



In my younger days I was fortunate enough to attend Dov Simens world-renowned 2-Day Film School. Dov is the flamboyant and unabashedly self-professed “expert” on how to produce a Hollywood blockbuster, who learned his trade under the great Roger Corman in LA. Dov talked about “the Hollywood Formula” that spells out in precise detail how long each scene needs to be, how many explosions, how many plot twists and all the other elements that need to be in place at just the right time in just the right order with just the right level of intensity – for success to be “a given”.

Hollywood has long had the whole thing down to a formula where every minute detail of the overall task is precisely defined, structured, measured and then honed to a finely tuned edge. If Guy Ritchie, James Cameron and Quentin Tarantino get that, why is it that CEO’s and their Sales Leaders cannot?

For the vast majority of organisations, the concept of selling is hiring a rep, giving them a car, a mobile phone and an online copy of the yellow pages. Sales process is making sure they make 20 calls a day and log their activities in a CRM system. A small but growing number of companies are beginning to understand there’s a lot more to top line success and are embedding “process” into every part of their marketing and selling DNA – just like Quentin Tarantino or James Cameron making the next Hollywood blockbuster. But the vast majority are still lost in the fog.

Growth returns to the Board agenda

As the global economic recovery spits and stutters and memories of the GFC fade, accountants are relinquishing their collective grip on the reins and growth is firmly back on the agenda. Recent surveys released by ANZ Bank and PwC both confirm that growing revenue and finding enough of the right people to do that are firmly back at the top of strategic priorities for CEO’s and their Boards.

Growth may be back on the agenda, but selling has never been more difficult. It has never, ever been more difficult to sell – anything – period. Whether you’re selling state-owned utilities, sophisticated technology solutions, mechanical widgets or professional services, the cards have never been so heavily stacked against making the sale. And like it or not, that situation is unlikely to change any timesoon.

Consider the following statistics gathered from interviews with Australian CEO’s and Sales Directors:

- 62% of sales people now fail to make their quotas;
- 61% of organisations fail to make their annual revenue target;
- 88% of sales opportunities fail to close as forecasted; and
- 68% of sales leads are never followed up by sales.

These numbers have significant implications for Boards and CEO’s still calling out double digit targets for revenue growth over the next 3-5 years.

Old thinking can't solve new problems

Albert Einstein once famously said, "A fix using the same thinking that created the problem will only ever be a bandaid."

For the last forty years, the tonic of choice for the ailing company top line has been either more training for the sales force or another dose of technology. As often as not, this has been accompanied by the departure of the previous sales manager and a few sales reps and the arrival of shiny new ones – with the cycle often repeating itself every few years.

Since the late 1990's Customer Relationship Management ("CRM") systems have challenged sales training as the panacea for the problem of how to grow revenues. Global vendors including the likes of Siebel, SAP, Oracle and Salesforce.com have come to market with ever more advanced technology offers promising the Holy Grail – consistent top line growth.

Between 2008 and 2015 global spending on CRM and sales training exceeded \$200 billion and \$150 billion respectively. Australia represents approximately 3-5% of those figures. In each of those years the combined global corporate spend on CRM and sales training grew by more than 10% per annum.

With that level of investment being thrown at a problem, one would have expected it to be well and truly licked by now. Well – it isn't. In that same period the average conversion rate of Australian sales pipelines fell by nearly 100% to be 2.1% by the end of FY15. For every 100 selling opportunities that began their journey as "leads" just more than two resulted in closed sales and revenue.

And yet as their companies push on in the quests for growth, many CEO's and Sales Directors are still turning back to the training and technology "silver bullets" unaware that the world has moved on and the challenges they face in growing their top lines in the 21st century, are beyond the scope of one-dimensional 20th century solutions.

Marketing and Sales: "Process free zones!"

If two out every 100 sales opportunities succeed, that means 98% fail. Any CEO worth their salt discovering a key business process operating at an error rate of 97% would surely be all over the problem personally – and with a big microscope! Particularly when it's the business process charged with producing the company's oxygen supply!

And yet precisely the opposite is happening. The broken sales process remains fundamentally broken as evidenced by the anaemic 2% pipeline conversion rates. Frustrated and unable to figure out a meaningful solution, they continue to throw bodies, training and technology at a problem they don't understand, even though recent history has shown us that these tired, linear solutions do not and will not work anymore.

Business process and performance measurement

The answers to the revenue performance dilemma have actually been readily apparent for some time. And they've been applied successfully to every other aspect of business for decades.

For success in anything to be sustainable it must be repeatable. And for anything to be repeatable there must be a process. Hollywood producers and directors get it. CEO's and their Sales Directors need to as well.

About RevenueTEK

Since 2005, RevenueTEK has been using Telemetry RT3 and Marginal Gain Theory to help organisations around the world use data and analytics to unlock the secrets to sustained sales improvement. Across 139 clients to date, those clients have enjoyed year-on-year revenue improvement of 24%.

To learn more about how our Telemetry RT3 sales intelligence and analytics solution and Marginal Gain Theory can do the same for your organization, visit our website at <http://www.revenuetek.com> or email us at info@revenuetek.com.