Building a
Dynamic Sales Process

The State of the Sales Process

A **sales process** is the set of steps that a sales team follows to create and close new business. It's a system that has been determined in advance to be the fastest and most effective route to successfully engaging a new customer, or at least the best system discovered so far by the team.

In recent years, sales organizations have seen a fundamental shift in customer buying behavior. Purchas-es face greater scrutiny, as more stakeholders getting involved in each purchase has increased the amount of consensus required to close a deal. The sales cycle has become far longer, with sales reps now needing to engage customers far earlier in the discovery process. And even nascent startups are finding they need multiple versions of their sales process, with different processes for each type of business they sell to. Increased complexity in the buying process has led to increased complexity in the sales process.

The Sales Process of the Future

The primary goal of a modern sales process must be to ease the burden of complexity required to close a deal. The sales process must account for the fact that there are more and more stakeholders getting involved in every purchase decision. Increased complexity on the buying side will slow the sales cycle to a crawl unless the sales process is purpose-built to reduce complexity on the rep side. And in addition to easing the job of the rep, the sales process needs to be easily measurable and reportable.

It needs to be **dynamic.**

It's a fact of life that sales teams need to be accountable for certain measures of achievement. There are two current paradigms of sales reporting: Some companies have over-engineered their process, requiring reps to wade through countless rigid validation rules in CRM to move a deal through the multitude of stages in their process. Others are under-engineered, leaving reps with little to no direction. They're made to navigate an increasingly volatile sea of customers without a compass. And without a specific reporting process, the sales organization's CRM loses all semblance of organization. The team collects no useful da-ta with which to revise and improve their process.

Your sales process needs to provide enough structure to guide your reps to a direct close. It needs to reduce the complexity of their task, rather than complicate it, and provide a framework for measuring and reporting. By enabling dynamic revision and continuous optimization, you'll be able to navigate shifts in the market to your advantage.

Building the Foundation

Identify Stages

The sales process is typically built as a series of stages, where each stage indicates that a specific point in the deal has been reached. Tracking deals by stage enables teams to measure their progress along uniform definitions and expedite their reporting process. Stages also give reps a quick way to reference where their deals stand.

There are two ways of building sales process stages that we'll examine: sales activity-based stages and customer activity-based stages. Both are valid options. For companies with a short, transactional sales cycle, sales activity-based stages will be a better fit. For companies a long sales cycle, customer activity-based stages will be a better fit.

So what do we mean when we say sales activity and customer activity?

Setting stages based on sales activity means measuring progress of the deal based on what activity the rep is currently taking to close the deal. Here's an example of a set of sales activity stages:	Setting stages based on customer activity means measuring progress of a deal based on on what the customer is doing to decide whether to make a purchase. Here's an example of a set of customer activity stages:
Stage 1: First meeting	Stage 1: Recognize problem
Stage 2: Product demo	Stage 2: Determine needs
Stage 3: Proposal sent	Stage 3: Evaluate options
Stage 4: Quote offered	Stage 4: Resolve concerns

The most important consideration to make when identifying stages is to ensure that each stage's definition is understood by everyone in the sales team, and framed within the context of a goal. A system may sound great in your mind, but it will only be effective if it can be easily adopted. Simplicity is paramount in the definition of your stages, and an established goal for each stage keeps deals moving. You will have a binary indicator of whether a deal is going in the right direction or slipping away.

Create the Playbook

Once you organize deals by stage, you'll create a playbook laying out the best way to get between each stage. Most sales processes are built as a series of stages that satisfy what they believe to be the steps of a customer's buying process. But what many sales processes lack is a defined goal for each stage that ensures reps know how to get from one stage to the next.

In addition to a goal for each step, the sales process should be designed to increase your understanding of each prospect. With each meeting, you have a chance to learn more about what drives your customers to make purchases. Every individual in the conversation can give your team another perspective on what challenges their market faces. Identify a piece of information you can take from each step. A playbook to get from one stage to the next could look like this:

Playbook 2: Getting from Stage 1 to Stage 2:

Determine:

Whether they meet basic criteria for being a viable customer

This should include an estimate of the CAC

Their goals related to our product

Identity of economic buyer

Demonstrate:

Business value within the context of their goals

Content to use:

Sales Deck 1 (present from this)

Case Study 1 (send after meeting)

Next Step Goal:

Schedule a product demo with the economic buyer

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Finding the Data

Set Milestones

With a set of simple, well-defined stages and effective bridges between each, you have the foundation of a dynamic sales process. But the simplicity of the foundations must be complemented with a more robust information-gathering system in order to establish a feedback loop that enables dynamic adjustments over time. The first element of this system will be a set of milestones that give more detail about how each deal is progressing.

Milestones are different from stages in that not every milestone must be met before an opportunity can be considered to have progressed. They are objective indicators of deal progress, and most will be met along the sales process, but not every deal will hit each milestone in the same order, and not every milestone need be fulfilled for a deal to close. Let's look at an example:

Sales Team A sells event management software.

> They sell to both professional event production companies, as well as other types of companies who may put on one or two events a year.

> Both types of customers are important parts of their business.

Sales Team A is trying to close a deal with a customer holding an annual event.

> This customer will need to use Sales Team A's software in the leadup to their event, as well as on the event date and in the week after the event takes place.

> Sales Team A's sales process dictates that in order for this deal to have a high likeli-hood to close, they need to be in discussions with the decision maker at least three months before the date of the event.

A milestone for Sales Team A would be identifying the date of the event.

Event date is a milestone because if Sales Team A was selling to a professional event production company, there would be no single event indicating a deadline to make the sale. Since the production company runs events constantly throughout the year, the sales conversation would be defined by other factors rather than date.

So, while an important piece of information, certain milestones may not met on every deal. However, they provide important, objective detail about the deals that do meet them, which will be critical when you go to revise your sales process in the future.

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Quantify Momentum

With milestones established, you'll need to measure the momentum that deals accumulate as they move through the process. There are a few different metrics that can point to momentum, and as you revise your process you'll need to identify which correlate to success the most directly for your own team. Engagement with the prospect will inform most of these metrics. Some examples would be:

Are you multi-threaded with the prospect company?

When did you last speak to the prospect?

Do you have a meeting on the calendar to speak to the prospect in the future?

How many messages do you need to send to the prospect before they send a response?

Creating a Feedback Loop

Stay On Your Toes

Now you have a system in place that can show you which deals are in which stage of your pipeline. You can see the direction each deal is going. This is already a better sales process than most teams have today.

But the primary challenge to maintaining an optimal sales process is not building it, but rather keeping it up to speed in a quickly-shifting market. Customers are always learning, budgets are constantly changing, and new products are always in development. It's not enough to bring up the sales process for examination and adjustment once a year or even once every six months.

Most companies record some sort of sales data in a CRM, but don't put it to very good use. There's lots of enthusiasm in today's business media around the importance of being a "data driven organization". This is driving a collect-it-all, analyze-it-later trend. If they analyze it at all, most sales organizations rarely use that data to make decisions. Rather, they cherry-pick the data that backs up their pre-existing reporting methods, or use half-complete rep-entered activity data to complement their pre-existing pipeline management methods.

The fact that sales data is ineffectively applied in most teams is only partially the fault of the people in those teams. The data itself is usually much more to blame. To create a sales process conducive to agile, frequent optimization, you need to build a system that provides useful feedback based on objective, hard-to-reach data collected and analyzed in a timely manner. The four data sets we've established above create this system when analyzed in unison.
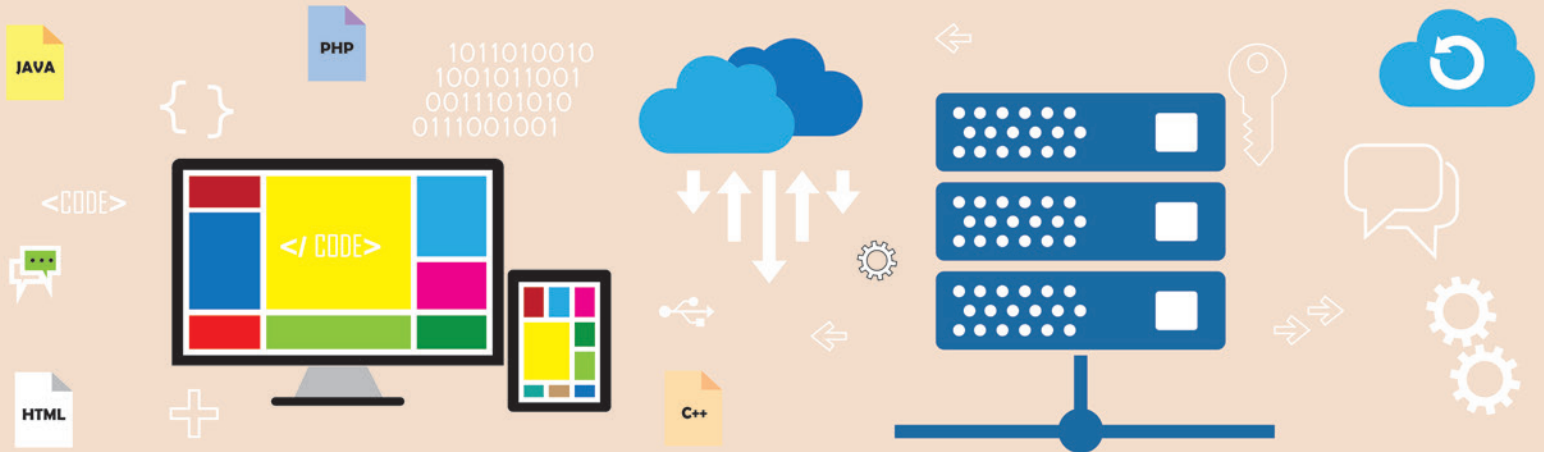
Apply the Data

To identify elements of the process that need revision, we'll compare the ideal path you've set forth with what actually happens in your pipeline.

The analysis begins with your closed-won deals. How much did their path to close stray from the path laid out in your sales process? This will show places you can tweak your sales process to more accurately align with the way your customers make purchases. Don't just look at the fastest closes. The deals that closed after winding around a while are often better sources of insight for shortcuts.

To do this, examine each element of the process we've established above; Stages, Playbooks, Milestones and Momentum.

- **Momentum checks should come every month.** This is where granular examination of metrics can best inform optimization of the sales process. Ask:
  - How many meetings has it taken to get from one milestone to the next? From one stage to the next?
  - How far into the sale did your deals get before each contact was looped into the conversation?
  - How often did the fastest-closed deals keep in touch with a prospect?

- **Milestones and Playbooks need to be examined quarterly.** This is where you have an opportunity to implement a shortcut you've discovered. Ask:
  - Can you remove a milestone or playbook step entirely?
  - Are certain deals progressing faster when achieving a certain milestone earlier?
  - How closely are your best reps adhering to the playbook? Your worst reps?

- **Stages should be examined once a year.** As these are simply the high-level indicators of each part of the pipeline, it's unlikely that much tweaking will be able to improve your sales performance. However, in the face of drastic market shifts, it may be necessary.
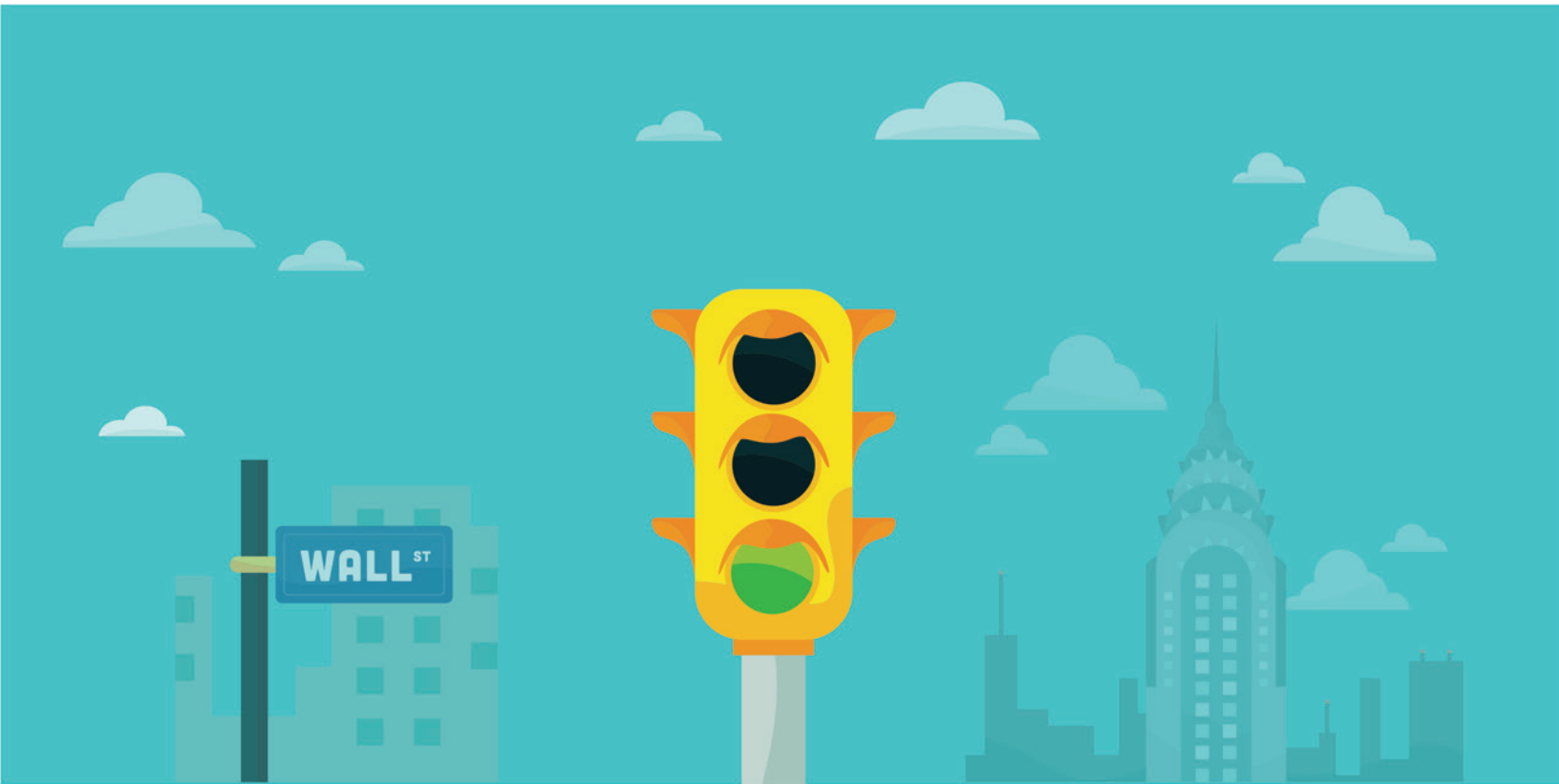
Now, Begin!

Implementing a fundamental shift towards dynamic revision in your sales process can be very difficult. Once you start, you'll find plenty of places to improve. You may be already halfway there with your current system, and the problem now is to identify the parts that do need to change. Figuring out how to begin is often the biggest challenge.

Included below is a series of questions with which to begin to analyze your current system. Use these to identify areas where you can start to improve:

i. How many stages are in my current process? Are they universally understood?

ii. Do I have an established methodology to make each transition between stages?

iii. How do I capture the data with which I measure the strength and weaknesses of my pipeline?

iv. Do I have universal benchmarks with which I measure deal progress? Are they objective?

v. When did you last compare the benchmarks to actual deal progress?

vi. When did you last show your team what it took to close deals last quarter?