

FOUR FACTORS

of Sales Transformation
and Cost-Effective Growth

Best practices of fast-growth organizations



SellingPower



SELLING IS HARDER THAN EVER.

Most organizations are dealing with changing buyer demands, longer and more complex sales cycles, and declining sales performance. These cycles are making it harder than ever to decrease deal time, forecast accurately, eliminate costly sales efforts that eat time and budget, and grow at a pace that keeps up with the competition and the market. There are a multitude of training, software, and enablement tools on the market but they aren't empowering organizations the way they need to—sales leaders still don't have what they need to forecast accurately, sales coaching isn't linking to quarterly results and business outcomes, and revenue isn't coming in the door quickly enough.

These challenges are common among a majority of today's organizations, but not all of them. The few that have figured it out are seeing high growth rates of 30 percent or more.

SO, WHAT ARE THEY DOING DIFFERENTLY?

That's what the scientists at AuctusIQ® in partnership with Selling Power set out to discover. In a recent survey of 127 sales organizations, we sought to validate the most powerful predictors of business growth through sales and identify what fast-growth companies are doing to accelerate growth that low- or no-growth companies are not doing.

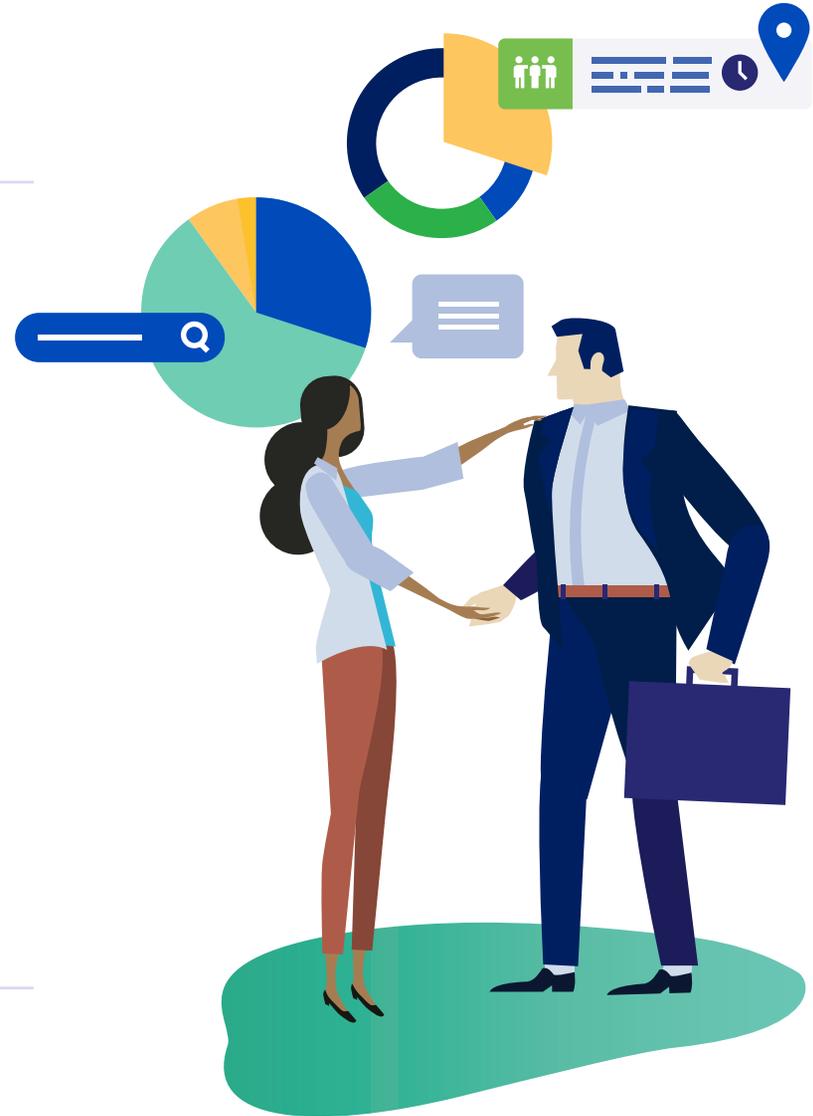
OUR FINDING: FOUR FACTORS ACCELERATE GROWTH.

The study uncovered significant relationships between what sales organizations are doing and how fast they are growing based upon their annualized growth rate during a three-year period. These relationships (found across segments analyzed by size of business) were most pronounced in small- to mid-sized organizations with average annual revenues of \$250 million. Companies that implement these predictive practices of growth consistently are running 30-plus percent annual growth rates; whereas companies that implement these practices less frequently, or not at all, demonstrate low to moderate growth.

“THE FREQUENCY THAT THESE PRACTICES ARE IMPLEMENTED DIRECTLY PREDICTS HOW FAST THE COMPANY IS GROWING. FOR COMPANIES FOCUSED ON GROWING THEIR BUSINESS, THIS IS INCREDIBLY COMPELLING DATA.”

DR. COURTNEY MCCASHLAND

Co-founder and Chief Officer of Science & Strategy, AuctusIQ



CURIOSITY LED US TO INSIGHTFUL DATA

AuctusIQ scientists were so curious about what makes great sales organizations successful that they looked at every single aspect of selling and how it affected the likelihood of success. Through empirical research studies conducted by AuctusIQ scientists over a 25-year period across thousands of sales teams from hundreds of sales organizations, 20 growth predictors emerged as leading indicators of success.

These predictors were ranked according to their impact on growth after measuring the effects of multiple factors, including the changing demands of buyers, the skills and talents of every seller and sales leader across the salesforce, coaching strategies, sales compensation, the use of assessments to measure the skills of top sellers, how and how often sellers were measured, how often coaching took place, how often sellers were given feedback, the application of sales systems to leverage CRM data, and much, much more. These studies revealed powerful practices that impact how often deals were closed and the time it took to close them, win rates, and the overall year-over-year growth rate of the company.

Once everything was vetted, AuctusIQ researchers narrowed their investigation to test the high-growth metrics through the GrowthIQ study conducted in partnership with Selling Power. The study validated the AuctusIQ 20 growth predictors as statistically significant predictors of growth rates (annualized over a three-year period), and the top four factors were found to have the greatest power offering valuable implications for companies seeking solutions to accelerate their growth rates into the future.

The respondent pool spanned three categories: small businesses, defined as less than \$250 million annual revenue; medium-size businesses, between \$250 million and \$1 billion annual revenue; and enterprise organizations, more than \$1 billion in annual revenue.

Researchers divided respondents into four growth categories based on annualized growth over three years: no growth (six respondents), 1-15 percent growth (85), 16-30 percent growth (26), and 30-plus percent growth (10). They analyzed each growth segment against the 20 growth predictors and, through regression analysis, sought to identify some of the causal relationships underlying the data.

Based upon hundreds of studies Selling Power has conducted over the years, the results of this study with AuctusIQ were stunning. Across companies, four factors showed up as accelerating growth, with nearly all the high-growth companies claiming them as hallmarks of their sales organizations—and growth rates declining as the presence of these factors declines.

The following pages share, in order of statistical significance, the four critical predictors of growth, and the best practices of high-growth organizations.

GROWTH PREDICTOR



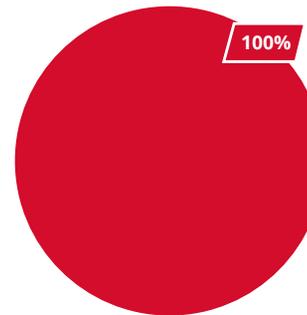
Overall, I would rate our selling system for closing business in the top 20 percent of organizations in our industry.

Three-quarters of companies in the high-growth segment agree or strongly agree that their selling system—including methodology, process, and/or technology—is a winner; while every organization in the no-growth category disagrees.

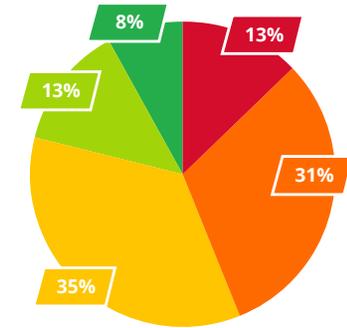
“It goes back to the belief system sales leaders adopt. No-growth companies often operate on the principle that it’s all about the transaction, it’s all about the relationship. The high-growth companies feel it’s all about value—and you have to have a system for creating value.”

Gerhard Gschwandtner, Founder and CEO, Selling Power

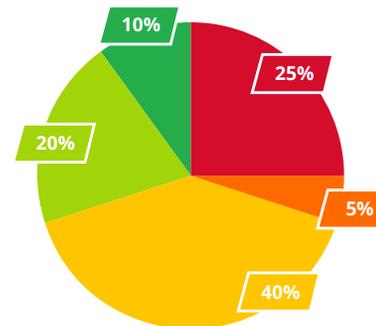
NO GROWTH



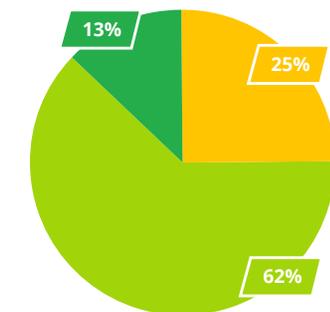
1-15% GROWTH



16-30% GROWTH



30+% GROWTH



GROWTH PREDICTOR



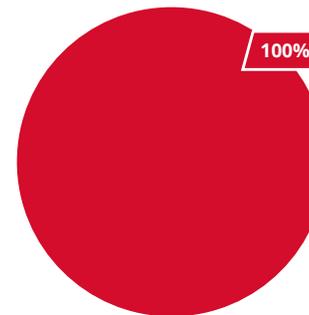
Our sellers have been trained on deal strategies that shrink sales cycles and increase win rates.

Where the first two growth predictors focus on process, the other two growth predictors are people-centered. It makes sense: Your process and technology could be first-rate, but they won't work for you without the right people trained to put the right sales approach into action.

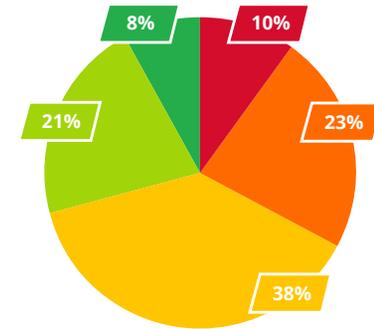
While both “right people” and “right training” are essential here, the latter came in with a slight edge in its relative importance to driving growth. Nearly two-thirds of the fastest-growing companies say they have great training that measurably impacts key results, but none of the no-growth companies do. The difference? High-growth companies understand and operate under the assumption that the sales process must create value and, in turn, have a system in place to accomplish this and to differentiate themselves in the market—making them a stronger contender in deals and accelerating the sales cycle.

Additionally, fast-growth companies understand that having the right people is key—but coupling the right training with the right deal strategy is what enables companies to accelerate sales, close deals, and grow revenue.

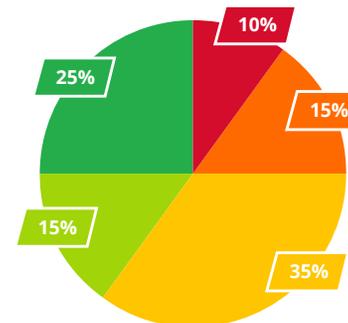
NO GROWTH



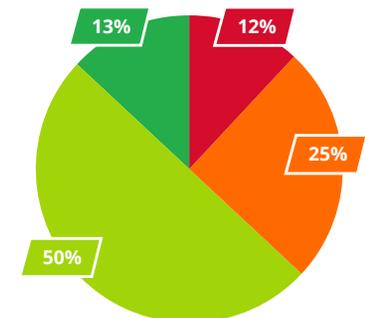
1-15% GROWTH



16-30% GROWTH



30+% GROWTH



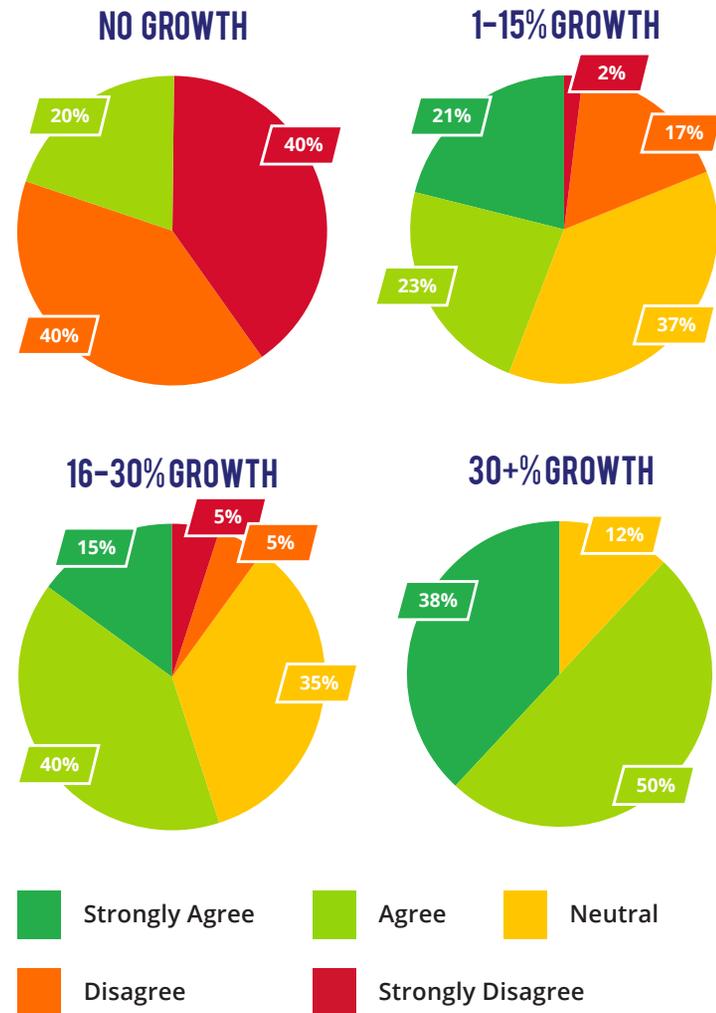
GROWTH PREDICTOR

3

The talents and skills of our sales force are a strategic competitive advantage for our company.

Nearly 9 in 10 high-growth organizations gave a vigorous nod to this statement. However, the opposite was true in the no-growth segment — where 8 in 10 said their people weren't a strategic competitive advantage.

High-growth companies have figured out how to hire people with the innate DNA and sales skills to deliver exceptional results. This growth predictor lies squarely at the intersection between great training (Growth Predictor 2) and great people (Growth Predictor 4). Hire the best, train them meticulously, and they'll drive the results you want to see.



GROWTH PREDICTOR



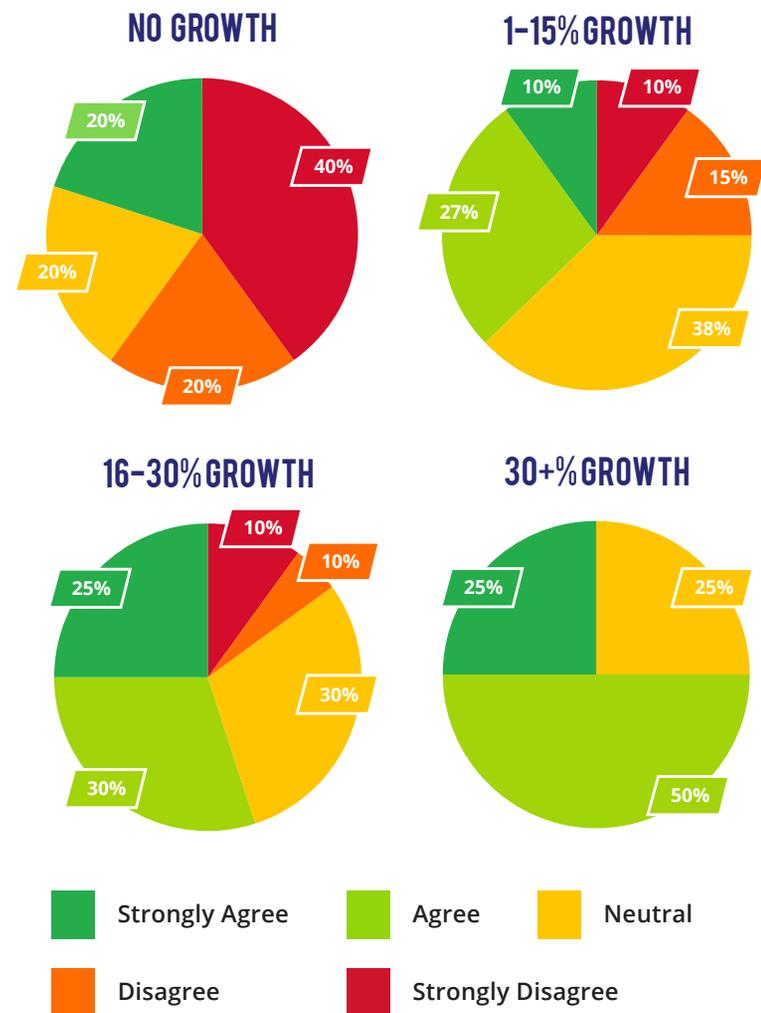
Overall, I would rate the talent of our sales force among the top 20 percent of organizations in our industry.

The results were nearly parallel to Growth Predictor 3 above, putting a bold underline beneath the importance of talent. The message is clear: You can't afford to have poor performers on your team.

Too often, sales managers either hang onto mediocre (or worse) talent or hire someone who isn't quite the right fit because they believe that having someone in a territory is better than having a territory open. Not true! By settling for a poor hire or for not having every salesperson on your team accelerating sales, you are settling for disappointing results. It all comes back to having a science-based approach to sales.

"When you look at sales with a more analytical mind, you know the actions to take with regard to hiring the right talent and preparing the right talent for winning more customers."

Gerhard Gschwandtner, Founder and CEO, Selling Power



THE POWER OF FOUR:

THE FOUR GROWTH PREDICTORS MAKE EVERYTHING BETTER

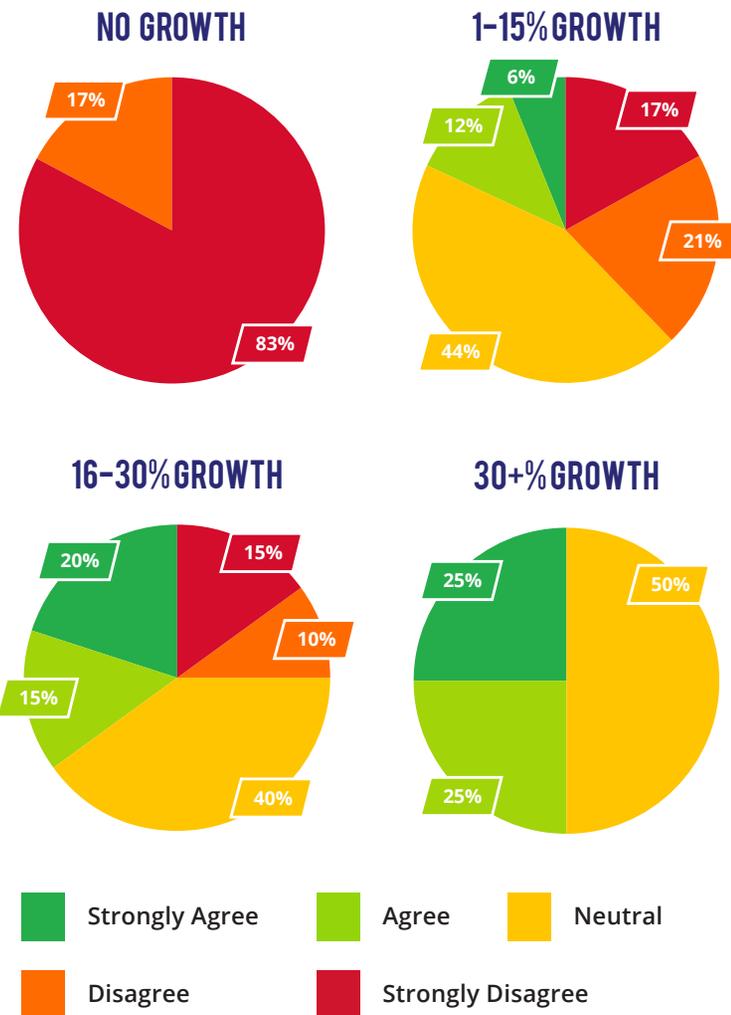
This study also revealed an added bonus that high-growth sales teams experience: If a sales team gets the first four predictors right, everything else is lifted up. Evidence of the four predictors makes everything else better—even your CRM.

From an operational standpoint, the four predictors boost every single aspect of selling. So, managing talent is more efficient, coaching is better, finding great talent is easier, and closing deals is faster. And when a sales organization becomes operationally better, it runs more efficiently, which means you have more cost savings.

Here’s an example of the affect these four predictors can have on just one aspect of your sales process. Half of all high-growth companies agreed or strongly agreed that they have effectively implemented their CRM to drive growth—and none disagreed; conversely, 100 percent of no-growth companies lamented that their CRM was not paying off for them.

“These organizations are seeing the greatest return on investment in their CRM platform; delivering return through a measurement-based selling system and making significant financial investments in the talents and skills of their people. They also have highly effective sales leaders who excel at getting the best from their people and leaders, and who take an individualized approach to helping them accelerate their growth.”

Troy Kanter, Co-founder and CEO, AuctusIQ



3 CASES OF HIGH-GROWTH SALES ORGANIZATIONS

	SITUATION	RESULT
 <p>VC Backed, HCM SaaS software platform</p>	<p>Early-stage emerging tech innovator. They engaged AuctusIQ to operationalize and scale its salesforce. Implemented the entire AuctusIQ Growth Platform for DeallIQ, TalentIQ, and CoachingIQ.</p>	<p>↑ OVER 10X increase in ARR in less than four years</p>
 <p>Mid-Market PE owned company in the highly competitive and mature corporate rewards business</p>	<p>First utilized AuctusIQ for deal strategy to lower selling costs and drive revenue. Then, it implemented TalentIQ and CoachingIQ to improve individual seller production</p>	<p>↑ DOUBLED NEW BOOKINGS in two years while reducing sales cost by more than 20%</p>
 <p>Mid-Market tech-enabled service provider in the legal process outsourcing space</p>	<p>The company needed a data-driven system that allowed it to scale globally, quickly absorb acquisitions, and operationalize the salesforce.</p>	<p>↑ DOUBLED REVENUE in three years while achieving the highest organic growth rates</p>

The research clearly concludes that independently attacking each of these four predictors of growth will improve growth rate. However, there's a strong interrelationship between the items—a correlation in which improving in one area drives improvements in others. For instance, if you hire the best talent and train them on a great selling system, you'll improve your CRM and selling system adoption. So, while these four factors do predict growth, they work together to get there.

“With predictive analytics to manage the selling cycle, the results for our clients are exceptional. We've seen win rates double year-over-year, sales cycles condense, and sales leaders gain confidence in their ability to accurately forecast. Growth happens when organizations learn how to focus on what matters most to performance.”

Courtney McCashland, Co-founder and Chief Officer of Science & Strategy, AuctusIQ



AUCTUSIQ

AuctusIQ is a sales growth acceleration system that applies winning methods and practices to sales organizations through performance-based analytics. The AuctusIQ platform delivers three core solutions to focus sales talent on high-impact activities scientifically proven to accelerate growth. Since its inception, the company has empowered large global firms to double close rates and minimize the cost of customer acquisition, among other things. For more information about AuctusIQ visit auctusiq.com.

SellingPower

In addition to Selling Power magazine, the leading periodical for sales managers and sales VPs since 1981, Personal Selling Power Inc. produces the Sales Management Digest and Daily Boost of Positivity online newsletters, as well as a series of five-minute videos featuring interviews with top executives. Selling Power is a regular media sponsor of the Sales 3.0 Conference. Learn more at sellingpower.com.

“Every organization is chasing growth and transformation. The most common mistake executives make is to throw money at it—race to fill open territories or double down on activities that don't necessarily lead to increased win rates. Many times, this just adds to the expense and the challenge rather than solving it. If you really want to drive cost-effective growth, you need to understand your talent, coaching, and deal intelligence. You must have a solid system in place that provides value across your people and your processes. High-growth organizations are able to apply these four best practices effectively because they understand the elements of talent, leadership, and deal strategy.”

Troy Kanter, Co-founder and CEO, AuctusIQ