felt their sales methodology training *exceeded expectations* out-performed those organizations who felt their sales methodology training *met expectations* also by 10.2%.

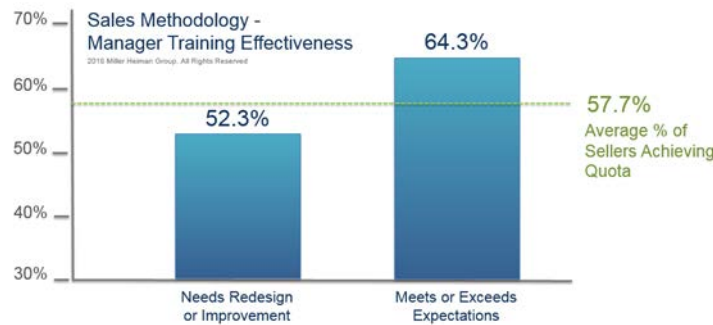


- And, those organizations that felt their sales methodology training *exceeded expectations* out-

performed those organizations who felt their training *needed improvement* by **21.5%**.

## Sales Methodology - Sales Manager Training Effectiveness and Quota Achievement

In addition, we saw the same pattern of performance improvement when manager training was also effectively delivered.



- Organizations whose sales methodology training *met* or *exceeded expectations* out-performed those organizations who felt their sales methodology training *needed redesign* or *improvement* by **22.9%**.
- And, these same organizations out-performed the quota attainment average by **11.4%**.

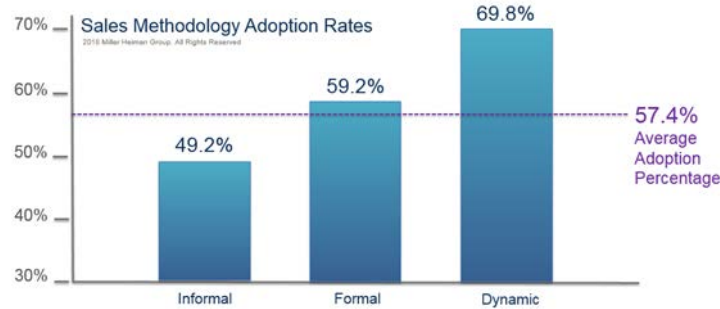
One more key note about this last metric: very few organizations felt that they were doing a “great” job with their sales methodology training for sales leadership. While 15.9% of organizations felt they exceeded expectations with their sales methodology training for sellers, only 6.6% felt the same way about their manager training.

## The Importance of Sales Methodology Adoption

Of course, just training your sellers (and managers) on your sales methodology will not drive positive results if your sellers choose not to use it. Adoption of your sales methodology, therefore, is also very important for driving the consistent results you expect. But if we’re honest, we all know that 100% adoption is impossible to achieve.

So, what is the ideal adoption rate? And can we influence sellers to use it?

The good news is that you can absolutely influence seller adoption. Our data shows a correlation between sales methodology maturity and adoption rates:

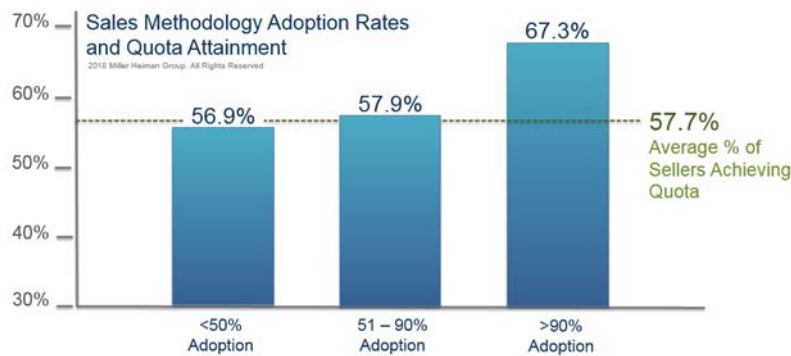


- Organizations with a *formal* sales methodology have a 20.3% higher adoption rate than those with an *informal* approach.
  - Organizations with a *dynamic* sales methodology have a 17.9% higher adoption rate than those with a *formal* sales methodology.
  - And, organizations with a *dynamic* sales methodology have a **41.9%** higher adoption rate than those with only an *informal* approach.
- So, the more formal the implementation of your sales methodology, the more likely your sellers will use it.

## Sales Methodology Adoption Rates and Quota Attainment

But what we've come to understand is that the *level* of sales methodology adoption is even more critical. While throughout our study, organizations that have implemented a formal sales methodology and have maintained enough discipline and reinforcement to create at least the

*expectation* of use, have had better results than those with only an informal methodology. However, it turns out that a seller adoption level of **90% or greater** is vitally important to its success:





- As you can see, there is only a nominal 1.8% difference between “*less than 50% adoption*” and “*51-90% adoption*,” and both are within 1.5% of the quota achievement average.
- On the other hand, companies with “*greater than 90% adoption*” out-perform their peers by 16.6%.

This means that the ideal target for seller adoption of your sales methodology should be **90% or greater**.

We believe this is driven by three key factors:

- **Clear Expectations** – because there is a clear understanding of the qualifications that are expected throughout the sales cycle, and because there is training and reinforcement as to how to ask and obtain those qualifications, sellers pursue deals that have a higher likelihood of closing. This improves win rates.

- **Manager Reinforcement** – because there is a consistent understanding of how sellers are supposed to navigate each step in the sales process, when sellers struggle, managers have a framework to determine whether the challenge is a skills-based issue or whether a sales cycle requires a course correction. This improves coaching and seller effectiveness.
- **Consistent Communication** – because sales methodologies create a framework of terminology, it becomes easier to assess the status of deals. There is a clearer understanding of selling hurdles and closing issues all the way up the chain of command. This improves forecast accuracy.

The adoption metric is crucial. It shows how critical it is that the use of a sales methodology becomes a foundational element of the sales organization’s culture and protocols. The more consistently the methodology is used, the higher the likelihood of the sales organization’s success.

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## Conclusion

Our poor sellers are in a constant state of stress, pressed on the one side to fluidly navigate the buyer’s sometimes meandering journey and on the other to accurately meet their leadership’s rigid forecast requirements. To be successful in today’s selling environment, our sellers must influence and subtly direct the buyer’s journey or at least align to it with intention. This skill maximizes their ability to win winnable deals, to support the forecast needs of their sales leaders, and, most importantly, to ultimately serve their customer, who may legitimately need guidance for their evaluation.

And, not only does the seller need a sales methodology, but the sales enablement team does as well.

Sales enablement is starting to gain recognition as a critical function within businesses. The responsibilities of the sales enablement team are expanding but will always require that they incorporate trainings that show sellers how to successfully sell. And, this requires a foundation of terminology, process and alignment that only a sales methodology can provide.

There should be no surprise, then, that there is a shared correlation between seller performance and sales enablement organizational maturity (as explained in the *2017 Sales Enablement Optimization Study*) and between seller performance and sales methodology maturity (as explained here).



It is highly recommended that if you are a sales enablement leader who is seeking to achieve the highest level of organizational maturity, and you are looking for a focal point, a mechanism to help you create the discipline that is required, you should seriously consider re-investing (or investing, if you haven't yet) in deploying a sales methodology. It lies at the heart of how your sellers sell. Through consistent use, effective training, and prevalent adoption, your sales methodology will generate significant returns and financial results.

#### About CSO Insights

*CSO Insights is the independent research arm within Miller Heiman Group™, dedicated to improving the performance and productivity of complex B2B sales. The CSO Insights team of respected analysts provides sales leaders with the research, data, expertise, and best practices required to build sustainable strategies for sales performance improvement. CSO Insights' annual sales effectiveness studies, along with its benchmarking capabilities, are industry standards for sales leaders seeking operational and behavioral insights into how to improve their sales performance and to gain holistic assessments of their selling and sales management efficacy. Annual research studies address sales and service best practices, sales enablement and sales performance optimization.*