INSIGHTSQUARED

The Definitive Guide to

Metrics-Driven Sales Coaching

By Gareth Goh and Zorian Rotenberg

Contents

Meet the Authors

Zorian Rotenberg

Zorian is a VP of Sales and Marketing at InsightSquared. He has been on management teams of several high-growth global software companies, ranging between $8 Million to $100 Million in sales, all growing over 100% annually. He was also the CEO of StarWind Software, a global software company with customers in over 50 countries. Zorian has been a speaker at a number of industry conferences and online events including the American Association of Inside Sales Professionals (AA-ISP), Inside Sales Summit, Chief Sales Officer (CSO) Insights, Mass Technology Leadership Council, The Conference Board, Heartland Technology Group, and B2BCamp among others. He has written for and contributed to The WSJ Accelerators Blog, Top Sales World, Salesforce.com blog, Revenue Marketing Podcast, DemandGen Marketing Report, OpenView Labs blog, and iMedia among others. Zorian has a degree in Finance and with minors in Applied Mathematics and in Computer Science from Lehigh University and earned his MBA from Harvard Business School.

Gareth Goh

Gareth is a Content Marketing Manager at InsightSquared. He enjoys breaking down complicated concepts into digestible and readable content, especially on sales analytics and sales management topics. Gareth has an undergraduate degree in journalism and a Master's degree in International Marketing, both from Boston University. His passion for data and analytics springs from his love of professional sports (especially the NBA and the NFL) and statistics.

What do the Experts say?

Most people would say that coaching is important because it is the path to developing the skills of individual salespeople – we think that skill development is actually a byproduct of coaching. During the course of coaching, sellers will undoubtedly improve their selling skills, but coaching should not be thought of as a way to directly improve skill deficits – it should be viewed as something to directly increase sales performance. The skill development will then follow.

Jason Jordan / Michelle Vazzana, Partners at Vantage Point Performance, Co-Authors "Cracking the Sales Management Code: The Secrets to Measuring and Managing Sales Performance"

Effective sales coaching is the #1 lever to drive sales productivity, in my opinion. The biggest mistake I see new sales managers make is to coach their sales people on too many things at once. Our best sales managers at HubSpot identify the one sales skill to coach a rep on that will make the biggest difference in their performance. I like managers that use metrics to determine the skill to work on.

Mark Roberge, CRO at HubSpot

Sales coaching is the # 1 management activity that drives sales performance. The only problem is that managers have not been taught how to effectively coach. Coaching is a skill that takes time to perfect and unless effectively coached or trained, managers make all types of blunders. The key to success for any sales organization is developing sales managers who can effectively coach.

Steven Rosen, CEO at STAR Results, Speaker, Author "52 Sales Management Tips: The Sales Managers' Success Guide"

I've come to realize that coaching is probably the critical skill for sales managers in complex B2B sales environments – and is one of the factors that most strongly differentiates top performing sales organizations from those who struggle. Coaching is not about telling people what to do. It's about helping them think more effectively through a situation and enabling the person being coached to see things from a fresh perspective. It's about healthily changing pre-conceived ideas in a non-confrontational and non-judgmental way.

Bob Apollo, Founder and Chief Revenue Engineer at Inflexion-Point Strategy Partners

Every time you have a one-on-one meeting with a salesperson, you have an important choice: it can be a one-on-one training session or a one-on-one coaching session. Being aware of what kind of meeting you're having puts you in control. You can use the meeting to do the job for the salesperson. Or you can use the meeting to develop the salesperson to do her job.

Chris Lytle, President at Sparque, Inc., Author "The Accidental Sales Manager: How to Take Control and Lead your Sales Team to Record Profits"

The reason why the highest salaries amongst state employees belong to men and women who coach sports at state universities is simple: we are willing to pay a high premium to people who have mastered leadership skills, who are capable of defining strategy, are creative enough to develop winning game plans, understand when to make critical and timely adjustments and understand how to communicate all of this in a concise way for assistant coaches to implement and players to understand why they need to do what they do.

Gary Milwit, SVP at Stone Street Capital

What is Sales Coaching?

What is Coaching?

According to the International Coach Federation (going straight to the source), coaching is defined as, "An interactive process to help individuals and organizations develop more rapidly and produce more satisfying results; improving other's ability to set goals, take action, make better decisions and make full use of their natural strengths."

A coach combines elements of a **teacher**, a **counselor**, a **guide**, a **cheerleader**, and a **facilitator**. A coach should understand the person's motivations, assess their strengths and weaknesses, encourage and inspire them to achieve greater results, adopt a unique approach with each individual (instead of a one-size-fits-all approach) and foster an environment that allows the individual to thrive and become successful.

Coaching is different from managing, training, or mentoring. Traditional, old-school managers generally focus on telling people what to do. They don't typically micromanage or drill down to the nitty-gritty of how individuals should do things.

Telling people what to do is not coaching. People don't like to be told what to do, but rather, prefer to be enabled and helped. They want to be involved. As the old maxim goes, "**Tell me and I forget, show me and I remember, but involve me and I learn.**" Coaching subscribes to this adage. It emphasizes the development of individuals and improving their performances gradually, which is a more practical approach than telling people what to do.

The future of sales management is coaching. Old-school management methods are not effective anymore. It has been well-documented that new Gen Y employees have different values and traits and, because of that, Gen Y does not work effectively within the scope of traditional management.

Great coaching focuses on people's strengths, not their weaknesses. Sports coaches constantly train to improve their players and focus on making them better every day. Coaches in sports emphasize their best players' strengths, more than they focus on improving weaknesses. When a football coach works on a quarterback's strengths, he might focus on improving his accuracy or decision-making to help him improve as a quarterback. It would be silly for him to improve at being a wide receiver and work on his catching or route-running.

Nathan Jamail had a great point in his book The Sales Leader Playbook. To quote him, "The best players do not necessarily win because they always execute the most difficult plays. They simply practice the basics, what's tried and true, and get winning results. Focus on strengths and practice the basics until your players and sales teams are great at these basics." This is what good coaches do with their teams – they focus on strengths and help their teams practice the basics.

What is Sales Coaching?
How important is it?

There are many coaching models out there, but few of these coaching models are actually designed for sales. They are structured for sporadic intervention but not for consistent, regular coaching that should take place not only when something goes wrong, but more often when things are going right.

The Corporate Executive Board (CEB) defines sales coaching as an "**ongoing and dynamic series of job-embedded interactions** between a sales manager and his or her direct report, designed to diagnose and correct or reinforce behaviors specific to that individual." Thus, coaching requires a unique approach to each individual rep.

- A Good Sales Manager is a master at **coaching**
- A Good Sales Manager has a unique approach to each individual rep, while average sales managers use a "one size fits all" approach
- Sales coaching requires knowing the individual's key sales performance metrics
- The objective of sales coaching is not to close sales as a manager, but to coach your reps to sell well
- Sales coaching achieves results: CEB's research shows that **companies with high-quality coaching have reps that achieve 102% of goal** vs. companies with low-quality coaching that had reps hitting only 83% of goals on average

Challenges with Sales Coaching

There are 3 major challenges with sales coaching today:

1) Sales managers aren't spending enough time on sales coaching

Studies have shown that 4-5 hours per month per rep is the ideal amount of time to spend on sales coaching. Unfortunately, most organizational benchmarks suggest that very few sales managers are actually devoting this amount of time to sales coaching. Additionally, most sales managers themselves aren't coached on how to coach properly.

Sales coaching is so important to skill development and rep morale that managers need to prioritize setting aside time each week to meet with sales reps individually. Since no two sales reps are the same, with the same problems, strengths or weaknesses, it is imperative that the sales coach treat them all differently and personalize coaching plans. This is understandably a substantial investment of time, but when executed correctly, will pay huge dividends down the line.

2) Traditional coaching models aren't sales-specific

There are a wealth of traditional coaching models typically used by organizations, all of them with their own fancy anagrams. Some of them include:

- **GROW** (**G**oals, **R**eality, **O**ptions, **W**ill)
- **ACHIEVE** (**A**ssess situation, **C**reative brainstorming, **H**one goals, **I**nitiate open generation, **E**valuate options, **V**alid action plan, **E**ncourage momentum)
- **GAINS** (**G**oal, **A**ssessment, **I**deas, **N**ext Steps, **S**upport)

These are all great coaching models in their own right – and what creative anagrams! However, while other industries might benefit from these models, sales is less likely to. For example, human resources managers would use GAINS, because it fits what they're trying to accomplish – sales coaching requires its own model, with sales-specific terminology and focusing on actual selling tasks.

Additionally, most of the aforementioned coaching models are designed as point-in-time interventions, meaning that they require periodic intervention and planning. Sales coaching, on the other hand, works best when it takes place within the context of actual selling activities, rather than having to press pause and take a step back. Sales coaching is most effective when it is a regular, daily occurrence, with immediate corrections and real-time impact.

3) Most sales coaches aren't coaching by the numbers

Far too many sales managers end up coaching based on their gut feelings, a reps' intuition or unsubstantiated anecdotal evidence. They turn to their previous experience as a sales rep for coaching guidance. The problem with this is two-fold: first, there is little correlation between success as a sales rep and success as a sales manager; second, without measuring or A/B split testing, it is impossible to say whether their experience data points are truly the optimal ones. For all they know, they could be imparting bad advice when coaching their sales reps.

Analytical sales coaching looks to the data and numbers to point out specific areas of weaknesses. Instead of relying on anecdotal evidence – "I think that you have been struggling on your demos, based on what I've seen and heard in passing" – analytical sales coaches can call upon data-backed reports and analysis that provide strong evidence on particular coaching points. To really get the most out of analytical sales coaching, sales managers must first track the right sales metrics.

There are other challenges with sales coaching. The typical sales manager:

- Doesn't spend enough time listening in on sales calls or shadowing sales reps
- Can't identify who their most effective sales reps are
- Struggles to pull the trigger on terminating weak or underperforming reps
- Can't recognize what exactly their sales reps are doing wrong
- Is aware of their sales reps' struggles, but isn't able to correct these issues
- Shies away from presenting critical feedback to their best sales reps
- Doesn't realize that a lack of sales experience adds at least a year to the ramp-up period of onboarding new sales reps

Skills of Sales Coaching

Diagnosing the right skill to work on

You can't diagnose the right selling skills to work on unless you lean heavily on the sales metrics and data. Each of your reps will have their own strengths and weaknesses – you have to start from the top and work your way down to reach rep and their data, identifying precisely where you need coaching.

If the data suggests that one of your reps isn't working enough leads, you can dig in to identify the root causes that are producing this shortcoming. Is this rep **over-investing** too much **time** and effort in unqualified opportunities? Do they struggle with time **management**? Is this rep paralyzed by a **fear** of picking up the phone and making calls? Are they **lacking in personal goals** and motivation?

You used the data to identify the problem or skill that needs work. You've dug deeper into the root cause of this shortcoming. Now you can focus on improving this skill.

Examples of skills to diagnose for improvement

What are some types of skills that you could pinpoint as areas of improvement in your diagnosis? There are a lot!

One could be demos delivered. Why are your reps coming up short in delivering demos (not just in numbers of demos, but also in the quality of these demos)? Are they not prospecting deeply enough? Are they bad at establishing a personal connection with the lead? Do they struggle to build trust once they've connected on the conversation?

Another could be in getting leads to schedule a meeting. Is the rep failing to develop a sense of urgency with the leads they're speaking to? Are they hovering on the surface pain points, or are they digging deeper? Are they getting to the three levels of "Why"?

1. Identifying a specific pain that is quantified and implicated

2. Understanding a prospect's goals. What happens if they don't hit their goals?

3. Learning why timing is important. What happens to the prospect if they delay purchase?

There are a multitude of sales skills that you could diagnose for improvement. The point of emphasis here is the importance of diagnosis, and then drilling down into this specific skill until you've found the root cause of the shortcoming. Once you've done that, you can then coach the rep on the one skill and resolve the problem.

The importance of focusing on one skill at a time

The biggest and most common mistake that new sales managers make is trying to focus on too many coaching skills at one time. When a sales manager takes a rep under their coaching wing, they will inevitably see dozens of skills that could use improvement. Fight the urge to tackle every one of these at once, which will ultimately overwhelm both you and your rep.

As a sales manager, you have to fight the natural temptation and instinct to want to fix everything at once. This is the first step to really effective sales coaching. Take the feedback that you get upon that first one-hour meeting with the rep and answer this one question – what is the ONE skill that can improve that will make the biggest difference to your sales team right now?

First steps after skills are diagnosed

Once you've identified the one skill to work on, it's time to get down to coaching business. The first thing you want to focus on?

Get **buy-in** from the rep.

Total commitment on the parts of both sides is the vital first step. **Sales reps will respond much better to sales coaching efforts when their managers co-create a plan with them.** This works much better than the manager simply coming in to that first meeting and saying, "OK, I've looked at the data and determined that this is what you will be working on improving this month."

Consider the alternative conversation instead: "I've looked into your key sales metrics and have some ideas on where I think you can improve, but I want to talk to you about it first. What do you think about your own performance?"

Once you get this buy-in, reps will become personally invested in their own improvement process. Imagine if, over the course of this initial diagnosis conversation, the rep talks about their own improvements and pinpoints the exact skill in need of coaching that you had in mind.

Now, the rest of the coaching session and plan will go much smoother and be more productive. You can now co-create a plan for resolving this issue.

After working together to map out a coaching plan that works both for both of you, don't waste time talking about scheduling X number of meetings – actually do it! If you discuss meeting 3 times over the next month to improve this area, go ahead and schedule those 3 meetings right then and there. You want to keep emphasizing the commitment on both your parts, and what better way to do that than by actually going forward with the meetings right away?

Coaching reps with consistency

While we talk about the need to customize each coaching plan to each individual rep as befitting their unique strengths and weaknesses, you still want some consistency in your coaching efforts. This means giving each rep the same sales process and the same sales playbook to work with.

This also means going through the same pattern of diagnosis, identifying skills to work on, and establishing a similar coaching cadence. With each rep, you want to co-create the plan together, as mentioned above.

This is when the plan starts to deviate, depending on each rep. Some reps might need more direct 1:1 time, requiring you to schedule more sessions. Others might be better at learning on their own. The bottom line is that all reps are different, so after you've laid a consistent foundation for each reps – as dictated by both your sales process and your coaching diagnosis process – you have to tailor each coaching plan specifically to that rep.

Have all your reps spend the first month on the job simply experiencing your customers' pain points. Use the same process to diagnose the one skill the need coaching on – each rep should be on their own individual, unique path to success.

Practical Coaching with Sales Metrics

Analytical sales coaching cannot succeed – or even get off the ground! – without the right sales performance metrics behind it. Therefore, the first thing that every sales manager aspiring to dive deeper into data-driven sales coaching is to find the appropriate metrics to guide their coaching efforts. With a vast wealth of various sales metrics, analytics and reports to choose from, it can be overwhelming for a burgeoning sales coach to discern the right ones.

In the following pages, we will explore some of the most important sales metrics to be mindful of when coaching, delving deeper into why each metric is essential and how to best apply them.

Coaching on Executing Daily Sales Activities

What

- Typically these are Dials (calls) and Conversations.
- This metric identifies how your reps are performing in a given period of time vs. their individual activity goals, i.e. number of dials made per day, number of conversations had per week.

Why

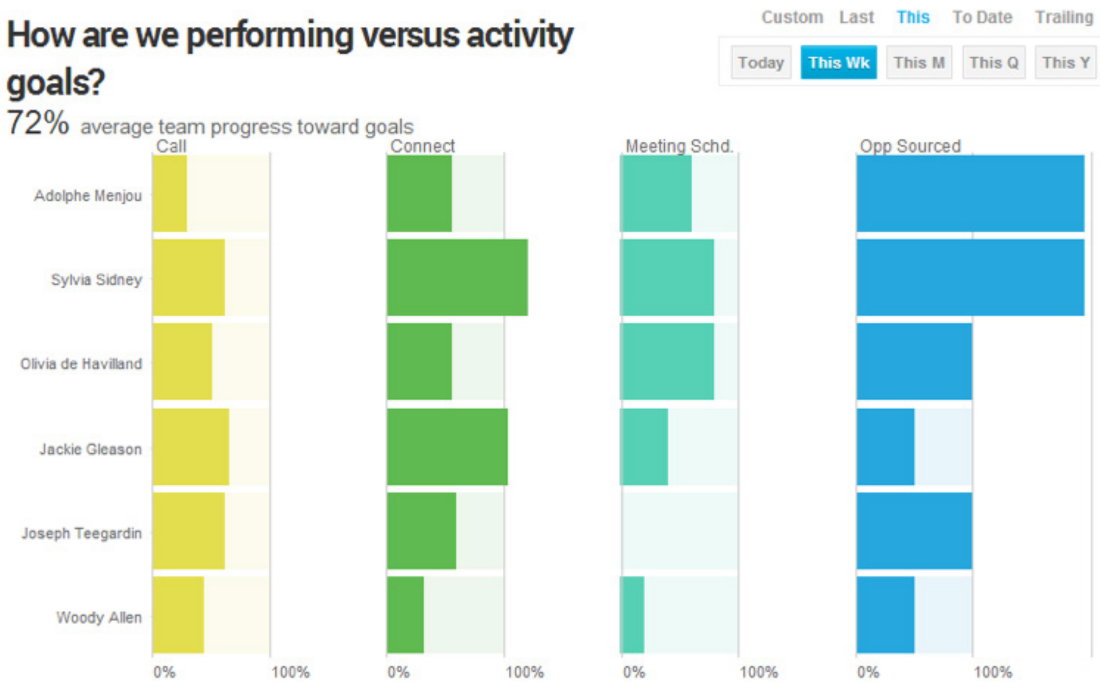
- Determines if your reps are progressing toward their activity goals to help them keep track of how well they are doing in any given time period
- Informs whether daily, weekly, monthly or even yearly activity goals are too easy or too ambitious and out-of-reach
- Compares the activities of each rep against other reps on the team. This can foster a sense of motivation and competition, while identifying weak links, compared to strong performers on the team.

How to use in sales coaching

Use this metric to figure out which of your reps are consistently falling short of their activity goals, typically measured in dials per day. These goals should be set up in an input-based way, where regardless of what else happens during the day, the rep should have no excuse for not hitting these dial benchmarks, whatever they may be.

Reward or acknowledge those who are not only regularly hitting their goals, but occasionally exceeding them as well. This also means that you have to train – or even admonish – reps who are regularly failing to meet these goals. Try and identify the reasons why they are not hitting their activity goals – are they encountering bottlenecks in research or from management, or are they simply not expending the effort?

Sales Metric / Report



Coaching Reps to be Efficient With Their Daily Activities

What

- Identifies your reps' current activities and the conversion ratios of these activities (from calls : meetings scheduled to opportunities created : deals sourced)

Why

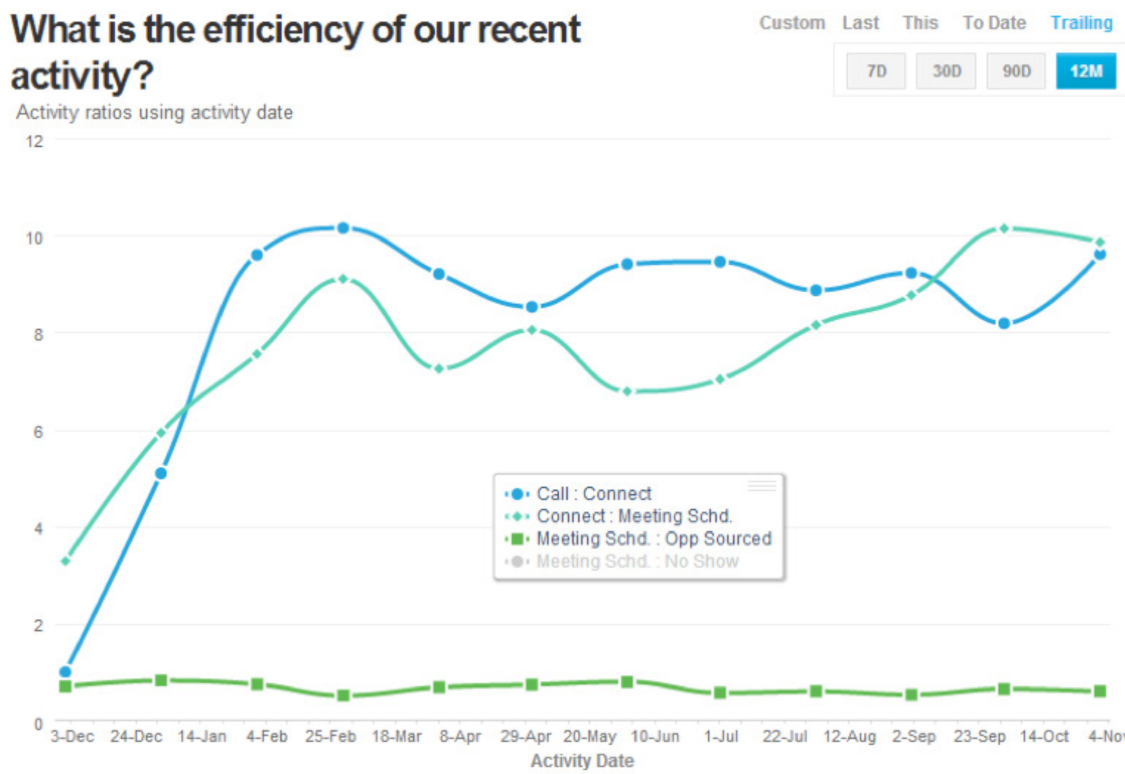
- A raw number of activities is great, but if these activities are not converting into opportunities and deals that move the needle, what's the point?
- Activity count coupled with activity effectiveness is a good leading indicator of future sales performance
- Quickly identifies the reps who are not performing their activities effectively

How to use in sales coaching

If one rep is making twice as many calls as his or her peers but producing substantially fewer dials, that is a major red flag. You want to use this report to home in on these weak reps who might be expending a great deal of input-based effort with very little to show for it.

Once you've identified the underperforming reps, look for ways to improve the efficiency and effectiveness of their activities. Do they need more stringent qualification skills? Do they need to improve their sales pitch? Is your overall team spending too much time on one particular phase of the sales cycle? Determining how many activities it takes for a rep to create a late-stage opportunity will help you better understand the activity flow – and where you need improvements.

Sales Metric / Report



Coaching Reps on Time Management

What

- Tracking your reps' activities on a daily or weekly basis to ensure that they are being responsible and efficient with the time they spend at work

Why

- Sales reps have a lot on their plate – including making an allotted number of dials and attending productive sales coaching sessions – which makes time management that much more important
- Junior sales reps might struggle with their time management and prioritization, and fall behind in their key responsibilities (namely, making sales calls)

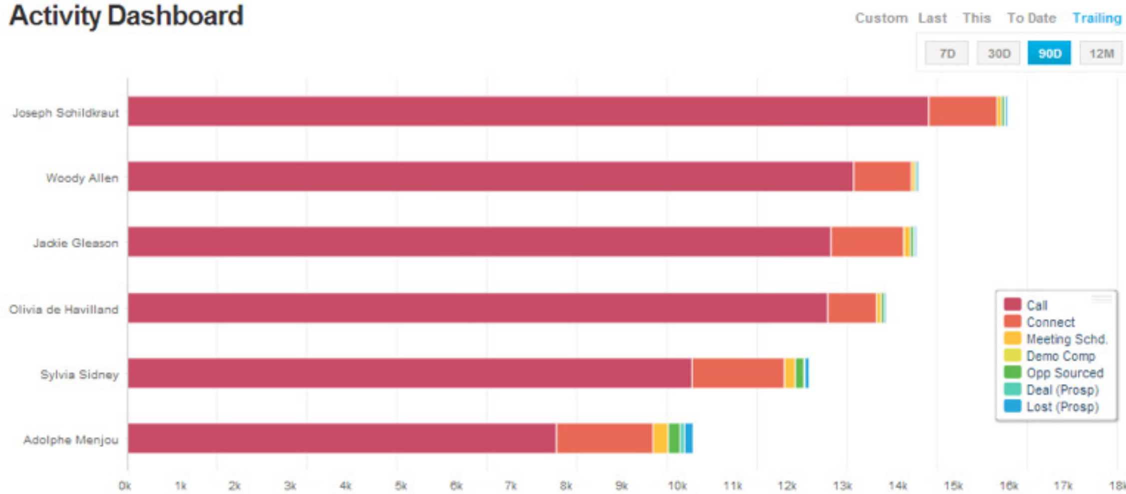
How to use in sales coaching

Some of your reps might be masters at managing their own time and work – those reps won't need much coaching here. Others might struggle to deal with the fast pace of a sales team and fall behind in their key responsibilities of making calls out to potential leads and prospects.

Use an activities report to diagnose which reps are slower in their work, or not as efficient in planning out and prioritizing the things they need to do. Look for reps that are not only falling short of their activity goals, but also those that are lagging behind their peers. Once you have identified those reps, you can then dive deeper into their individual work habits to see where they are being bottlenecked and slowing down.

Sales Metric / Report

Activity Dashboard



SELECTION

All | Top 15 | None | Filtering | Export

Employees	Call	Connect	Meeting Schd.	No Show	Opp Sourced	Deal (Prosp)
Joseph Schildkraut	15,136 (+14,913)	1,369 (+1,147)	117 (+63)	6 (+6)	47 (+47)	5 (+5)
Woody Allen	14,299 (+14,298)	1,203 (+1,202)	105 (+104)	2 (+2)	56 (+56)	6 (+6)
Jackie Gleason	10,370 (+10,370)	1,276 (+1,276)	140 (+140)	22 (+22)	88 (+88)	12 (+12)
Olivia de Havilland	8,699 (+8,699)	706 (+706)	76 (+76)	5 (+5)	65 (+65)	6 (+6)
Sylvia Sidney	4,179 (+4,179)	535 (+535)	34 (+34)	1 (+1)	23 (+23)	1 (+1)
Adolphe Menjou	3,745 (+3,745)	351 (+351)	33 (+33)	1 (+1)	24 (+24)	2 (+2)

Coaching Reps on Product Demo Skills

What

- Identifying which reps struggle specifically with delivering demos to prospects.

Why

- Some sales reps are not as skilled as their peers and teammates in delivering product demos, a crucial aspect of many inside sales organizations.
- You need to identify these reps and immediately help them shore up their product demo skills – your company as a whole could be losing many valuable opportunities at this stage due to underwhelming product demos.

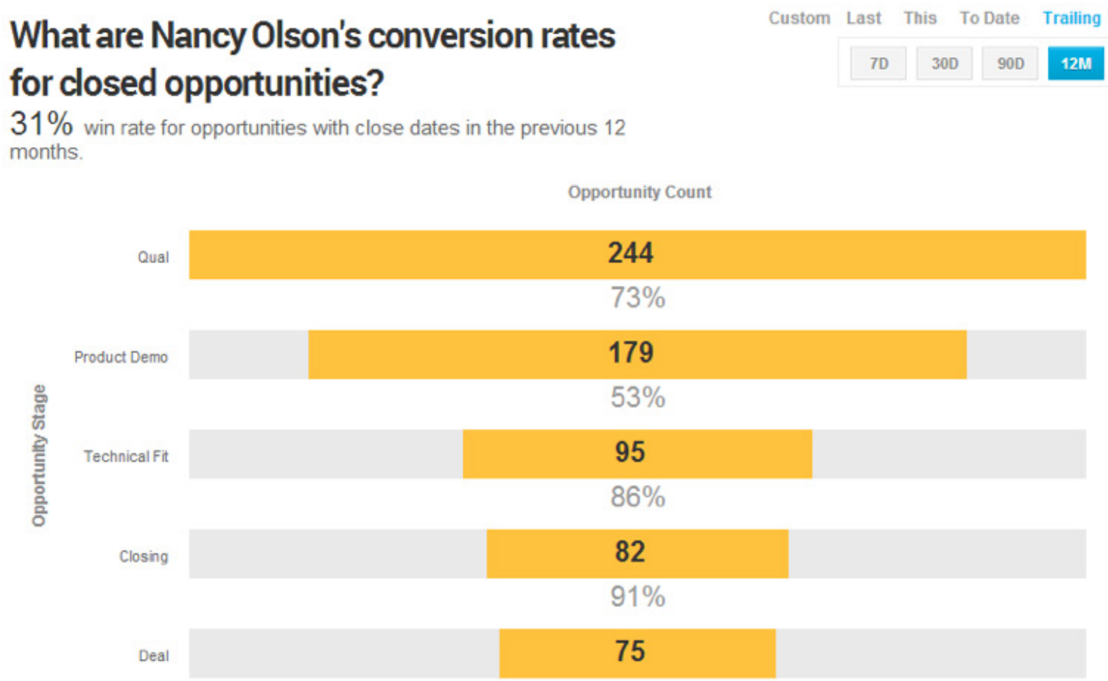
How to use in sales coaching

As with many of these sales metrics, it is important to use them to help you in identifying which reps in particular are struggling at converting prospects from the demo stage of the sales process down the funnel and to the next stage. Use the sales funnel report below to compare each of your reps.

What you are looking for, in studying the individual sales funnels of each rep, is which ones see their conversion rates plummet between the demo stage and the next stage of the sales process. Compare each rep's performance against their conversion rates at the other stages, as well as against the team's average conversion rate between these stages.

In the report below, Nancy Olson converted only 53% of her prospects from the Product Demo stage to the next stage. This pales in comparison to her conversion rates at other stages, suggesting that she is losing a valuable chunk of opportunities here due to mistakes in her demo process. Check out some of our resources on best practices for product demos, and help Nancy shore up this weak area.

Sales Metric / Report



Coach Correct Prioritization and Focusing on the Right Opportunities

What

- A snapshot of each rep's sales pipeline should identify all of the current open opportunities, along with their risk factors and recent engagement.

Why

- When a rep works on many opportunities at once, it is entirely possible for a potentially valuable opportunity to slip through the cracks.
- Based on risk factors – close date moves, value, age in stage and momentum – coupled with recent engagement, sales managers should help reps prioritize the most important opportunities to work on

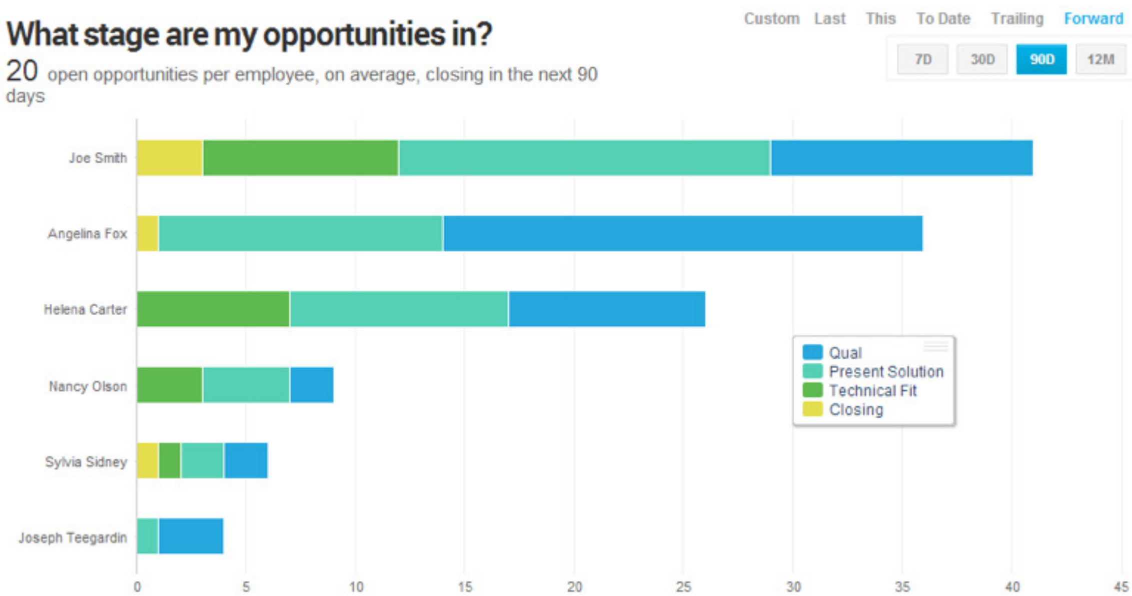
How to use in sales coaching

Sometimes reps need help prioritizing the opportunities in their pipeline to avoid letting valuable opportunities slip through the cracks. An opportunity that has a high probability of closing but hasn't been engaged with in over two weeks should raise a red flag for the sales manager. When meeting with your rep, ask them why they haven't engaged with that opportunity and direct their attention toward it in a bid to convert it to a closed-won deal.

Or, let's say that a rep is vigorously working an opportunity that has changed its close date 4 times, is worth 4 times more than your average deal size and has languished in this stage for more than a month. Why is your rep still working on this opportunity so fervently when it has a very low probability of closing? Studying the Pipeline Today report will be a big boon in helping your reps prioritize the right opportunities to work on at any given time.

Look at a report that displays what stage your reps' opportunities are in. While you want your reps to prioritize on closing opportunities, keep in mind that you are going to be most valuable to your reps on opportunities in the early or middle stages. Intervening on an opportunity in a later stage will likely be too late for you to do anything impactful.

Sales Metrics / Report



Coaching on Managing Pipeline Integrity

What

- A bigger pipeline is not always better. Sometimes, pipelines have to undergo a purge in order to get rid of unnecessary bloat that is clogging it up.

Why

- The key to success is maintaining the integrity and cleanliness of your sales pipeline. The only way to ensure that your reps maintain or improve their Win Rate % is to ensure that your reps fill the pipeline with high-quality and qualified opportunities.

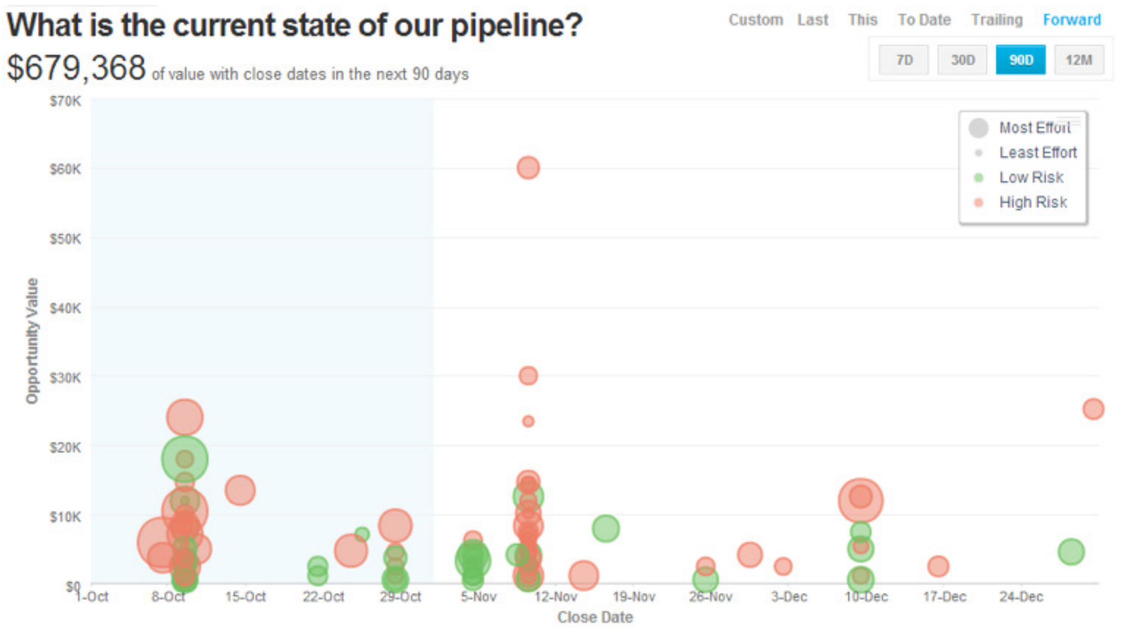
How to use in sales coaching

Most sales managers engage too late in the process, when there are problems with opportunities but it's too late to do anything about it. It's natural to focus on these opportunities, as they are near closing. Managers also tend to ask about "sexy deals" – deals from a big-name client or that are high in value. Some reps have even learned to hide these deals at the top of the funnel to avoid scrutiny.

Successful sales managers don't fall into this trap. They start early and question the deals at the top. They focus on TOFU, not BOFU. Pay attention to what's filling your pipeline at the top. Waiting any later will be too late, as the fate of these opportunities will already have been decided.

Inspecting opportunities and coaching reps at the early stages will help prevent a bloated sales pipeline with low integrity, low predictability and ultimately a low Win Rate %. This will result in you missing your quota and losing credibility. If you can focus on getting your bad opportunities purged as early as possible, then you will have a much more ideal selling process and prevent your team from spending valuable time and resources on low-probability deals. Go through each rep's individual pipeline and help them purge opportunities that don't belong in the pipeline.

Sales Metrics / Report



Coaching on Building Your Pipeline

What

- The number of Created opportunities in your pipeline during any given selling period. This changes as new opportunities are created and old opportunities leave the pipeline, either as wins or losses.

Why

- How is the number of open opportunities changing with time?
- What is our win/loss trend? Are we winning more than we lose?
- If open opportunities are increasing, is it because we've been failing to close or have we done a good job replenishing those by generating more?
- What happened to opportunities created 6 months ago?

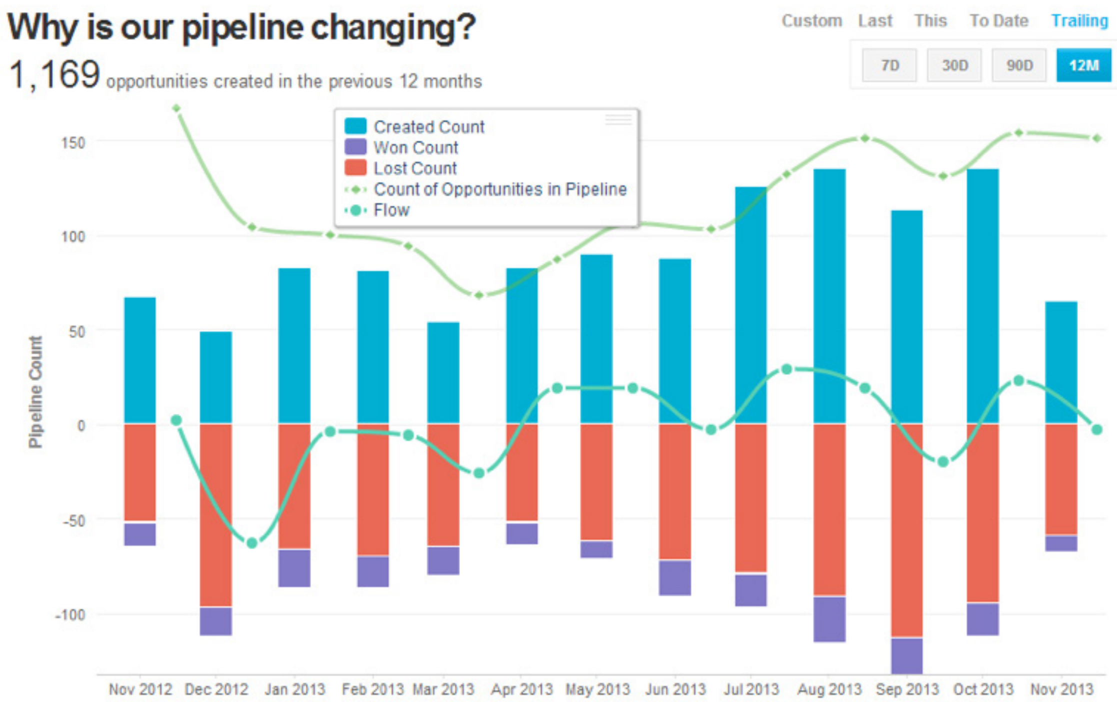
How to use in sales coaching

How does the flow of incoming opportunities to the pipeline compare to the flow of outgoing opportunities? You want to help your reps ensure that their own personal pipelines are constantly filled so that they have enough opportunities to meet their quotas, as per their historical conversion rates.

The inflow of opportunities depends on how your sales and marketing processes are set up. If marketing handles all of the lead generation, then your reps will have less control over their pipeline inflow. However, if reps are tasked with doing some of their own lead generation and certain reps still see smaller pipeline inflows, you might have to coach them on better lead generation.

Also keep an eye on the outflow of opportunities from each rep's pipeline. Naturally, you would prefer opportunities to leave as wins, not as losses. If certain reps have pipeline outflows that consist primarily of losses, this is an issue you need to address.

Sales Metrics / Report



Coaching Reps to Manage Sales Forecasting Accuracy by Identifying Forecast Killers

What

- Based on historical conversion rates and current pipeline opportunities, what does the sales rep expect to book this month? This quarter?

Why

- Sales managers need a predictable, reliable forecast that they can depend on when making projections. This means that every rep must be diligent in his or her data entry, and honest in terms of their own data-driven sales forecast.

How to Manage Sales Forecast Killers

When applying sales forecasting methods in an attempt to generate predictable revenue, sales managers and reps must be wary of red herrings, false alarms and misleading data. These “killers” can sabotage the accuracy of your data-driven sales forecasts if unaccounted for, creating confusion and leading to bad decisions.

When spotted early enough in the process, you can easily sidestep these sales forecast killers and account for them, or simply remove them from your forecast altogether. These are the 10 most common sales forecast killers to look out for:

- **Timing** - Opportunities that languish in certain stages for longer than the average duration of won deals have lower conversion rates.
- **Average deal size** - Opportunities that are 3x your company's average deal size tend to convert at a lower rate and have longer sales cycles.
- **Slippage** - Frequent close-date pushes and sales-price changes are indicators that an opportunity may be unlikely to convert.
- **Stalled engagement** - If a deal is scheduled to close soon and your reps haven't engaged with it in more than two weeks, it should be flagged or removed.
- **Stage** - Opportunities in the first stage of your sales cycle should not be in your forecast.
- **Negative velocity** - Opportunities that stall or move backwards in the late stages of the funnel should be removed.

- **Title** - Deals can only be signed by decision-makers; if an opportunity is in the late stages but your rep hasn't spoken with a decision-maker, that opportunity should be flagged as at-risk.
- **Lead source** - Analyze your historical win rates for different lead sources and flag opportunities from low-probability sources.
- **No competitor** - Customers who are ready to buy will typically compare other options in the marketplace; if they have not, they are probably not ready to buy.
- **Late random additions** - Large deals (at least 2x your average deal size) added at the last minute should be flagged as at-risk.

The report below has highlighted in red all the opportunities that have raised red flags for a variety of reasons. Coach your reps to be diligent and alert in looking out for these risk factors in their pipelines.

Sales Metrics / Report

What are Josh's riskiest opportunities?

38% of your opps are at risk

Post to Coaching Feed

Name	Close Date	Stage	Value
Cathay General ↳ Risky due to high amount, multiple close date pushes, overall age	12/31/2013	Present Solution	$91,000
Agrium ↳ Risky due to high amount	11/16/2013	Trial	$59,800
Spirit Airlines ↳ Risky due to high amount	11/30/2013	Trial	$55,000
Digital Realty ↳ Risky due to high amount, overall age	12/23/2013	Qualifying	$42,000
Identive Group ↳ Risky due to high amount	11/20/2013	Trial	$35,100

Coaching Closers to Improve their Performance Sales Funnel Analysis

What

- The sales funnel report tracks conversion rates between each stage of the sales funnel, all the way down to the bottom of closed-won deals.

Why

- How many of our opportunities are we converting to the next phase at each stage?
- Are there any dramatic drop-offs between stages?
- How does this rep's overall sales funnel compare to the company's average sales funnel?
- Where in the sales process does the rep struggle?

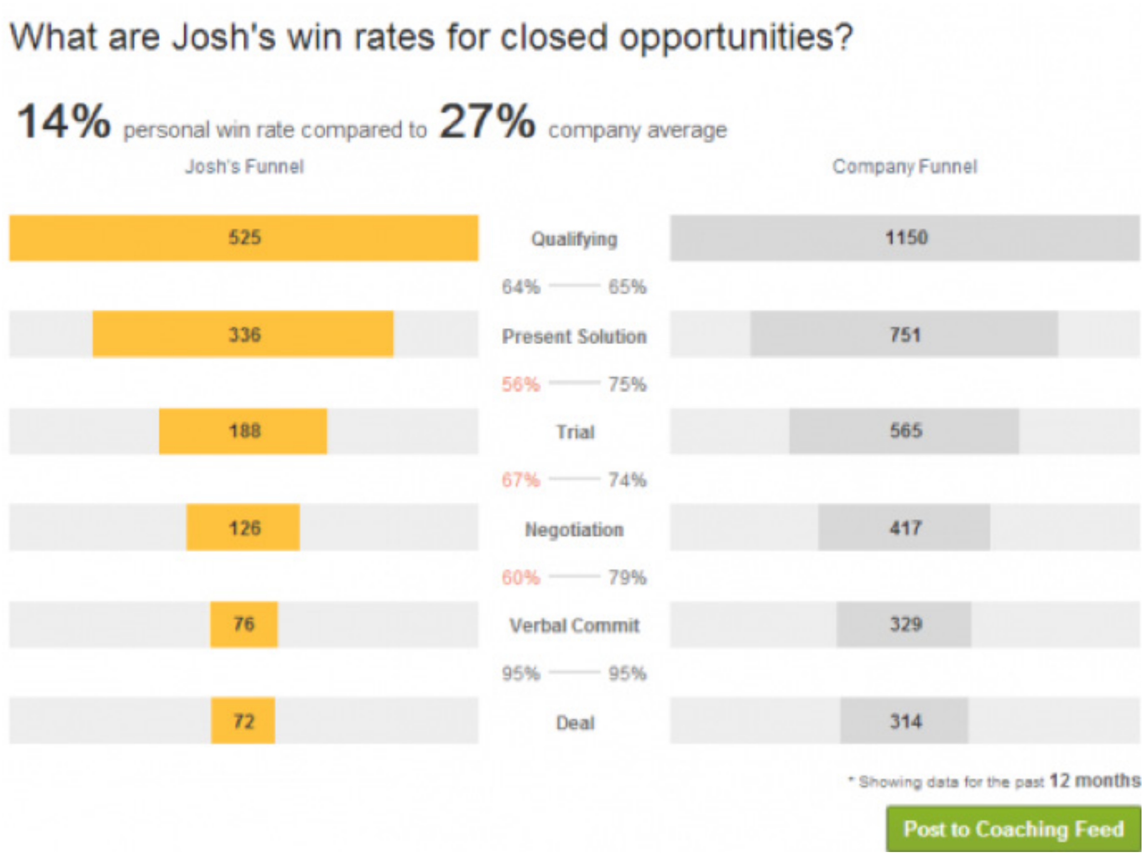
How to use in sales coaching

The sales funnel is one of the most valuable sales coaching tools when it comes to identifying where a rep's weaknesses are in the sales process. This diagnostic can be accomplished in two ways:

First, the manager should study the individual rep's sales funnel and look for dramatic drop-offs between any two stages. The idea of the sales funnel is that it maintains its funnel shape from the top to the bottom, with consistent indents between each stage. An ideal sales funnel sheds a consistent number of opportunities at each stage, as they become more qualified, leaving only the most likely buyers and best fits. If there is consistency between all stages except for a sharp drop-off at one, that lets the sales manager know that the rep struggles to convert at that particular stage (See Product Demo section above).

Another way to pursue a diagnostic through a sales funnel conversion analysis is to compare the individual's sales funnel to the overall company's. Is the rep holding up to the conversion rate benchmarks as established by the rest of the team? If there is one – or more – areas where he or she is lagging behind, that is a red flag to you on where you should be focusing your sales coaching efforts.

Sales Metrics / Report



Win/Loss Analysis

What

- Analyzing the breakdown between opportunities that were won and those that were lost in order to find trends that can be repeatable or consistent mistakes that should be avoided.

Why

- Is our win/loss rate improving? When was it the best, and when was it at the lowest point?
- As we grow our number of opportunities, is it affecting our win/loss rate?
- What can we learn by looking at our win/loss opportunities broken down by specific filters – i.e. by lost reasons, by lead sources, by employee?

How to use in sales coaching

We can learn just as much – if not more – from our losses as we can from our wins. That is what makes the win/loss analysis such a critical component of sales coaching. Breaking down each of your opportunities into buckets of wins and losses and analyzing those can unearth insights to optimize your sales process going forward. The key is to look at your win/loss analysis by different categories.

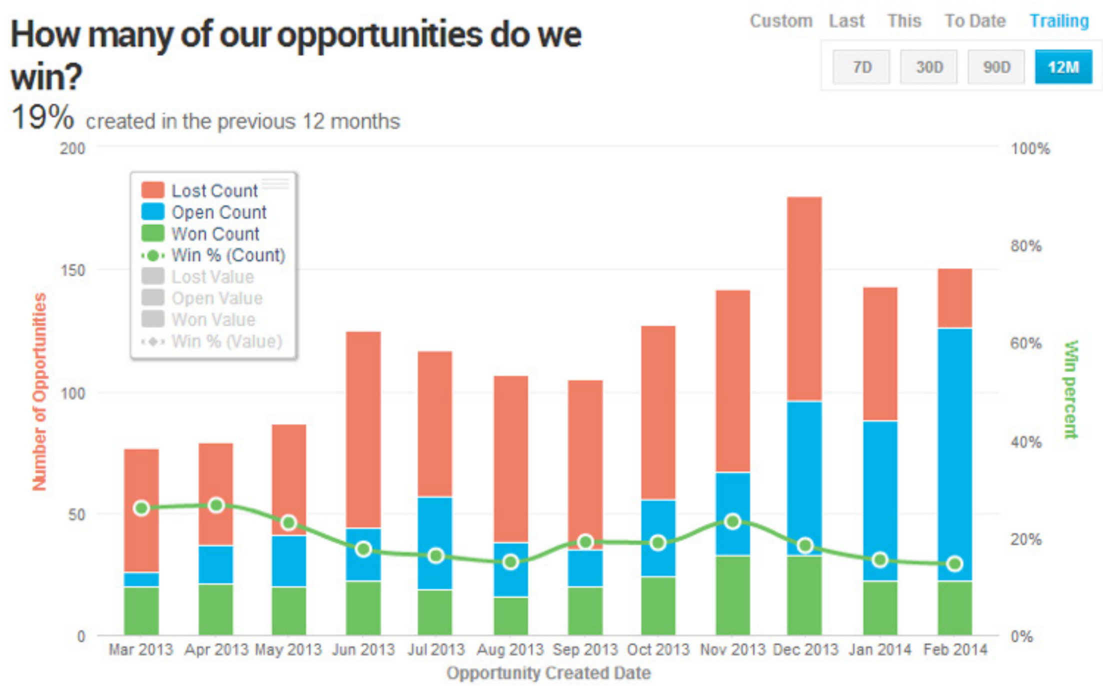
Start by looking at individual employees. Which of your employees have the strongest win rates? More importantly, which ones have the weakest win rates and need the most coaching help?

Once you have identified those employees, you can break down your win/loss analysis and drill down even deeper. For instance, looking at a win/loss analysis by lost reasons for this individual employee will pinpoint even more specifically why they are struggling to convert. If something such as price or feature is coming up as the most frequent lost reason, that is something that is ultimately out of the rep's hands. However, if poor qualification or timing is cited as the most common lost reason for this rep, then that is a specific coaching point that can be improved upon, now that it has been diagnosed.

Another good way to perform a win/loss analysis is to look at lead sources – certain sources will produce a much higher win rate. It might be a good idea to give a struggling rep more opportunities from those lead sources to help boost his or her confidence.

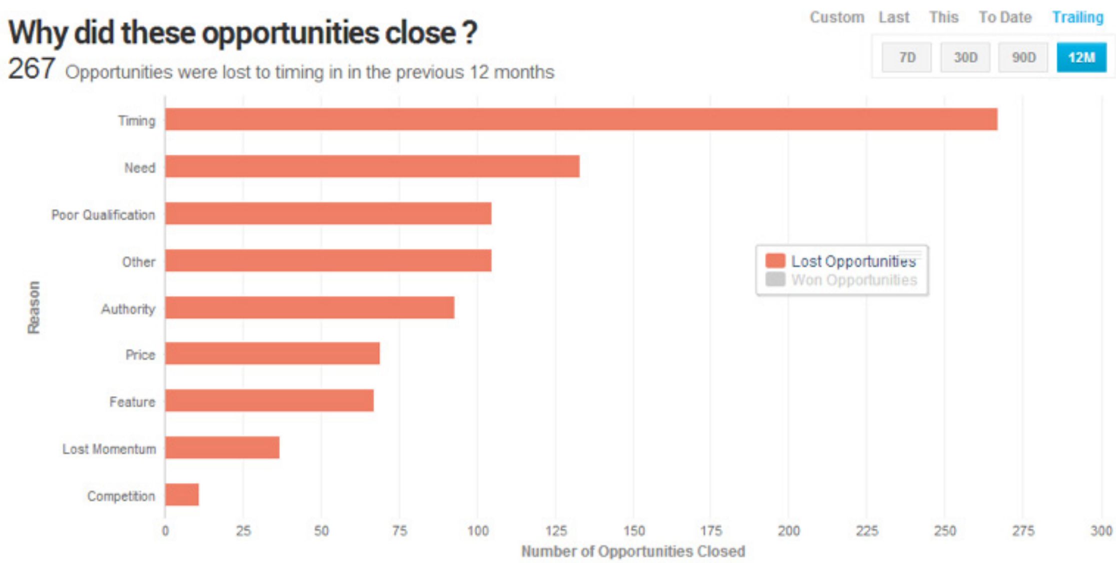
Sales Metrics / Report

Win / Loss Rate over Time



Win / Loss by Employee

Win / Loss by Lost Reason



Sales Cycle Analysis

What

- The Sales Cycle report looks at your average sales cycle, broken down by stage. Sales managers can drill in deeper to look at the sales cycle by individual employee or to see the difference between wins and losses.

Why

- How long is our sales cycle?
- How long is each rep's sales cycle? How does it compare with the company average?
- Where is the bottleneck in our process? Which stage do we need to focus on speeding up?
- How does our sales cycle compare in wins compared to in losses?

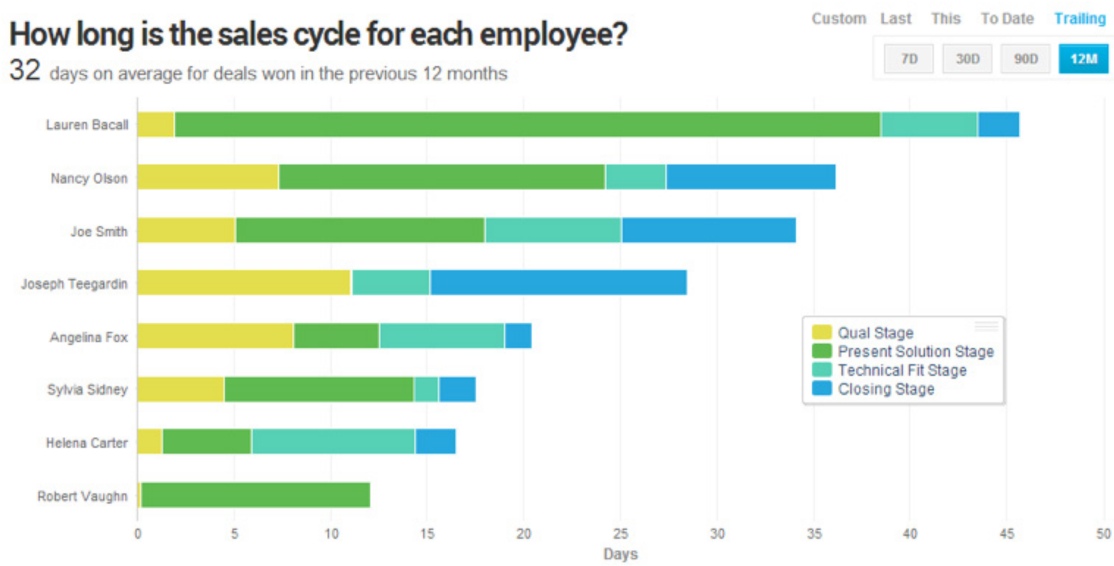
How to use in sales coaching

Having your overall team sales cycle average is a good overview, but it doesn't necessarily provide you with helpful diagnostics or coaching points. What you need to do is break down the sales cycle by individual employee. Start by identifying the reps who have longer-than-average sales cycles, and drill down deeper on those reps to diagnose specific weaknesses. Because the report breaks down the sales cycle by individual stages, you can see where reps are spending too long with opportunities.

As a sales manager, you want to remove bottlenecks for your employees. Let's say winning opportunities ultimately have very short sales cycles for the trail stage. If one of your reps – or maybe your entire team – is featuring longer-than-average sales cycles for this phase, help them work on speeding up the process. Maybe they need to put more pressure on the opportunity, or qualify opportunities better so that only interested buyers even make it to the trial stage.

Sales Metrics / Report

Sales Cycle by Employee



Sales Cycle by Won / Lost

How to Run an Analytical Sales Coaching Cadence: A 7-Step Process

You now know what sales coaching is, why it's important and how it differs from traditional coaching models. You've read about some of the common challenges to sales coaching and resolved not to adopt any of these bad characteristics. You've familiarized yourself with some of the key sales performance metrics that should be used in sales coaching. Now, all you're left with is one big question:

"How the hell should I run my next analytical sales coaching session?"

Follow these step-by-step tips to ensure that your next analytical sales coaching session is productive and well-received.

1) Schedule your coaching sessions, starting at the beginning of each month

You want to schedule your coaching meetings on the first business day of the month, or as close to it as possible. This ensures that you kick off the new month on the right foot, instead of letting the previous month's errors and weaknesses carry over and linger longer than they should.

2) Discuss key areas to coach or listen to. Observe sales calls or recordings to determine what to coach.

Spend some time either shadowing reps and observing them on their sales calls, or watching recordings of their sales calls to look for glaring weaknesses and areas of improvement. From there, communicate with the rep what you are expecting them to bring to the session and what area you will be focusing on.

3) Plan the coaching session. What personal and professional goals is the rep setting? Which skills are they focusing on?

Goal setting is a key part of sales coaching for every rep. Help them work through their own goals. Do they want to make more dials this month? Should they improve the efficiency of their dials in getting a prospect to the demo stage? Help your reps figure out what goals they should set for themselves, and how their goals tie in to larger company goals.

Remember to only focus on one specific skill at a time. Present the skill in a relevant and relatable format – show the rep how improving this skill will lead to direct results. Pick the most pressing issue for the rep to work on during this coaching period.

4) Choose the baseline KPI.

It's all about the numbers. For the skill that you are working on, look at what the rep's relevant metrics were for that skill in the past. For instance, if you're working on improving the rep's activity efficiency rate, what was it the previous month? What is the metrics-based goal for where the rep wants that efficiency rate to be after this sales coaching month?

5) Conduct the coaching session, uniquely crafted to each individual rep.

Now that you've identified the skill to work on, it's time to delve into the tactics of how the rep will be improving on that skill. Put your heads together to come up with a plan that is customized to how this rep learns – after all, everybody learns differently, so there should never be a one-size-fits-all approach to sales coaching. Identify the metrics that a) will help the rep improve on the skill and b) the rep will be measured against on this goal.

6) Continue with a follow-up.

When will you meet next to discuss the progress on this skill? If it is a small thing to work on, maybe the next meeting could take place next month. However, if the skill in need of improvement is a major problem that requires lots of attention, it would be best to schedule more regular intervals between sales coaching sessions.

7) Measure improvement in the baseline KPI and coach until that one skill is complete. Move on to the next skill.

Once the rep has made enough improvements on this one skill – as demonstrated by measuring against the baseline KPI – it's time to move on. Identify the next area of weakness that this rep should work on for the next month, set the baseline metrics again, and repeat the entire process. Remember to always focus on one skill at a time, so as to not overwhelm the rep.

Additionally, here are some great questions to ask at every coaching session:

- What are you trying to achieve?
- What would it mean to you personally if you were to achieve this?
- What are your short-term and daily activity goals?
- What exactly is going on in this specific situation? Why do you think this is happening?
- What could you change about yourself that would bring out the best in you?
- What stands in the way of achieving your goals?
- What do you think is the best option for solving this?
- When should we meet to look at your progress?

These type of probing questions are designed to lead the rep down a path of self-discovery. Remember, coaching works best when there is full buy-in on the part of the sales rep. When you frame the session in a way that shows you care about the rep personally and helping them achieve what they themselves want to achieve, it will end up being a much more productive session.

Strategic vs. Tactical Sales Coaching

There are two types of sales coaching: tactical and strategic.

Strategic sales coaching focuses on such issues as:

- Dealing with competitive issues
- Coming up with strategy to sell to accounts
- Getting a bigger share of the market
- Reaching the right influencers and decision-makers
- Coaching on high-level account strategies

Tactical sales coaching focuses on such issues as:

- Selling skills
- Prospecting skills
- Questioning skills
- Product knowledge
- Objecting handling skills
- Gaining commitment
- Time management
- Qualification skills
- Closing skills

Strategy and tactics are often confused as synonyms and used interchangeably in businesses and planning – this is a mistake! In truth, there are vast differences and complicated nuances between strategies and tactics.

To boil it down to a simple point, strategy generally refers to the "what" part of the question: What are our company's goals? What do we want the sales team to achieve? Tactics refers more specifically to the "how" aspect of the equation: How are we going to get more pipeline opportunities? How are we going to close more deals?

Seeing as to how strategy and tactics are different, it stands to reason that strategic coaching and tactical coaching are completely separate animals as well. There is plenty of room for both in your sales coaching program.

Let's dive further into each.

Strategic sales coaching

Strategic sales coaching looks at things from a bigger picture perspective. Typically, sales managers are more proficient and comfortable at coaching on a larger, strategic level. These big picture items should lead to a shift in tactics and change how sales reps run their day-to-day activities.

For example, take the pipeline review coaching session. After diving into the sales metrics and observing over a longer period of time, the Sales VP has a better idea of what types of opportunities are good ones for his reps to pursue. Now, at the pipeline review session, the sales manager can help the rep better judge and identify good, solid opportunities that better fit the profile of what the Sales VP is looking for. The sales manager can coach the reps to find certain characteristics – perhaps industry or size, for instance – that qualify under this new umbrella of high-quality opportunities. This represents a significant shift in strategy, a change that must be communicated to all reps through sales coaching.

Strategic sales coaching is also helpful when putting sales reps through role changes or different goals. For example, let's say a sales rep is particularly effective at closing larger accounts. There could be a strategic shift on the part of the sales team to assign more large opportunities to that rep. If so, that rep will have to be strategically coached on what this change in role means. Following that, the rep can then work on the day-to-day tactics that will govern his or her new role, as part of the company's overall strategic shift.

Finally, strategic sales coaching also contains a substantial leadership component. This means keeping your reps spirits high during slumps or down periods, finding creative ways to motivate them and fostering a sense of teamwork and community on the sales force.

Tactical sales coaching

Tactical sales coaching dives down into the nitty-gritty, day-to-day skills and activities that a sales rep goes through while selling. The key during tactical sales coaching sessions is to work on developing or enhancing specific sales skills and knowledge. For example, a rep might need work on getting BANT, on writing tighter pitch emails, on overcoming specific objections or on negotiating the close. These are all very specific aspects of the sales process. During the sales coaching session, you should focus on only one or two of these skills at a time, until the rep has complete mastery of this particular tactic.

This type of tactical sales coaching is most effective when it can be localized, i.e. when the rep's attention is focused on a specific situation. For the purposes of tactical sales coaching, it is best to listen in on calls with your reps. Once you have this observation, you can then point to specific weaknesses or areas in the sales process where this rep could improve. Having just gone through that process with the rep, the two of you can discuss the issue openly and critically, without any confusion as to what you might be referring to.

Conclusion

Sales coaching is not a one-time event, or something that only takes place once a quarter, or for two weeks out of the year. No, after all you've read above, you know that sales coaching has to be a regular part of your sales process, and is perhaps one of the most critical parts of your sales management strategy.

The key is to implement a committed sales coaching culture at all levels of your organization, including yourself. After all, managers sometimes need coaching too on how to manage and coach their reps better. Using yourself as an example of why coaching is important and how it works will only strengthen your reps' resolve and receptiveness to your own sales coaching.

To implement a sales coaching culture, start by communicating the benefits of sales coaching to all your reps, gaining full buy-in from them. Then, ensure that you have full commitment from top executives as well, including your CEO. Your CEO has to understand that you will be devoting a decent chunk of your time to this area.

Finally, you have to coach with the appropriate sales performance metrics. Without leaning on the data, you won't know which areas your reps need coaching in and how specifically to help them.

Fortunately, you now have all the right sales performance metrics for correct sales coaching, right here in your hands. You now know the right steps to take in all your sales coaching processes. You are now motivated and more determined than ever that sales coaching is just the thing to take your sales organization to the next level.

So, what are you waiting for?

GET COACHING!

#1 for Salesforce Analytics

About InsightSquared

InsightSquared is the #1 Salesforce Analytics product for small and midsize businesses (SMB). Unlike legacy business intelligence platforms, InsightSquared can be deployed affordably in less than a day without any integration costs and comes preloaded with reports that real business people can use. Hundreds of companies and thousands of users around the world use InsightSquared's award-winning analytics to maximize sales performance, increase team productivity and close more deals. Based in Cambridge, Mass., InsightSquared was recently named one of the "Best Places to Work in Massachusetts" by the Boston Business Journal.
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