



Two Things to Measure Before You Set New Sales Goals

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I was on The New Yorker website when I stumbled across a cartoon of a man, presumably, a manager of some kind, talking to another man sitting in a cubicle. The caption read: "We're getting ready to begin the next phase of keeping things exactly the way they are."

It wasn't the greatest New Yorker cartoon I'd ever seen, but it did make me think: How many sales managers out there are essentially saying the very same thing to their sales forces? How many are holding on to the same sales goals even though they know full well that the market, their tactics, or team's focus has changed? How many are using their sales forces in the same way, year in and year out, despite not ever having accurately measured their effectiveness?

Sales managers who freeze when it comes to creating new sales goals usually do so because they're afraid of making mistakes or think the goals have to be perfect before they ask their teams to reach them. The truth is that the goals don't have to be perfect. They do, however, have to shift along with industry trends, in accordance with tactics that are and aren't working, and with your organization's business goals.

When it comes to sales, we all know that the one thing that will result in certain failure is standing still. Sales managers probably know this better than most, and yet, when it comes to setting new sales goals, many do just that. They set goals for the month, quarter, or year, and no matter how the climate around them changes, they remain stoic in their resolve to meet their original targets, even if hitting those targets may no longer be appropriate—or even realistic.

Of course, it does no good to set new goals or amend existing ones simply for the sake of doing it. Just because your goals don't have to be perfect doesn't mean that you should set them uninformed.

You have to set your goals as well as measure levels of achievement. Determine the quality of opportunities and how to close them. To do this, you need a solid set of metrics and to perform analyses on a regular basis in order to uncover whether the metrics are being met, and also, whether the metrics themselves are creating the desired results for your company.

Some basic metrics you might use to judge opportunities and the processes required to close them might be:

- Was there an opportunity?
- Could our company compete?
- Did our company win the opportunity?
- Was the opportunity worth winning?

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These questions should each be expanded upon through a variety of sequential sub-questions customized to address the unique attributes of each specific campaign. Track all leads by lead source, work your campaigns, and then analyze your results in order to determine which campaigns are providing the best quality leads, resulting in appointments, opportunities, valued customers, and encouraging your sales team's efforts to attain these things.

You also have to determine the effectiveness of your sales force. Some key metrics you can use to measure sales team effectiveness are:

- Win amount
- Win percentage
- Ability to predict when wins will occur
- Sales pipeline flow
- Account penetration
- New account acquisition

Once you have these metrics and additional metrics customized to reflect your company's particular sales processes in place, analyze them regularly. For most companies, it is necessary to perform basic evaluations on at least a monthly basis to get usable results. When the results come in, set or adjust sales goals and address any issues that are negatively impacting the effectiveness of individual team members and your sales team as a whole.

When you examine the success of your sales campaigns and effectiveness of your sales force in a logical, methodical, and timely manner, you empower yourself to not only set appropriate goals and better manage your team, but to make high-level decisions regarding your sales processes, training programs, and awards and recognition programs—all of the things that should impact goals and that most definitely impact sales.

Don't be the manager in The New Yorker cartoon. In a country in which eight-point-something people are still out of work, "getting ready to begin the next phase of keeping things exactly the way they are" is not going to cut it. Instead, evaluate your sales efforts by calculating your investments and using metrics and analyses to determine what returns you're getting and what returns you might be able to get. You'll probably never set the perfect sales goals (What do those look like? Have you ever seen any?), but by honestly evaluating your sales campaigns and sales force, you can certainly improve your chances of setting and reaching goals better than the competition.

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