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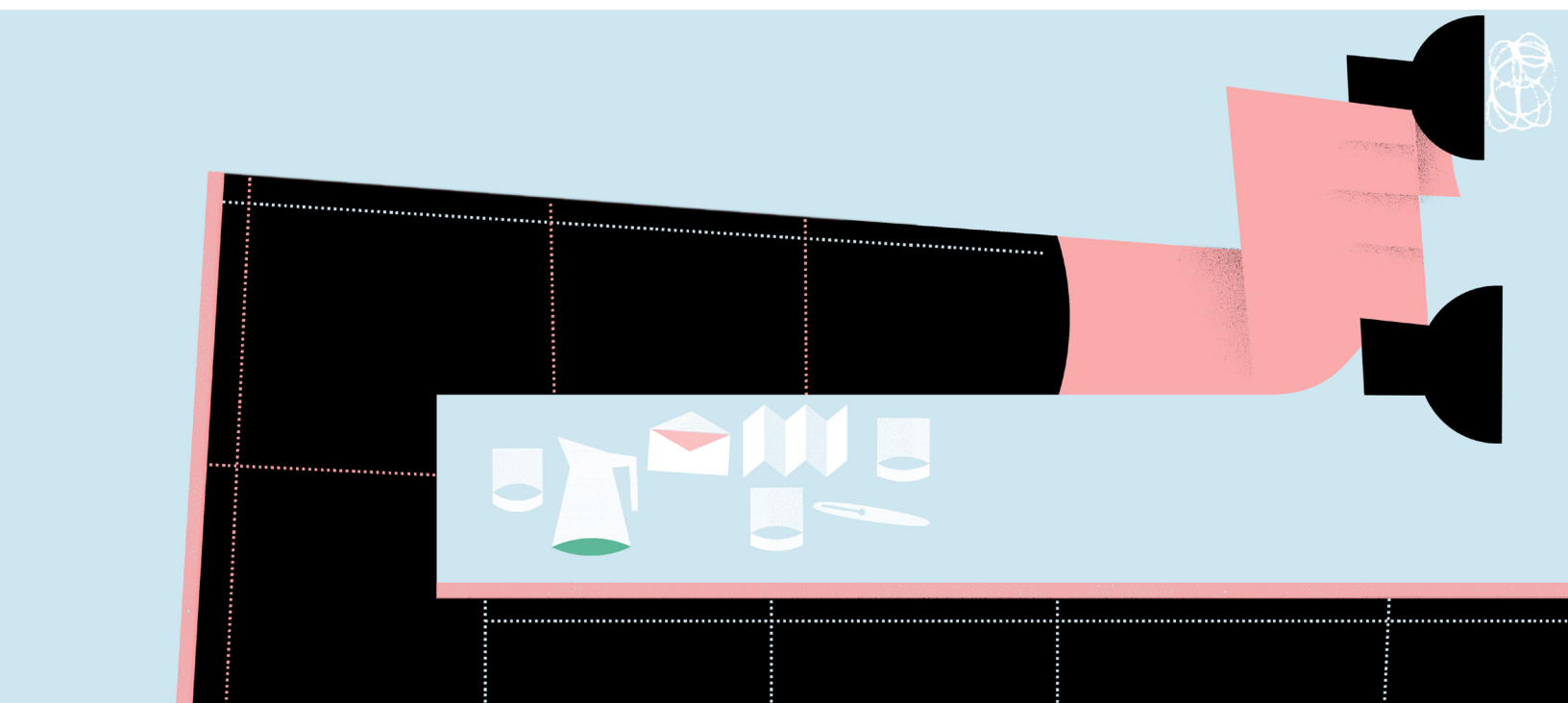
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MARKETING & SALES PRACTICE

Freeing up the sales force for selling

Most sales reps spend less than half of their time actually selling. Here's how companies can reshape sales operations to allow them to focus on their real job.

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Here's a situation that may sound familiar. “Inside” sales reps¹ at a global manufacturer spent 75 percent of their time away from the phones—pushing through stalled deals, scurrying for data to answer questions from customers, and cobbling together one-off proposals for even the simplest requests. Highly paid field reps spent 45 percent of their time on internal sales support and tracking the progress of deals. Developing a standard proposal required meetings with as many as seven people, and field reps had to spend up to three weeks of constant effort to get a special price approved. This model of inefficiency culminated when the company fumbled a new-product launch because it failed to meet the deadline for proposals to secure initial orders.

That was the wake-up call the company needed. For two years, it worked to streamline its global sales operation by creating “sales factories” comprising specialized sales support staff with clear responsibilities and deal coordinators to shepherd sales through the system on behalf of reps. Internal processes were standardized and simplified, and a comprehensive performance-management system was implemented. While not all companies can successfully achieve these difficult and time-consuming transformations, the rewards are worthwhile for those that rise to the challenge. When the program was rolled out country by country, in some cases the impact was felt in just four months: reps gained an average of 15 percent more time for selling, conversions of proposals to sales rose by 5 percent, and the cycle time for internal sales processes shrank by 20 percent.

We find these results to be typical at large companies, yet few tackle the problem: sales operations remain a great unmanaged cost center in many organizations and a woefully underleveraged source of growth and differentiation.

Tuning sales operations for growth

The guiding principle of all sales operations makeovers is to maximize time for selling and relationship building. That sounds obvious, but it's critical to remember as the drive for effectiveness collides with the forces of rising complexity. Companies must understand the scope and scale of their sales operations and then promote efficiency throughout the sales process.

Identify problems and opportunities

Companies typically restrict their definition of sales operations to transactional activities such as deal configuration, quote generation, and credit checks. A broader, end-to-end view recognizes that the functions supporting sales are interdependent. Sales operations begin with transactional support—activities critical to processing deals—but also involve groups that work directly with sales but are not tied to specific transactions, such as help desks, finance, IT support, and human resources. In addition, there are projects to enable

¹Salespeople who engage with customers remotely—by telephone and e-mail—rather than face to face.

sales, as well as strategy and reporting activities including sales compensation, coverage analysis, and territory planning. All of this consumes the time not only of the employees directly involved but also (when not executed effectively and efficiently) of sales reps. In fact, many senior executives suffer from sticker shock when the true extent of sales operations is calculated: more than 5,000 people spending upward of \$1 billion a year at one technology company, for example. Even in the best-run organizations, sales operations tend to be scattered and costs tucked into hidden budgets.

Gaining this comprehensive view of sales operations is critical to identifying opportunities to free up the time of reps so they can concentrate on actually selling, as well as to eliminate the duplication of activities. One approach is to find out where the process breaks down by following orders to completion from their point of inception—as far back as the qualified lead. Once this sales path has been mapped, solutions can be developed and standardized, with careful consideration to how actions in one area affect others.

We find that companies often struggle with the results of this analysis, which reveals just how inefficient their sales operations really are. When one logistics company plotted its comeback from the recent recession, for example, it discovered that reps spent just 35 percent of their day actively selling, because they were consumed by nonsales activities such as billing-system updates, firefighting, and internal communications.

[Optimize the entire sales process](#)

Once opportunities to improve the sales process are identified, it's critical to implement comprehensive solutions. Consider what happened at one company that worked hard to reduce the time needed for the steps in its sales process. Although it diligently improved each of them over the course of several years, the total cycle time worsened significantly, and frustrated customers began threatening to switch. Although the company had optimized the individual stages, the lack of end-to-end management led to enormous lags between them. Employees were measured on turnaround time, for example, and in an effort to speed things up began handing off work with incomplete information, which led to rework and delays. The cycle time doubled, even though each step was completed more quickly.

The company set out to transform its back office before it lost any major customers. For starters, it asked a few of them to serve on an advisory board for process redesign and followed a sample of orders through every step to see where delays occurred. The company soon discovered that deals worth just 20 percent of its revenue consumed 80 percent of the work in sales operations. The solution was to segment deals along three tracks, based on the value and complexity of orders—simple, medium, and high. Each track's process was tailored to remove unnecessary steps; for instance, the company eliminated the need to go back through the full process when minor price changes occurred. Resources freed from simpler deals were reallocated to highly complex, large-value ones that required

extensive customization and hand-holding. The advisory board provided feedback at every step. Although the new model required customers to change their own internal processes, they did so quickly once the benefits became apparent.

This new system cut the time required to complete deals by months, weeks, and days, respectively, for simple, somewhat complex, and highly complex ones—all the while delivering consistently strong service quality. The elimination of unnecessary steps cut the cost of sales operations by 15 percent. One customer was able to reduce by 25 percent the resources dedicated to interacting with the service provider.

Making it happen

Transforming sales operations isn't easy. First, companies have a natural aversion to tinkering with the sales force—senior executives must overcome the common fear that disrupting it will jeopardize revenue. Second, executives from not only sales and sales support but other functions, such as finance, must work together to recognize and pursue opportunities. Third, successful transformations require steadfast support from the very top: someone must compel executives from across the organization to sit down, share data, and be willing to talk about what's not working. A top leader must override internal politics, see the big picture, and focus on the best solution regardless of past practices.

In addition, new capabilities and talent may be required because successful transformations fundamentally change business processes and the ways multiple stakeholder groups interact, from customers to both the front and back offices. When one consumer-packaged-goods company redesigned its Latin American sales operations, for example, it centralized and streamlined many tasks (for instance, credit checks and the ordering of services) that had previously been carried out by sales support at the country level. This move freed support staff to pursue higher-value activities such as pricing strategy and postpromotion analysis and boosted the impact of the time returned to the sales team.

Finally, winning back and protecting selling time requires vigilance. The growth and proliferation of sales channels in the business-to-business and business-to-consumer worlds continually reinject nonselling activities into a sales rep's day. In addition, old habits chip away at selling time: a rep's reflexive response when a customer demands a quick answer is to drop everything and dive in, even when a modern sales support mechanism is in place to handle any issue faster and better. "It is key to stop reps from bypassing the new system, even if reps think they are more effective," says one top sales executive at a high-tech company. "Their time is better used to sell."

One company decided to address the problem by setting aggressive targets for metrics such as the number of meetings with new customers per week. Giving reps goals they

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could not meet without changing their behavior forced them to trust the process. Success became self-reinforcing: the more they stayed out of the support realm, the better they performed.



Viewing sales operations across an organization isn't easy, nor is implementing changes that affect the entire sales process. Yet the more sales operations can be streamlined and back-office overlaps reduced, the more likely customer satisfaction will improve as deals close quickly and disputes are resolved promptly. At major companies, the result can often be hundreds of millions of dollars in higher revenues and lower costs. Such benefits speak for themselves. ○

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