

Making the Case for  
**SALES ENABLEMENT**  
**3**<sub>Small</sub> Formulas for **BIG** Sales Success

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## LET'S TURN "WHAT IF?" INTO "HOW TO!"

At every sales meeting, one item sits unseen on the agenda: potential. The untapped power of your team to do even better.

As you go over the numbers, it's tempting to reflect. What if we bumped-up the number of sales opportunities across the board? What if we tweaked the average deal size by ten percent? What if every rep closed just a few more deals each year?

**We're not talking about miracles – we're talking about small changes that can make a big difference.**

And that's exactly what this ebook is all about. Not seismic shifts or intimidating new paradigms. But reasonable, obtainable improvements that can have – that will have – measureable impact on your bottom line.

We call the tools and processes for increased performance, "sales enablement." The term sounds imposing, but the goal is simple: to increase the bottom-line impact of *every* member of your sales team.

In the following pages, I'll show you three simple formulas for success, plus the necessary variables you must plug into every productive equation. At the end of this book, you'll find a worksheet for making your own calculations, plus an invitation that will help you accelerate your own sales enablement initiatives.

Take the first step now by reading on. In the few minutes it will take to read *Making a Case for Sales Enablement: 3 Small Formulas for Big Success*, you will be well on your way toward turning sales daydreams into productive sales practices.

**LET'S DO IT!**



*Sue Murray*  
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Vice President,  
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## WHY SALES ENABLEMENT MATTERS

Too often, companies see sales as something that should produce, but rarely as an area in which they are willing to invest. Yet as you'll see, relatively modest investments in sales enablement can produce impressive returns.

Effective sales enablement gives sales reps the right insights, collateral, strategies and tactics at the right times, helping them to close more deals – and increase revenue. Specifically, good sales enablement tools can:

- **Shorten the sales cycle** by reducing administrative paperwork and allowing sales reps to focus on what matters: engaging the prospect versus searching/recreating sales information
- **Increase win rates for sales reps** by transforming the relationships they have with prospects; with the right tactics, they become trusted advisors customers want to engage
- **Accelerate information tool roll-outs** so reps get new product/service knowledge, fast
- **Ramp up new sales rep hires quickly** to help them produce revenue in less time
- **Ensure consistency of sales messaging to prospects/customers** through centralization and management of sales content
- **Disseminate tools and techniques** that help sales reps position the company's value far above the competition through compelling business cases they can share with prospects
- **Increase deal sizes** by delivering the assets and expertise sales reps need to quickly cross-sell/up-sell other products/services
- **Reinforce a sales methodology** to ensure that successful, repeatable processes are consistently applied at each stage of the sales/buyer's cycle

There's no arguing against these actions as ideals for any sales team. But to put them into practice, management wants to know about quantities: what's the measurable impact of sales enablement and how can we achieve it?

THAT'S WHY WE NEED  
TO MAKE A FEW CALCULATIONS...

## 3 SIMPLE FORMULAS

Fortunately, you can measure the impact of sales enablement investments with just 3 simple calculations:

### 1. THE INCREASED OPPORTUNITIES FORMULA:

What would happen when we increase the number of opportunities a sales rep can work on an annual basis?

### 2. THE INCREASED DEAL SIZE FORMULA:

What's the impact of increasing the average deal size across all sales reps?

### 3. THE INCREASED WIN RATE FORMULA:

How would increasing the win rate on opportunities in the current pipeline affect revenues?

## BEGIN AT YOUR **BASELINE**

Before you reach for the skies, however, you have to look at the floor. Where are you right now? What is the current status of your sales operations? And how can you measure it?

To make this baseline calculation, you need a few basic statistics:

- **Number of sales reps in your organization**
- **Average number of opportunities they work in a year**
- **Average deal size**
- **Average win rate percentage**

Once you've gathered your numbers, you can plug them into a formula that reveals your revenue: Make your baseline calculation.

*# of Reps* **x** (*Average # of opportunities* **x** *Average deal size* **x** *Average win rate*) = **REVENUE**



### Meet Jenny-Lee Closer of HardNox, Inc.

As an example for our calculations, we'll follow a hypothetical company that manufactures heavy machinery for the demolitions and construction industry. Intrepid Jenny-Lee Closer is HardNox's Director of Sales. She gathered the following numbers to create her baseline:

- Her sales reps pursue an average of 50 opportunities each year
- Each opportunity represents, on average, a \$50,000 deal
- They close, or win, about 50 percent of the leads they pursue

All together then the baseline of individual sales performance at HardNox looks like this:

$$1 \text{ Rep} \times (50 \text{ opps/year} \times \$50k \times 50\% \text{ win rate}) = \$1,250,000 \text{ REVENUE per Rep}$$

Every sales enablement effort that positively affects opportunities pursued, deal sizes and win rates, therefore, means an improvement in the amount of revenues gained per salesperson.

# 1.

## THE INCREASED OPPORTUNITIES FORMULA:

The first of our three revenue enhancement metrics calculates the value of increasing the number of *opportunities* each sales rep tackles in a year.

By reducing time spent in non-value added-activities (administration, paperwork, searching for content, etc.) reps can be freed to concentrate on activities that have real value – winning deals.

### Working the opportunities formula

Suppose Jenny-Lee decreased her sales reps' busy-work to a degree that allowed them to work on five more deals a year? That's just an incremental increase of ten percent from 50 opportunities a year, but consider the impact:

$$1 \text{ Rep} \times (55 \text{ opps/year} \times \$50\text{k} \times 50\% \text{ win rate}) = \$1,375,000 \text{ REVENUE per Rep}$$



All else remaining the same, a 5% increase in opportunities results in a net gain of \$125,000 per sales rep. Impressive.

## BRINGING IT HOME

To enjoy gains that come by increasing opportunities, an effective sales enablement process must do the following:

- **Save time:** Time spent searching for content, personalizing templates and re-keying data that's already in CRM systems is time NOT SPENT on pursuing deals. Reps cannot follow more opportunities if they're struggling to assemble information and track down the colleagues they need to get answers. Here's where using the right technology can help you push through the mountain of content in your sales library, to point your sales reps to the **exact** content that is needed at that point in time to move the deal along
- **Ramp-up reps:** The faster reps are trained, the more quickly they can pursue deals and post revenues. The key is to capture and distribute the lessons other reps have learned by using Sales Playbooks: flexible guides for the sales rep that include proven messaging, content and tools, giving reps just what they need for specific selling situations.
- **Leverage technology:** When routine processes are automated, reps can apply their energies to relationships. Good sales enablement systems eliminate duplicate data entries, facilitate rapid access to crucial information, and then make it a snap to personalize that information for specific prospects and deals. When tasks like preparing proposals, contracts and work orders are streamlined, your sales reps can use the resulting freedom to line up more deals.

## 2.

### THE INCREASED DEAL SIZE FORMULA:

The second calculation measures the impact of depth over breadth – instead of increasing the number of deals in play, it increases the value of each deal. Educating sales reps to find and execute ways of expanding the deals that come their way is the heart of this enablement strategy.

#### Working the deal-size formula

Now let's see what would happen if HardNox reps had the savvy and skills necessary for deepening the value of each deal they made. Again, we're talking about an improvement that's just north of ten percent – adding \$6,000 to the average \$50,000 deal:

$$1 \text{ Rep} \times (50 \text{ opps/year} \times \$56k \times 50\% \text{ win rate}) = \$1,400,000 \text{ REVENUE per Rep}$$



Same number of opportunities, same number of win rates, but by increasing the average deal size from \$50,000 to \$56,000, HardNox gains \$150,000 per rep, per year. Not bad.

## BRINGING IT HOME

**Vision. Smarts. Education.** It may seem like “soft” stuff, but when you integrate intelligence into the sales process, you get hard results. An intelligent sales enablement system helps you:

- **Deliver effective cross-sell/up-sell tactics** during the initial deal. By giving reps information on products or services about which they may be less familiar, they can incorporate additional revenue-generating items into the core contract. Comprehensive product knowledge gives reps confidence – and makes them much more persuasive to the buyer.
- **Focus the sales conversation on the value/benefits** that the solution provides (versus selling on price alone). Strong sales enablement systems provide reps with the best ROI tools, value proposition statements, and business case information to illuminate the benefits prospects will receive – instead of falling into feature/function arguments prone to price concessions and discounts.
- **Give sales management access to deals as they progress**, so that they can provide coaching to the rep on maintaining the size of the opportunity. Price negotiations, for example can be particularly sensitive, but if management isn't brought in on time, it can be too late to prevent price erosion. Dashboard-style enablement systems provide deal visibility and transparency, helping experienced managers intercede at critical points in the deal lifecycle.
- **Help reps easily sell/communicate/interact with more decision makers** within an organization. Now, more than ever, sales reps have to demonstrate value to multiple 'C-level' executives in order to keep the deal size high and moving forward. Your sales enablement process must give your reps the different proof points and value statements that will resonate with different buyers inside the enterprise. Doing so ensures that key stakeholders buy into the value of your offering, minimizing discounting later in the negotiating cycle.

# 3.

## THE INCREASED WIN RATE FORMULA:

Ultimately, revenues don't grow from the volume of opportunities you open, but from the number of deals you close. The ability of your sales reps to clearly articulate the value of your products, and show dominant expertise in solving an organization's problems, are the crucial factors in closing the deal.

### Working the win rate formula

Jenny-Lee decides to be conservative in her calculations, projecting the revenue impact of a mere four percent increase in the HardNox sales win rate:

$$1 \text{ Rep} \times (50 \text{ opps/year} \times \$50k \times 54\% \text{ win rate}) = \$1,350,000 \text{ REVENUE per Rep}$$



Again, a small change – just 4% – makes a big difference, leading to an average increase of \$100,000 for each rep over the coming year.

## BRINGING IT HOME

The key is perception: how your salespeople are seen by your prospects. When your sales reps simply push boilerplate sales messages, prospects pushback. But what if your reps were prepared with ideas, insights and know-how that allowed them to provide relevant advice and counsel? Suddenly, the same salesperson can occupy a new and more effective role – that of a trusted advisor. Here's how you can help them make the transformation:

- **Encourage compelling, relevant discussions** between sales reps and prospects by means of playbooks that capture proven, tested ways of addressing customer concerns. By storing your company's expertise in a way reps can access and share, they in turn can project expertise to potential buyers.
- **Arm reps with strategies and tactics for solving problems** that are top-of-mind for your potential customers. When reps can tap know-how tailored to prospect issues, they shed the salesperson persona and take on the role of trusted advisor.
- **Provide step-by-step guidance for introducing other experts** to the customer at crucial moments along the deal-making path. By bringing in senior executives and skilled thought-leaders at key points, reps can differentiate your company from the competition and demonstrate the depth and commitment of your organization to the prospects. But salespeople have to know who to tap and when in order to increase their average win rates.

## THE CONCLUDING CALCULATION: ADD UP THE VALUE

So how does this all add up? Let's take a look at HardNox and see how much difference Jenny-Lee Closer made in her organization:

Revenue Enhancement Metrics	Revenue Gains Per Year
Increase the # of Opps from 50 to 55 a year	\$125,000
Increase Average Deal Size from \$50K to \$56K	\$150,000
Increase Average Win Rate from 50% to 54%	\$100,000
	<b>\$375,000 Per Rep</b>

We simply added the sum of the previous three calculations together. And note that none of these formulas projected unreasonable leaps in performance, just solid, evolutionary growth any ordinary salesperson can achieve – with the right sales enablement tools at hand.



**Yet the results are revolutionary!**

**At \$375,000 per representative, a sales team with ten reps would see nearly \$4M in annual revenue gains.**

## THINK ABOUT WHAT THIS COULD MEAN FOR YOUR ORGANIZATION

HardNox is just a hypothetical company. But real-life businesses are enjoying similar, or greater, returns by improving the way they share experience and expertise with their sales teams.

Since 1994, Kadient has helped thousands of sales and marketing teams deliver greater results. Measurable results. And now we can bring that intelligence to you.

We'll set up a FREE, no-obligation brainstorm for your VP of Sales and/or Sales Operations – a meeting of the minds that releases our best thinking. Together, we'll make the calculations that matter: Where are the hidden opportunities? How can your sales reps boost deal sizes? What simple steps would lift win rates almost immediately?

Setting up the brainstorm is a no-brainer. Simply email us at [showme@kadient.com](mailto:showme@kadient.com) and we will get you connected with a sales enablement expert to find a time that works.

**We look forward to enabling greater revenues for your company!**

# SALES ENABLEMENT WORKSHEET

Use the following worksheet to calculate the potential impact of a successful sales enablement system in your organization.

## Getting Started

Gather your **baseline numbers**:

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Your number of sales reps	Average # of opportunities your reps work in a year	Average deal size	Average win rate percentage

Calculate the **baseline**:

<input type="text"/>	X	(	<input type="text"/>	X	<input type="text"/>	X	<input type="text"/>	) =	<input type="text"/>
#of Reps			Average # of Opportunities		Average Deal Size		Average Win Rate		Revenue

## Formula 1.

Calculate the increase in **opportunities**:

<input type="text"/>	X	(	<input type="text"/>	X	<input type="text"/>	X	<input type="text"/>	) =	<input type="text"/>
#of Reps			Average # of Opportunities x 10%		Average Deal Size		Average Win Rate		Revenue

## Formula 2.

Calculate the increase in **deal size**:

<input type="text"/>	X	(	<input type="text"/>	X	<input type="text"/>	X	<input type="text"/>	) =	<input type="text"/>
#of Reps			Average # of Opportunities		Average Deal Size x 10%		Average Win Rate		Revenue

## Formula 3.

Calculate the increase in **win rate**:

<input type="text"/>	X	(	<input type="text"/>	X	<input type="text"/>	X	<input type="text"/>	) =	<input type="text"/>
#of Reps			Average # of Opportunities		Average Deal Size		Average Win Rate x 10%		Revenue

## Add It Up!

Calculate the overall improvement in **sales performance**:

<input type="text"/>	+	<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>
Revenue from Increased Opportunities		Revenue from Increased Deal Sizes		Revenue from Increased Win Rates		Impact on Revenues

Finally, multiply the above impact by the number of Reps in your organization

<input type="text"/>	X	<input type="text"/>	=	<input type="text"/>
#of Reps		Impact on Revenues		



## ABOUT SUE MURRAY

Sue Murray is the Vice President of Sales Process and Practices at Kadient. In her role, she works with key stakeholders in sales organizations—salespeople, sales executives, sales operations and marketing—to uncover the challenges that stand in the way of higher sales performance and to help them discover how to use sales playbooks to drive greater revenue. A true believer in the power of proven sales processes delivered through technology, Sue helps enterprise-level clients better equip their teams to sell smarter.

Before Kadient, Sue was the Vice President of Innovation Services for Unica Corporation for six years, where she helped build and manage the global range of services for the Unica suite of products. Prior to Unica, Sue was with Ernst & Young’s Management Consulting Practice for more than 10 years where she worked with large organizations to build strategic technology plans and to implement CRM systems across a number of industries.

Sue lives in Massachusetts with her husband and three active children. When she’s not advising Kadient’s customers or playing with the family dog, she’s busy sending care packages to her fourth child at college, cheering from the high school stands at volleyball games, and bundling up in warm clothes to watch her son’s hockey games.



**Kadient** is an on-demand sales enablement platform that arms your salespeople with the proven knowledge, messages, and strategies they need to win. Kadient combines three core capabilities needed to drive meaningful improvements in sales performance: **Dynamic Sales Content, Sales Playbooks and Sales Performance Analytics**—all served up within your CRM system, so your salespeople have everything they need to move a deal forward.

**Learn how Kadient can help you get the most out of your sales team.**

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