

Driving Sales Growth

Through Sales Effectiveness and Compensation

By John M. Bremen and Jon Randall with Paula DeLisle

UNDER THE DYNAMIC market conditions that companies in Greater China enjoy today, organizations face turbulent economies, tighter labor markets, expanding performance expectations, ongoing cost management requirements and globalization. Managing and compensating a company's sales force to ensure superior company performance and sales growth are key to a firm's ability to thrive amid an ever-changing marketplace.

Companies leave money on the table by not organizing, deploying and rewarding sales forces effectively. Maximizing Sales Growth and Performance, Watson Wyatt's 2007/2008 Report on Sales Effectiveness and Compensation, demonstrates that by defining roles clearly, allocating time appropriately and guiding salespeople to the right customers or prospects, companies can derive substantial incremental sales with minimal investment in headcount or other fixed-cost elements.

This year's study focuses specifically on two prevalent sales roles: New Business Developers (NBDs) and Account Managers (AMs). Both are critical to enhancing sales performance and growth, but each role respectively should be designed, deployed and motivated to spend time on activities very differently.

Key Findings

- For a NBD, simply shifting two hours per week to productive activities equates to millions in incremental sales for a company with 1,800 NBDs, and potentially billions of dollars more for the world's largest companies.



促进销售增长之方法

分析销售效益与报酬

文/ John M. Bremen、Jon Randall、Paula DeLisle



今日，在大中华地区的公司正处于一个不断变动的市场，企业面对变幻莫测的经济趋势、需求日增的劳动市场、持续成长的预期绩效、不断增加的管理成本需求以及全球化等问题。管理和强化公司销售力，不但可确保公司绩效与业绩不断增长，更是公司得以因应市场趋势不断变化的重要关键。但许多公司却不愿有效组织、部署和回馈业务人员，而宁愿保留资金...

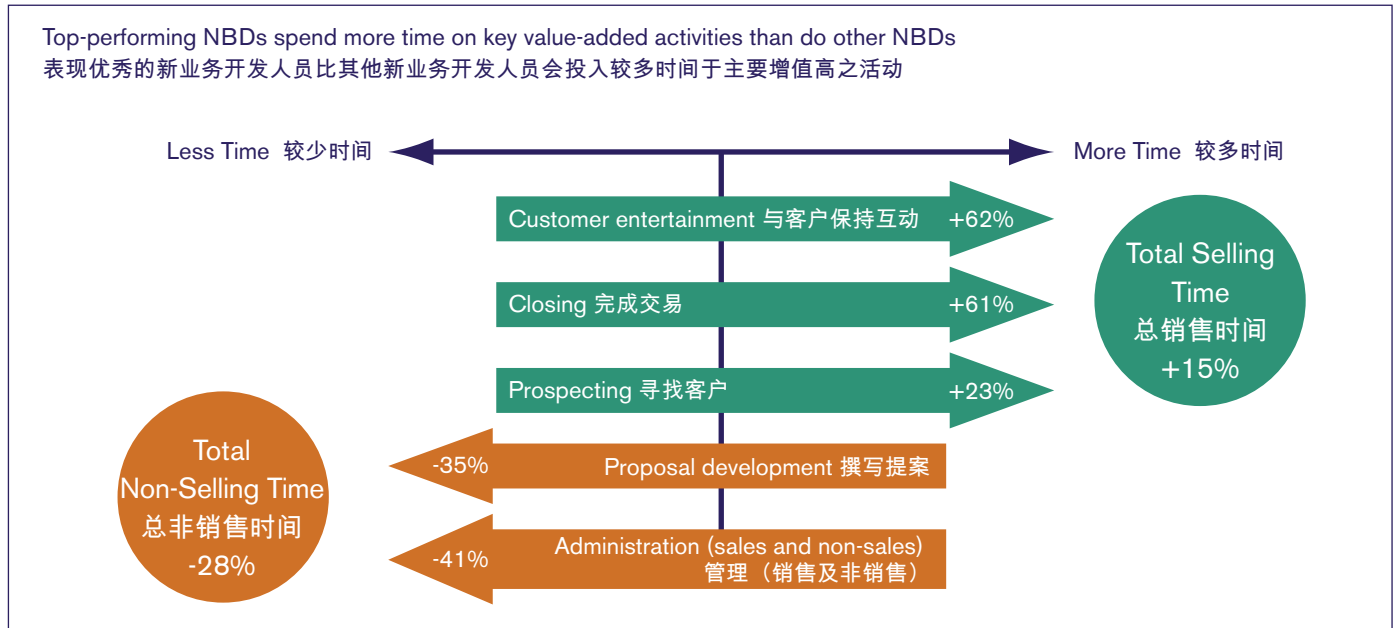
根据华信惠悦2007/2008年销售绩效与奖酬的调查报告指出，藉由清楚界定角色、适当分配时间与导引业务人员正确接触现有或潜在客户等方式，公司便能够以最低投资成本或其它固定成本有效提升销售业绩。

今年的研究特别著重在两个常见的业务角色上：新业务开发人员 (New Business Developer, NBD) 和客户经理 (Account Manager, AM)。对提升销售绩效和帮助企业成长，这两者都相当重要，但是，这两个角色必须分别界定、安排和设置，以便发挥各自的功效。

重要发现

- 对于新业务开发人员而言，每周只需要挪出两小时进行生产工作，一家拥有1,800位NBD的公司便能够增加数百万的销售成绩，而全球最大规模的公司更可能达到数十亿美元的绩效。
- 公司妥善安排新业务开发员和客户经理的工作，更能够使业务人员达到更高的业绩。
- 对于新业务开发人员而言，销售是需要不断接触和持续尝试的人际互动行为。表现优异的新业务开发人员会亲自与现有和潜在客户互动(表现不佳的人员则仰

New Business Developers – Focus on high-value activities 新业务开发人员—注重高效益之活动



- Companies can derive even greater value from their sales forces by carefully allocating activities between NBDs and AMs.
- For NBDs, sales is a “contact sport” that rewards high touch and persistence. Top-performing NBDs communicate with clients and prospects in person (lower-performers rely on the phone), and are more likely to cultivate a prospect throughout an extended period of time.
- Pushing non-selling administrative activities downstream from NBDs to AMs to an administrative sales support role can increase productivity.
- Top-performing salespeople report annual incomes that are 20 percent to 25 percent higher. Sales-related variable pay represents approximately 75 percent to 90 percent of this difference.
- Optimal productivity for sales roles vary considerably based on the company’s level of growth.
 - During periods of high growth: NBDs should focus on prospecting, qualifying leads, entertaining customers and closing deals. AMs should conduct business planning with customers, focus on needs identification and solution development, handle sales administration and concentrate on professional development.
 - During other periods of growth: NBDs should focus on identifying opportunities to expand existing client relationships, conducting needs identification and solution development, as well as continue to entertain customers and close deals. At this level of growth, AMs become more prominent in the business development process, prospect more among existing clients, qualify leads, develop proposals, as well as help to close deals.

赖电话与客户互动), 并且极可能在经过一段时间之后开发新的商机。

- 将与业务无关的工作从新业务开发人员和客户经理转移到管理性质的销售支持角色, 可以提升生产力。
- 表现优异的业务人员能够增加20%~25%的年收入, 与销售相关的变动薪资则呈现大约75%~90%的差异。
- 发挥业务人员的最佳生产力与公司的成长具有极大关联
 - 在高度成长阶段: 新业务开发人员应该著重在潜在有效的商机、与客户保持互动, 并且达成交易目标。客户经理应该进行与客户相关的业务规划、著重在了解需求与提出解决方案、处理销售管理问题, 并且专注于专业开发。
 - 其它成长阶段: 新业务开发人员应该著重于发掘扩展现有客户关系的机会、进行了解需求与提出解决方案等工作、持续与客户保持互动, 并且达成交易目标。在这个成长阶段, 客户经理的业务开发角色更显重要, 必须针对现有客户开发更多机会、获得商机、推出提案, 并且协助达成交易目标。
- 新业务开发人员大约花费四分之三的工作时间从事高价值的工作, 而客户经理则花费不到一半的工作时间, 公司有效管理这两个业务角色所从事工作的时间之后, 便能有效提升销售业绩。

表现优异的新业务开发人员有何特性?

- 每年比其它新业务开发人员大约多花费200个小时从事业务工作。
- 比其它新业务开发人员多花费63%的时间处理有效商机。
- 亲自与潜在和现有客户互动, 并且长时间拓展业务关系。

“ Effective management requires determining the key activities and behaviours that drive sales ”

- New business developers spend about three quarters and account managers spend less than half of their time on high-value activities. Tremendous opportunities exist for companies to improve sales effectiveness by effectively managing how both of these sales roles spend time on activities.

High Performing New Business Developers:

- Spend approximately 200 hours more per year on selling activities than other NBDs.
- Spend 63 percent more time with qualified leads than other NBDs.
- Communicate with prospects and customers in person, and cultivate prospects for extended periods.
- Spend about half as much time on administrative activities compared with other NBDs. (See chart p.7)
- Spend 35 percent less time writing proposals and 61 percent more time closing deals.
- Adapt their activities based on their company's business cycle:
 - During periods of high-growth, they spend more than twice the time with qualified leads.
 - During periods of lower-growth, they shift their focus and quadruple the amount of time spent on customer renewals compared with lower-performing counterparts.
- Spend 62 percent more time entertaining customers than lower-performers.
- Are 45 percent more likely to be measured on total sales from new accounts and almost three times more likely to be measured on revenue from new products or services than other NBDs.
- Earn 43 percent more sales-related variable pay, which accounts for almost 90 percent of the total pay differential for NBDs.

High-Performing Account Managers:

- Spend 35 percent more time identifying customer needs and developing solutions than other AMs.
- Spend 11 percent less time on product demonstrations than other AMs, and prefer to have sales support roles (e.g. technical representatives) perform demonstrations.
- Spend 16 percent more time on sales administration during high-growth cycles, and 30 percent less time on administrative activities when a company is in a period of lower-growth.
- Spend 24 percent less time entertaining customers than other AMs, deferring these activities to NBDs.
- At high-growth firms:
 - Spend 11 percent less time developing

- 比其它新业务开发人员大约少花费一半的时间处理管理工作。(见第7页图)
- 少花费35%的时间撰写提案,但是多花费61%的时间达成交易目标。
- 根据公司的业务循环周期进行工作:
 - 在高度成长阶段,他们花费两倍以上的的时间处理有效的商机。
 - 在成长减缓阶段,他们会改变工作重心,比绩效较低的同事更加倍将时间运用在客户更新上。
- 比绩效较低的同事多花费62%的时间与客户保持互动。
- 相较于其它新业务开发人员,新客户的总销售额可能增加45%,而新产品或服务的收益可能增加3倍。
- 获取43%以上的销售相关变动薪酬,这正说明为何新业务开发人员的总薪酬差异程度达到90%。

表现优异的客户经理有何特性?

- 比其它客户经理多花费35%的时间了解客户的需求和提出解决方案。
- 比其它客户经理少花费11%的时间进行产品展示,而另请业务支持人员(例如技术代表)进行展示。



proposals than other AMs (versus 57% more time on proposal at lower-growth companies).

– Are motivated by metrics reflecting business development objectives, and are more likely to be measured on metrics, such as number of units sold, revenue from new products and services and growth margins.

■ Earn 60 percent more variable pay than other.

It is important to keep in mind, however, that very few of these factors are absolute. For example, too little travel or not enough product demonstrations for an AM may be worse than additional focus on these activities. As such, it is important to recognize there is an optimal and desired range of time rather than an absolute number.

Technology is Valuable, Communication is Essential

Top performers are slightly more likely than other NBDs to have cell phones and receive a car allowance; but less likely to have laptops and a company car. We also find that a salesperson's preferred style of communication drives sales. Most top performers (52 percent) prefer to communicate in person; other NBDs prefer to speak on the phone (31 percent).

“ **Salespeople make the most direct and measurable contribution to a company's financial performance** ”

- 在高度成长阶段比其它客户经理多花费16%的时间进行销售管理，而在成长减缓阶段少花费30%的时间进行管理工作。
- 比其它客户经理少花费24%的时间与客户互动，而是将这些互动交给新业务开发员。

■ 在高度成长的公司：

—比其它客户经理少花费11%的时间开发提案(在成长减缓的公司则多花费57%的时间)。

—受到业务开发目标的激励，并且努力达成目标，例如单位销售数量、新产品和服务的收益，以及成长利润。

■ 比其它人多赚取60%的变动薪酬。

然而，必须注意的是，客户经理的外出行程过少或产品展示不足的话，反而更不恰当。因此，必须了解所谓的最佳时间比例是具有范围弹性的，而非绝对数字。

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科技虽重要，但与客户互动才是关键

表现优异的新业务开发人员会比其它人更善用手机和申报车资，而不会使用笔记型计算机和驾驶公司车辆。我们也发现，业务人员惯用的沟通方式有助于销售绩效的提升。大多数表现优异的人(占52%)经常亲自与对方互动，而其它新业务开发人员则习惯使用电话沟通(占31%)。

表现优异的人习惯亲自进行销售服务，以便在达成销售目标之前，在为期数月或数年的销售过程中加速彼此关系的建立。其它新业务开发人员则只是将可能的商机列成清单。因此，表现优异的人可以发展出长达数年的深厚关系。

About the study – Survey objectives and key findings



“业务人员的工作表现会受到检视， 并且直接影响公司的每日财务绩效”

Top performers prefer in-person sales to facilitate relationship building when a sales cycle may take months, or even years, before a sale is realized with a prospect. Other NBDs are more likely to throw a lead on the cold list quickly. As a result, top performers develop deeper relationships which generate value for multiple years.

Too many salespeople spend time demonstrating products, talking on the phone and writing proposals. The most successful NBDs spend time in person, developing relationships and closing sales.

Rewards Drive Decisions of Top Performers

Top performers are more likely to have their quota set, in part, on metrics such as total revenue or sales from new accounts, new products or services. Other NBDs are slightly more likely to have a metric, such as number of new accounts sold. The first set of metrics encourages deeper customer relationships, while the latter encourages quicker, smaller wins.

Paying Sales Professionals

Incentive compensation is a powerful tool for creating aligning a sales professional's incentives and the Company's interest.

In our data, we estimate the average total cash during the past two years for sales forces was higher for both top-performing NBDs (24 percent) and AMs (23 percent) than for other salespeople in the same, respective roles. Sales-related variable pay was the primary driver of these differences. Top-performing NBD's received 46 percent more sales related variable pay than other NBDs. Top-performing AMs received 60 percent more variable pay than other AMs (smaller percentage of AMs total cash than NBDs).

Differences Emerge at High-growth Companies

For high-growth companies, AMs emphasis is on serving customers; more time is spent on needs identification and solution development, as well as, sales administration. Top performers at high-growth companies are more likely to rely on others to conduct demos, develop proposals and close sales.

At other-growth companies, AMs appear to be the primary driver of sales – spending time on all activities from prospecting to closing. Of particular importance is that top-performing AMs spend 94 percent more time closing than other AMs at these companies.

Company Characteristics Impact Success

Most AMs are spending less than half their time on value-increasing activities in contrast to NBDs who typically spend more than 75 percent of their time on value-increasing activities. At high-growth companies, AMs contribute the most value in the normal sales cycle by spending time on business planning, needs identification and solution development prior to the sale; then on sales administration thereafter. At other companies, AMs contribute the greatest value when time is spent on needs identification and solution development, and actively managing the proposal development process.

Case study: Accountability and sales productivity through sales incentives

A leading publishing and graphics software company with annual revenues of USD 1.2 billion wanted to create sales incentive plans that supported the company's new strategy while fostering greater accountability to individual sellers. According to the Global Head of Sales, most salespeople were currently paid on a combination of country sales goals and Management by Objectives (MBOs). Historically, what they could measure had been driven by systems constraints, but recent changes in technology had overcome this obstacle. Salespeople were well paid relative to the market, and turnover had been around 5% over the prior three years – compared to industry norms of 15-20%. However, sales leadership felt that the turnover was too low and the productivity of many sellers was well below the competition. They wanted to emphasize individual accountability in the program to help address this issue. They also had sales plans that were applied globally without accounting for regional differences in sales roles.

Actions Taken by Watson Wyatt Sales

Effectiveness team:

- Articulated new sales strategy to identify key customer segments and product lines where the sales organization could have the greatest impact
 - Developed a new rewards strategy that placed greater emphasis on individual accountability and risk for reward
 - Designed pay plans to support the new strategy and were tailored to account for regional differences in job roles
 - Developed a phased technology strategy to build up the support infrastructure needed to implement the new plans
- After the plans were implemented as recommended, the morale of sales force greatly improved and individual sales productivity increased by over 10% in the first few months.

个案研究：透过销售奖励计划提升 营业员的责任感和销售生产力

一所每年利润达12亿美元的出版及图像软件公司，希望能够制定一系列能支援公司新策略以及能促进每一位营业员责任感的全新销售奖励计划。根据全球销售总监指出，现时大部份营业员的薪金都是结合当地营业额目标以及目标管理(Management by Objectives, MBOs)来计算，以往，由于系统的限制，影响了他们可量度的范畴，但最近的科技转变已经可以移除这障碍。营业员的薪酬一般都比市场为高，而在过往三年，流失率大约为5%，而业界的标准则为15-20%。然而，营业员管理层觉得这流失率实在太低，而且大部入营业员的生产力均低于竞争水平，他们希望在这计划内著重营业员个人的责任感，从而有助处理现有问题。此外，他们现有的销售计划是全球通用，并不把销售角色在个别区域的差异计算在内。

华信惠悦销售业绩团体的相应行动：

- 连接全新销售策略，去分辨主要顾客类别以及产品系列，促使销售体系得到最大成效。
- 建立全新奖励策略，将奖励重点放在营业员个人的责任感和风险上。
- 设计支援全新策略的薪金计划，因应工作角色在不同区域的差异作出适合的调整。
- 发展一个阶段式的技术策略，从而建立支援架构以实行新计划在计划如建议实施后，营业团队的士气得以大大提升，而营业员个人的营业生产力更在短短几个月内提升超过10%。

Performance Measurements Impact Time Allocation

Top performers are generally held responsible for generating sales from their customer portfolio, measured by number of units or dollars of revenue, while maintaining or growing margins. Additionally, the AM is focused on introducing new products or services to their existing customers as the company seeks to expand share of wallet with customers.

Total revenue is the most frequently used performance metric for AMs. However, the prevalence of total revenue as a metric is lower for top performers regardless of the company's growth. At high-growth firms, AMs are much more likely to also have profitability improvement metrics – with top-performing AMs being 37 percent more likely than other AMs to have margin growth as an additional performance metric.

Conclusion

Salespeople represent a unique population of the workforce, as they make the most direct, and measurable, contribution to a company's financial performance on a daily basis. Effective management requires determining the key activities and behaviors that drive sales, and then creating incentives to align with and to promote these activities. Further, reducing low-value activities free-up time for salespeople to focus on higher value activities. To some extent, these actions will be firm specific. However, there are overarching recommendations for managing sales forces based on the role and the type of company. Implementing these recommendations at your company can help create higher-performing, competitively-paid sales forces that deliver increased sales growth and profitability.

In summary, Watson Wyatt's sales effectiveness study suggests a framework for organizing the sales forces for maximum efficiency for high-growth and lower-growth companies. This framework prioritizes the highest, valued-added activities for each role, and suggests which sales role should generally take the lead in executing the related activities and where shared responsibility for certain tasks, may be appropriate. The framework also creates a business case for change by quantifying the potential financial return associated with more effective allocation of activities among sales roles. **W**

– To download a copy of Watson Wyatt's 2008 report on Sales Effectiveness and Compensation, go to: <http://www.watsonwyatt.com/research/resrender.asp>

过多的业务人员花费时间展示产品、使用电话进行沟通和撰写提案。最成功的新业务开发人员则是亲自沟通、发展彼此关系和达成销售目标。

报酬奖励引发员工做出更好的决定

表现优异的人会设定阶段性目标，例如新客户、新产品和新服务的总收益或销售业绩。其它新业务开发人员则只设定一个目标，例如达成交易的新客户数量。前一种状况的目标可激励出更深厚的客户关系，而后一种则只达到短期的小规模效益。奖励性质的薪酬能够有效激励销售专业人员的企图心，并且提升公司的收益。从我们的数据可以看出，就过去两年中业务人员薪酬平均总数而言，表现优异的新业务开发人员(占24%)和客户经理(占23%)，其薪酬平均总数高于其它相同职务的业务人员。销售相关变动薪酬是造成此差异的主要因素。相较于其它新业务开发人员，表现优异的新业务开发人员多获得46%的销售相关变动薪酬；相较于其它客户经理，表现优异的客户经理多获得60%的变动薪酬(客户经理获得的薪酬总数比例小于新业务开发人员)。

高度成长的公司逐渐与其它公司形成差异

对于高度成长的公司而言，客户经理着重于服务客户，大部分的时间是用于了解需求和开发解决方案，以及进行销售管理。在高度成长的公司中，表现优异的人总是委托他人进行展示、推出提案和达成交易目标。

在成长减缓的公司中，客户经理则似乎肩负主要的销售工作，因此花费时间在开发商机和达成交易的整个流程。

结语

业务人员是办公室中相当独特的一群人，因为他们的工作表现会受到检视，并且直接影响公司的每日财务绩效。因此，有效管理他们的销售目标、关键工作和行为模式，然后订立奖励制度鼓励他们从事这类工作，就越形重要。此外，减少价值偏低的工作能够使业务人员有更多时间从事更具价值的工作。就某种程度而言，虽然这些工作会因为公司状况的不同而有所差异，然而，根据公司的角色和类型来管理销售流程则是不变的道理。在公司实施上述的建议项目能够协助组织中表现优异且高薪的业务人员，达到销售业绩成长和获利提升的目标。 **W**



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