



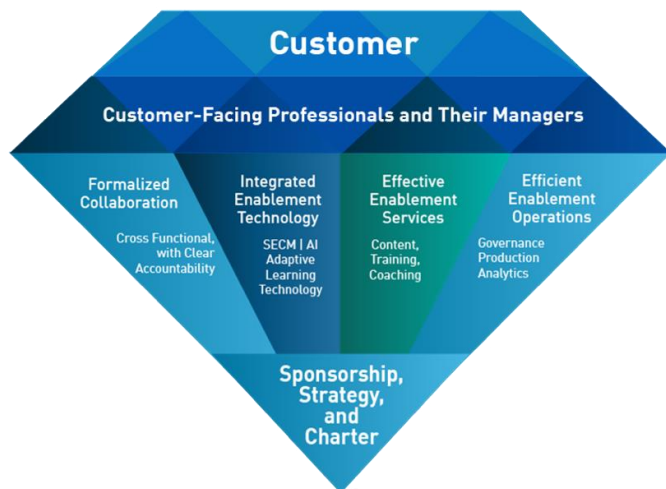
CSO Insights™
The Research Division of Miller Heiman Group

Fifth Annual Sales Enablement Study



EXECUTIVE SUMMARY

In our Fifth Annual Sales Enablement Study, we find for the second year in a row a steady trend that sales enablement is slowly and steadily maturing rather than continuing to grow very fast. Overall, this results in some positive news. More organizations followed a formal and charter-based sales enablement approach with significantly better business impact. In other cases, however, it is apparent that the lack of a content strategy, or the lack of effective collaboration and missing processes hold sales enablement back from achieving greater successes. For sales enablement to drive business impact and become the sales force's key engine to drive sustainable sales results, more formality, more strategy, and more focus on a holistic approach is urgently required.



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Using the CSO Insights Sales Enablement Clarity Model, here are some of the key study findings:

Customer: While most organizations align selling processes to the customer's path, the alignment dropped compared to last year, and only one-third also aligned their enablement services accordingly.

Sponsorship, Strategy, and Charter: Formality and close alignment to the business strategy and specific challenges matters. More organizations followed a formal and charter-based approach and saw significantly better results compared to those with a random or informal approach that achieved results way below average performance.

Customer-facing professionals and their managers: We found that the majority of organizations reported an engaged sales force, heavily impacted by their sales managers' leadership style. Additionally, the better the seller engagement, the lower the turnover rates.

Effective Enablement Services: To meet buyers' expectations, an integrated approach is key to success. Implementing a content strategy, focusing on selling skills, sales methodology and process training services as well as a formally implemented coaching strategy drive results.

Integrated Technology: Organizations show different implementation levels for content, learning and coaching solutions. Overall, considering the CRM as anchor for all enablement technologies drives sales productivity.

Formalized Collaboration and Efficient Enablement Operations: The majority of organizations still collaborates in an ad hoc manner and works without a production model that defines the sequence of activities to produce enablement services. The more formal the sales enablement approach, the better implemented these inner workings are.

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Sales Coaching

For the last five years, sales coaching has had the greatest impact on win rates and quota attainment. However, less than half of the study participants leverage sales coaching effectively. As we get this question frequently, let's first differentiate between sales training and sales coaching before going into the details.

Sales Training and Sales Coaching Defined

Sales training covers a number of training areas such as selling skills and techniques, sales methodologies, sales processes, sales technology, and the whole range of product training services. Sales training can be delivered in various training formats such as e-Learning, instructor-led online and classroom sessions, hybrid formats, and many more.

The goal of sales training is often to kick off change, e.g., as an initial step to establish new skills and methodologies or to develop new behaviors. However, sales training alone cannot achieve sales enablement's goal to engage, equip, and empower sales professionals to be valuable, relevant, and differentiating in every buyer interaction. To make sales training effective, it requires ongoing sales coaching efforts.

Sales coaching is a process by which sales managers or dedicated sales coaches use a defined approach and specific communication skills combined with domain expertise to facilitate structured conversations with sales professionals to uncover improvement areas and opportunities

for new levels of sales success. Sales coaching builds on sales training efforts to drive sustainable performance improvements. Additionally, sales coaching should drive adoption and reinforcement of the already-implemented enablement services. Sales coaching covers different coaching areas such as lead and opportunity coaching, funnel coaching, skills and behavior coaching, and account and territory coaching.

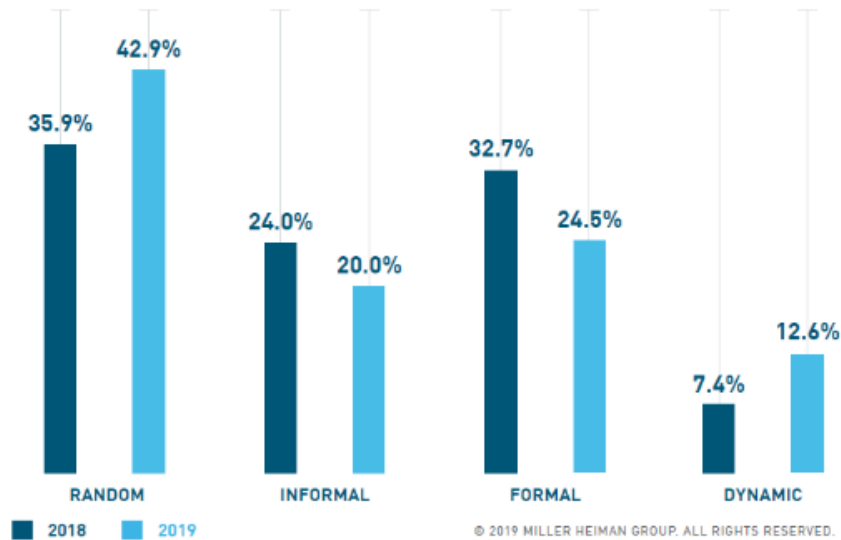
Sales Coaching Still Too Random

As vital as sales coaching is, the majority of organizations (62.9%) said they follow a *random* (coaching is left up to managers) or *informal* (coaching guidelines may exist, but no formal implementation) approach. The percentage of organizations that followed a more *formal* (purposeful and fully implemented) or even *dynamic* (*formal* plus coaching services tailored and aligned to the enablement services for salespeople) approach to sales coaching was only 37.1%.

Overall, more organizations followed a dynamic coaching approach this year than last. However, more organizations are also in the random category than last year. It's likely that these are organizations that have only recently added sales coaching to their sales enablement discipline.

When we looked deeper, we found a very strong relationship between the coaching approach and the way sales enablement is set up as a discipline. When the organization took a formal approach to sales enablement (with or without a charter), 56.9% of

Sales Coaching Approach 2018-2019

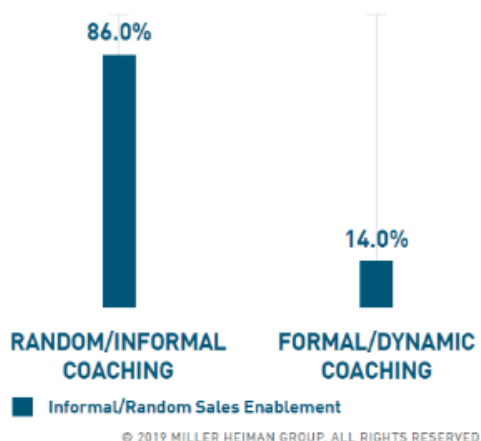


the time, they also took a formal approach to sales coaching. Conversely, only 14.0% of those with an informal approach to enablement approach sales coaching formally.

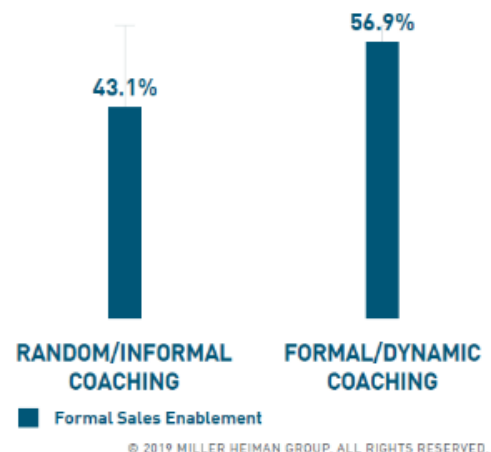
The more formal sales enablement, the more mature the coaching approach.

That said, we find it interesting to see that of those organizations with a formal sales enablement approach, 43.1%, still approach coaching informally. This may be an indication that, way too often, sales coaching is considered separate from sales enablement and or treated as an afterthought.

Sales Coaching Approach if Sales Enablement Setup is Random/Informal



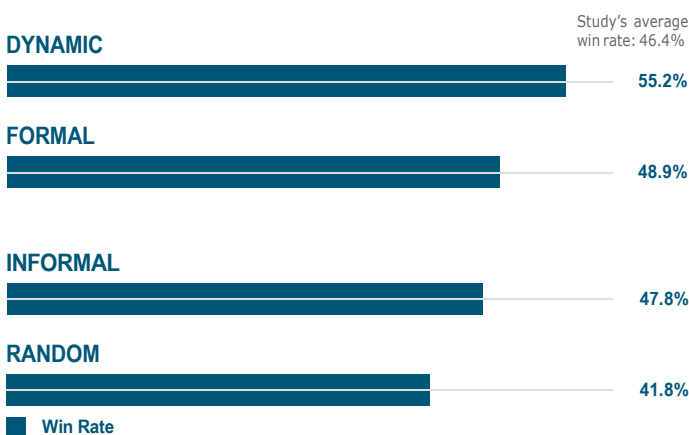
Sales Coaching Approach if Sales Enablement Set-up is Formal (with or without charter)



Dynamic Coaching Drives Double-Digit Results

As in previous years, the data shows that sales coaching has an impact on performance. And, as might be expected, the more formal sales coaching is, the better the performance impact. If you still need to make a business case for sales coaching enablement in your organization, the data points from this year's study should be a tremendous help.

Sales Coaching Approach vs. Win Rates



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As in previous years, leaving sales coaching up to the managers resulted in win rates and quota attainment rates well below the study's average. While you sometimes need to walk before you run, an informal approach to sales coaching should only be considered an interim step, as only formal and dynamic sales coaching led to significantly better results.

Those with a dynamic approach achieved an average win rate of 55.2%, 13.4 points higher than those with a random approach and 8.8 points higher than the study's average win rate. In terms of actual improvements in percentages, that's an

improvement of 19.0% compared to the study's average, and 32.1% compared to the random approach. For quota attainment, the impact was even stronger this year.

Dynamic sales coaching showed double-digit improvements in sales performance on both quota attainment (21.3%) and win rates (19.0%) over the study's average.

Dynamic coaching showed even stronger improvements over the random approach: a 27.9% improvement in quota attainment and 32.1% for win rates.

Overcoming the Inertia

Despite the business case that can be made for sales coaching, many organizations have followed an informal approach for years, and it can be challenging to inspire a sales organization to take a different approach to management. As noted in the previous section, our study shows that alignment to enablement services (the hallmark of dynamic coaching) can also serve to create quick wins that can help you win support.

Here are some additional ideas for moving from informal to dynamic sales coaching enablement:

1. Involve and engage your sales managers.

As their primary focus is sellers, sales enablement leaders often have almost no relationships with sales managers, even in the 73.7% of respondents that said they include frontline sales managers in their enablement efforts.

Enablement only pays off when sales managers are engaged and everyone is working toward the same goals. The first step is to build relationships with them. Then, involve them early on in enablement strategy and whenever you are about to create new enablement services, especially for new initiatives. Listen to their feedback, integrate their suggestions, and ask them what they would need to make this initiative a success. Finally, using the findings from this study, explore the concept of sales coaching with them to better understand where they are and what enablement services they need the most.

2. Create a business case.

Once you've established a relationship with your sales managers, you can use the results from this study combined with their feedback to create a business case. Remember to clearly differentiate between sales training and sales coaching to avoid confusion. Involve your sales managers in the process and, if appropriate, let them present the business case. It will be even stronger and more convincing if the request comes from sales management (as an execution function) instead of sales enablement as a support function. This is often the hardest step as too many still think of sales coaching as a soft skill or one that is not necessary. This is especially true in very male-dominated organizational cultures and those whose sales leaders were never coached themselves. Make the case on the mental level and address the emotional level, too.

3. Run a successful pilot on sales process and methodology.

To ensure maximum impact and an easy starting point, begin with a sales coaching pilot revolving around sales process and methodology enablement. If your organization is using a licensed sales methodology, your provider may already offer related sales coaching services that you can quickly leverage. If your environment is self-developed, or you and your sales managers see the need to tailor the coaching approach, run a pilot in one or two sales teams and measure the impact on adoption rates and performance as a proof of concept before rolling the services out to a broader audience.