FAILSAFE:

Creating A Foundation for Predictable Business Growth

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About the Authors:

SeeMetrics Partners is an Executive Coaching and Advisory firm that mentors Executive Teams to achieve a quantum leap improvement in their business results. Their success is rooted in a combination of extensive operational experience and the proven methodology of the Four Decisions™. CEO and Founder Bahaa Moukadam developed his expertise within leading global technology companies such as Hewlett Packard, Spirent, and most recently as the CEO in a turn-around, Sunrise Telecom. Bahaa's mission is to support successful executives expand their capacity to lead, grow and profit while having more time and less anxiety. You can contact him here.

SOAR Now is a proven sales optimization firm that partners with Executives and Sales and Marketing Leaders of technology companies to formalize how and why they win into company specific sales strategy, process, and sales enablement that accelerates growth in a predictable, scalable fashion. Eric Vaughn, CEO and Founder, and Bruce Bonini, EVP of Client Engagement have a combined 50+ years of expertise formed driving consistent profitable growth for technology companies. Whether leading sales in early stage companies such as Litepoint, ReachForce, and Neverfail or successfully scaling EXFO through their IPO, or General Management of a nine figure sales division at Anritsu, Eric and Bruce have honed their ability to align companies to consistently deliver impressive results. They can be contacted here.

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Introduction:

B**2**B technology companies seeking rapid growth face many challenges today. From breakneck speed of innovation, tight markets for skilled yet affordable talent, to changing buyer behaviors, the list is long. The top 5% companies continually grow profitably, at rates much higher than market growth, by getting three things right:

1) Assembling the right leadership team into the right roles
2) Having an unwavering focus on creating a crystal clear strategy and continually aligning to it
3) Executing the strategy through the creation of an integrated sales and marketing engine that delivers predictable revenue growth.

This ebook is a guide on how to be best in class in each area, ensuring the outcomes that you seek are achieved quarter in and quarter out, year in and year out.

CHAPTER 1

HUMAN FACTOR:

THE FOUNDATION OF SUCCESS

As a CEO, a key question you should be asking yourself is:

"Given the chance, would I rehire everyone on my team?"

Stop, close your eyes, and take a moment to consider each member of your executive team against this important question.

Open your eyes. What was your answer?

Now, imagine each of your executives going through the same exercise and asking the same question as it relates to his or her direct reports. What would their answers be?

Your employees will fall in one of four categories:

Category #1: I would rehire in a heartbeat. These are the people who consistently deliver results while living the organization's Core Values.

Category #2: Not sure. These are the people who partially get the job done, sometimes. Or, they are really good at what they do and they violate the company's core values. Or they embrace the company's values while not delivering solid results.

Category #3: They are really talented and well aligned with our core values; however, they are likely to perform much better if they are in a different role.

Category #4: Knowing what I know now, I would not rehire.

The foundation for success starts with talented people. Let's now examine the three most important attributes of high performing organizations.

Building trust and alignment on the Executive Team

On your executive team, you will have a range of experiences, backgrounds, skills, habits, attitudes, beliefs, personalities and problem solving capabilities. There is power in understanding and leveraging these differences to help bridge the large gap between strategy and results.

A healthy executive team is aligned with the company priorities. Alignment signifies that they understand the similarities and differences and can work with each other to achieve the organization's objectives.

No two people are completely alike. Even identical twins have their differences. I don't have to do everything the exact same way my co-worker does; however, if I understand his or her methods, I can work simultaneously with him or her to achieve the final desired result.

Is your executive team comfortable with conflict? Are they able to engage in constructive debates and participate without fear of retribution, recrimination, or belittling?

Good things will often come from a healthy discussion of different ideas, strategies, and tools to obtain objectives. Open and reflective debate amongst your executive team should be encouraged.

Be careful… dominating personalities have a tendency to undermine alignment. Who dominates your executive team meetings? "No one" (including you) should be the correct answer. In the real world, you always have one or two team members who tend to dominate the conversation, with ill effects. As such, you have to practice and create a habit of everyone actively participating, debating, listening, disagreeing, discussing, exploring, and understanding. And, finally fully supporting decisions made.

Get into the habit of supporting a culture of healthy alignment and constructive debate.

Getting the *right people* in the *right places* doing the *right things*

Jim Collins argues that this is more important than the strategy. While business leaders agree on the importance of talent in their companies, most are at a loss as to how to actually get this accomplished. Here is a framework proven to work:

- Hire right using the topgrading methodology by Brad Smart

- Invest 2% of your revenue in on-going education
- Be truly interested in the well-being of your staff, and ensure that all of your managers do the same
- Clearly communicate how what each employee does connects and supports the overall goals of the company
- Quickly remove unresponsive underperformers from the company

Boost employee engagement to double your business in half the time

It is estimated by Gallup that ONLY 13% of employees worldwide are fully engaged in their job. Employee engagement is directly linked to overall company performance including customer retention, product quality, productivity, absenteeism, physical and mental health, profitability, market share and growth rate.

"No one listens around here" or "they don't care what I think." If these phrases are being frequently muttered around the break room and water cooler, your company has a problem.

A key to success in bridging the gap from strategy to results is to identify obstacles, challenges, successes, and opportunities. Are you getting input from ALL members of your organization to drive your success?

Executives and middle managers need to communicate regularly with all employees in your organization. Ongoing employee input must be regularly collected to identify obstacles and opportunities.

All executives and middle managers in your organization should get into the habit of having a start/stop/keep conversation with at least one employee weekly.

The conversation should include these questions to tap into the thinking of employees:

What should we start doing?

What should we stop doing?

What should we keep doing?

It seems like a simple habit to master and yet it is easy to get caught up in the day-to-day challenges of business and forget to capture the collective knowledge and wisdom of the team.

The benefits of adopting this habit will boost employee engagement, create a culture of accountability, assure team alignment, clarify goals and priorities, and focus on results.

CHAPTER 2

THREE WAYS TO BECOME THE MACGYVER OF STRATEGIC PLANNING

As a CEO, you probably fall into one of these categories when it comes to Strategic Planning:

- You are too busy to do it.

- You go through the motion of doing it to check off the box.

- You don't believe it is necessary.

- You are not sure how to do it well.

- You do it regularly, and you are good at it.

If you want to succeed in business, doing strategic planning, and doing it right, is essential, however NOT sufficient. A solid plan must be coupled with the willingness and ability to execute it to close the dreaded gap between strategy and results. On your journey to becoming the MacGyver of strategic planning, the three key questions you may have are: 1) When should strategic planning be done 2) How should it be done and 3) What should be done to get it implemented? Let's cover all three.

Strategic Planning: When should it be done?

December or January? Are you stressing out trying to figure out when to do your strategic planning session?

You can do it in December while you are also working on closing the year strong, while most people are starting to wind down for the holidays. You can do it in the first half of January, before the business momentum start building up again. If you think of strategic planning as an on-going process, done quarterly (as you should), rather than a single event, it becomes less important than exactly when you do it. A far more important question becomes, "how do I build the right plan and how do I actually make sure the

plan is well executed?" Create an annual strategic plan at or before the start of the year, review and update it quarterly.

Strategic Planning: How to build the right plan?

In its simplest form, a strategic plan is about assessing where you are now, deciding where you want to be in the future, and determining the best way to get there. To build an effective plan, make sure to involve all of the managers and to gather input from all employees prior to holding the planning session with your executive team. This will have the dual benefits of giving the senior team the necessary insights from the front line while making it much more likely the plan will get the required buy-in from employees, increasing its chance of success.

Assessing where you are now requires that you examine the current situation in the following four dimensions:

- Industry and customer trends that are impacting your business now or can impact it in the future.

- The position of your current product as it relates to uniqueness and fit to market.

- Your organizational capacity to deliver results, including the culture, the habits, and the internal processes.

- The financial health of your organization, including the trends of your top line, your gross margin, your profitability, and cash flow.

Deciding where you want to be in the future requires that you define your core purpose (why do you exist), your core customer as an individual, your brand promise (what do you offer, how is it useful and why is it unique), your core values (the rules under which you operate your business) and your big vision (where do you want to be 20-30 years into the future). These key elements inform and guide your discussion and decision about where you want to be by the end of this year as a stepping-stone to the longer-term future.

Determining the best way to get there is about using the balanced scorecard approach to defining your financial, customer, excellence, and learning initiatives and targets for the upcoming year, breaking this further down into each of the upcoming four quarters with extra focus and details for the upcoming quarter. A common sin of CEOs is their exclusive focus on the financial metrics. While important, your financials measure what

has already happened in the past. Adding objectives and metrics around customers, operational excellence and on-going learning provides the necessary foundation for sustained success in the future.

Strategic Planning: How do we make sure the plan is well executed?

   Over 80% of businesses fail at executing their strategy. If you want to be part of the 20% winning circle, you must bridge the gap between strategy and results. Your organization must get things done. The three keys to execution are:

- Priorities

- Data/Metrics

- Communication Rhythm

Let's closely examine these 3 keys to getting things done.

- Priorities: The ability to set and stick to a few annual priorities and one quarterly priority. As a leader, you have tens, if not hundreds, of things to be done. You find it very difficult to pick a handful of priorities for the year and unthinkable to pick just ONE priority for the quarter because you may believe that if you pick ONE priority nothing else will get done. The reality is far different. Picking the right priority ensures that it gets done, propelling your business forward, while all of the other day-to-day things necessary to keep the business running also get done.

- Data, metrics, and transparency: What gets measured, gets done. What gets measured and reported gets done faster. Executing your plan requires defining, measuring, and reporting on a few key metrics. These metrics should cover the four areas of financial, customer, excellence, and learning.   Actual results against these metrics should be widely shared within the company on a frequent basis (weekly is best). This provides positive feedback when things are going well, and early warning signs with enough time to intensify effort and catch up when things fall behind.

- Communication rhythm: The most common challenge in organizations larger than 10 people is communication. If not addressed, this can become a major results-impacting problem once you go beyond 25 employees. To execute, communication must be frequent, fluid, and frank. The best practice for getting a quantum leap improvement in communication is to institute a meeting rhythm of daily huddles, weekly, monthly, quarterly, and annual meetings. Managers should also have weekly one-on-one meetings with their direct reports. The top leader should have monthly all-hands-

meetings. Isn't this a lot of meetings, you might say? The more relevant question is: What is the impact of getting the flow of communication right on productivity, relationships, collaboration, clarity, alignment, harmony, and focus…and ultimately on RESULTS?

Three ways to become the MacGyver of strategic planning

#1: Strategic planning is a required on-going process that should be done before or at the start of the year, reviewed and updated quarterly.

#2: Strategic planning must be done quarterly and in the right way as outlined above and metrics should cover more than just financial targets.

#3: Strategic planning can be worse than useless without actually executing it. Prioritization, data/metrics/transparency and communication rhythm are the key ingredients for executing the plan and getting results.

While you may not become the MacGyver of strategic planning overnight, implement this methodology and you will soon start seeing much better business results including expanding your capacity to lead, grow, and profit while having more time and less anxiety. Stick with it for a couple of years and you will become the MacGyver of strategic planning.

CHAPTER 3

MAKE YOUR BUSINESS SOAR WITH BULLET-PROOF SALES OPTIMIZATION

Once you have the right people aligned to the right strategy, you need to put an integrated sales and marketing engine in place that delivers consistent and predictable results.

Whether you have full-time, professional sales leadership, or your sales team is still founder led, the sales leadership style of your organization can probably be described as falling into one of these categories when it comes to designing and deploying a repetitive sales engine:

- **The Doubter –** Doesn't believe it is necessary, just need to hire enough salespeople to drive success.

- **The Driver -** Instinctively knows it is needed, but is too busy trying to make numbers today to spend time making it easier tomorrow.

- **The Toe Dipper -** Made some incremental sales improvements, such as investing in sales training or a CRM system, but has not seen the value they hoped for.

- **The Hero -** Has clearly defined and structured how and why they actually win into strategy, process, and enablement that drive repeatable and predictable sales growth consistently throughout their organization.

Very few sales organizations can claim to be in the latter category. The vast majority fall into the first three. It's not to say companies in each category can't have some success, in fact most are actively selling into the market at various levels, and customers are deriving value.

The difference between the hero and the rest is in their ability to consistently create and convert better opportunities at significantly higher rates than their peers. So, let's look briefly at why.

The Doubter - CSO Insights recently found that while 75% of sellers believe their sales approach differentiates them, only 3% of customers agree. This huge gap between perception and reality highlights how relying too heavily on the quality or quantity of a sales team creates an inconsistent client experience with long new hire ramp times, and leaves you vulnerable when a salesperson moves on, all while ensuring your cost of sales is too high. Without a process, success is left in the hands of individual sales reps. When someone fails, it is not easy to determine why or provide quick resolution. With only 50% of reps meeting quota per a Bridge Group study, The Doubter's risk is high.

The Driver - Very few sales organizations win consistently these days. In fact (despite some heroic efforts) most are barely getting by, left feeling like they are shooting at a moving target due to recent and dramatic shifts in the buyer's decision journey. Amongst hiring, firing, mentoring, deal coaching, internal reporting and chasing the next big deal, sales optimization is continually pushed to the start of the "next quarter." The reality is that day never comes and tactical business rules as sales leaders are forced to double down on short-term goals in an effort to save the quarter. Even given the mandate to make optimization a priority, the development of the model and the detailed execution steps required will take a great deal of time away from coaching and selling and will remain elusive from even the best sales leaders. So, these organizations continue to perform inconsistently, never quite firing on all cylinders, and typically experience higher sales leadership turnover.

The Toe Dipper - Predictable sales results are seldom found in sales training alone and never just in deploying a tool. While value can certainly be derived from consistent use of sales methodologies, using a one size fits all approach with the latest selling model fad, hoping it exactly fits into your markets and solutions, seldom brings the results required. According to Selling Strategies, 85-90% of sales training has no lasting impact after three months. CRM or other automation technologies can help accelerate change but cannot be the catalyst alone. The number one reason for failure of tools like CRM is the lack of implementing it around processes derived from the target client's decision process.

It is the only way to derive the next best actions on each opportunity to ensure achieving the results required. Without that alignment, the sales team does not feel value, management's ability to trust the data is low, and engagement typically wanes.

In each category, there is rarely enough quality pipelines to make the numbers consistently, which limits sales rep engagement levels, confidence, and accountability. The result is that the senior leadership team's trust in the forecast is low and confidence in getting to the next level by doing things in the same way and hoping for a different result remains suspect.

Those in the last category are the 1 in 100 companies that have risen to a best practices model. So, let's examine what they know, and how they got there.

Bridging the gap between strategy and sales results

Bridging the gap between strategy and sales results will not only allow you to minimize the dependency on individual sales person success, but also to maximize the effectiveness of everyone on the team by surrounding them with the tools and support they need to win more consistently.

There are silos of amazing information within your company that will shift the balance of power if structured and shared. But, the time and experience to efficiently extract "why and how" you actually win and use it to create a predictable, scalable engine that accelerates growth remains elusive from most sales and marketing teams today.

To fill the optimization gap with the necessary bandwidth and expertise, it should not take trial and error with different sales and marketing leaders nor paying a fortune for top talent.

The heroes identified their gaps, focused on the foundational issues first, and created solutions that fit their organization and company culture. To know your gaps, first understand what best practice in sales optimization looks likes.

Sales optimization Best Practices

Whether you're selling software, hardware, or services, and are selling direct or through a channel, there is a proven sales optimization framework that will mitigate your risk and grow sales faster at the lowest possible cost.

This model applies to startup companies, growth stage companies that are demanding accelerated growth, or established companies that require a pivot or re-focus to get to the next level.

The Idea - Every great company started with a great idea to fill a need in the marketplace or to provide better solutions and differentiate from other providers. You need to be clear on what yours is.

Why You Win – Your firm and growth started with your unique story. You must capture, mature and refine it and ensure it is internalized and consistently used by every client touch point across the organization. What are you the best in the world at? What is unique about your company and/or your offerings that no one else can touch? What desired client outcomes do you deliver? This is the basis for your sales messaging and provides the foundation to create meaningful discussions that quickly get your prospects to the "ah-ha" moment.

How You Win - Once you have your unique and differentiated messaging refined, you have to clearly define the steps your prospects take in their decision journey. While most sales organizations swim in gray areas, every company or division has a black and white process if you look high enough. You must formally identify it, as it is often hidden in internal silos and seldom clearly captured and articulated. Identifying the "how you win" steps gives you the framework for a scalable, accountable process.

Predictable Model – Many companies stall because they have not aligned how and why they win to a predictable revenue model. Ensure your model clearly focuses your finite resources on the most tangible opportunities, then align sales and marketing activities through the use of a conversion-based funnel model.

Once you have a solid model, make sure it is supported by the right sales tools. When implemented, you can visibly see how every dollar you drop into the top of your sales funnel converts into results.

Fill the Funnel – Now that you have established your predictable model, the next step is to fill the funnel and prove the combination of the message, process, model and tools can accelerate real growth. It does not make sense to invest significantly until the model is validated. Rather, implement a mix of proven lead generation strategies. The right combination of social selling delivering educational content, outbound prospecting,

nurture marketing and opportunity scoring require little to no additional investment while creating more than enough fuel to start the fire.

Predictable Forecast - While filling the funnel, you also need to create an accurate and predictable forecast model that you can rely on. Incorrect data yields negative outcomes and leads to bad decisions, missed targets, and lost opportunities. Once you have a predictable model based on the knowledge of how you win, it only makes sense to extend that knowledge to an accurate opportunity stage process that leads to forecasts you can trust. It is much easier to grow a business you can accurately forecast.

Accelerate - Once you have a predictable engine that scales, has a strong lead generation foundation, and can accurately forecast your business, you can now invest as much as you want/have in growing your revenue. You will be investing with the confidence of knowing that you will see positive return for every dollar you put into the top of the funnel. Now your sales leadership can fully focus on accelerating growth without the frustration and headache of attempting to build an engine from scratch while trying to prove out the model.

Reaping the Rewards

There are 6 specific benefits you will see when bridging this strategy to results gap:

1. A go-to-market strategy that aligns the right resources to the appropriate opportunities to increase sales capacity, margin, and scalability, even in limited resource situations

2. A scalable, repeatable sales engine that is supported by technology and easily reportable to increase close rate, forecast accuracy, and consistency.
3. Sales enablement based on the proven messages within your company that provides consistent sales messaging from every client touch point while empowering and engaging your sales organization.
4. Multi-touch, integrated lead generation strategies that deliver high quality leads that convert at low to almost no cost.
5. Sales and marketing aligned into a funnel-based approach that drives cooperation, accountability, and predictability while shortening the sales cycle.
6. The disciplined use of your CRM system to ensure integration into daily workflow, sales adoption and ownership, and delivery of the reporting you need with significantly less effort.

Keep in mind that predictable sales growth is a journey that never ends. It is not proven in a month or quarter, but quarter over quarter and year over year. The challenges you face, and the solutions to overcome them, is consistently changing. So, effective delivery of this framework is an ongoing process as well. The good news is this framework applies to every stage you will go through, only the specifics change. Mastering this framework ensures your sales will always be optimized and predictable growth is always possible.

The key question is whether you have the time and experienced resources to master it, or if it is better to outsource building the framework to third party expertise so your team can continue to fulfill their day jobs and serve your client base.

Conclusion

The three ways to ensure your firm is consistently reaching aggressive growth goals and taking market share is to:

1) Build your foundation based on your leadership team. They must have the skills and talents to excel in their roles, support the culture, collaborate and challenge the broader team to new heights. You must move the right people in and as importantly act quickly to move the wrong ones to roles where they are better suited, or simply out of the organization.

2) Create the discipline to consistently ask where you are today, where you are going and then map the best path to get there. Strategy creation takes focused effort. Reviewing and tweaking it on a defined time interval never ends. But once the destination is clear, all else is a distraction. Shed the stuff that doesn't get you there. A clearly articulated plan and the consistent adherence to doing only the things that will achieve it is strategy at its best. It is also scientifically proven to create and retain a culture of consistent winners, making #1 that much easier.

3) Align sales execution to the strategy. What every company needs to plan and invest to execute the strategy is predictable revenue. By understanding how you win, why you win, and building sales processes that map to your target profile customer's decision journey a forecast you can trust becomes a reality. Proper sales enablement allows you to fill the funnel with quality opportunities that are exact fits for your organization's unique value. Now, for any deal in your pipeline you know what the next step a prospect needs to take and sales coaches can ensure the best next action, and accountability, are clear to move the deal towards conclusion. If it appears you may miss the plan, you can identify exactly where the problem lies and make the needed adjustments, while there is still time to do something about it.

Thank You.

For complete information about the authors, visit their sites.

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