Using Funnelocity for Sales Process Compliance

The Sales Process Compliance Challenge

Sales Leaders and Sales Operations executives all face the challenge of managing sales personnel that are unable or unwilling to input the information management feels is important to monitor and manage sales in CRM. There are a variety of ways this occurs, ranging from reps gaming the system, inputting inaccurate data or simply lack of effort because the rep views it as too much work.

It's difficult to diagnose such abuses and even harder to correct them from an HR perspective. Managers often find that analyzing sales rep compliance takes extensive effort. As these issues progress over time, there is no good way to address inaccuracies or update existing data to enforce the sales process. In other words, once the inputs are in the system there is no way to go back and update the data to make it more accurate.

Certification Scoring

Despite these issues, CRM is still the main tool used to monitor and manage sales performance. Managers must have a way to assess how reps are performing, and that insight needs to go more than skin-deep to measurably impact performance. It's not enough to just review stack rankings of Year-to-Date revenue performance to conclude anything about how or why reps perform the way they do.

To address this issue and to make it easy for sales leaders to assess sales performance and compliance with their sales process, we have built and automated a capability in Salesforce we call **Certification Scoring**. Certification Scoring is a process for collecting, evaluating and rating performance using a simple rating scale of 0 to 10. The Certification Scoring ratings are comparisons made against goals managers set up in the system to automatically assess the rep's compliance.

Interpretation and comparisons between reps are easy when the manager does not need to assess the meaning of each metric that potentially impacts process compliance. Managers can just look at the ratings and compare them to each other to see patterns of rep activities in order to assess process compliance.

How does Funnelocity Address Sales Process Compliance?

What does rep non-compliance look like and how does Funnelocity address it? Funnelocity provides a means to score and assess reps when they exhibit non-compliance. While previous historical data can't be changed once it's input, going forward, managers have tools available to them to measure and manage poor data inputs, overcome dysfunctional rep behaviors and gain control over process conflicts.

Reps Don't Input Data

For whatever reason, Reps simply don't input opportunities into CRM. They may feel it's too much work, that management is using this information to micro-manage them, or they may feel it has nothing to do with their actual sales efforts or process. It's well known that CRM was designed for managers to monitor rep activity, and in some businesses that can create dysfunctional consequences.

If a rep doesn't bother to input opportunities, the metric Qualified Opportunities Added to the Funnel (QOA) is going to be scored much lower than peers who do enter all their opportunities into the system. They simply don't input enough opportunities to meet their QOA goal.

Dysfunctional Rep Inputs

Reps input data into CRM, but the inputs are not consistent with management sales process expectations. For example, a rep may "sandbag" their deals by not inputting them into the system until the last moment, and only for deals they know are in the closing stages. Reps may move deals around from one month to another to make their forecasts look better to management. Deals may be moved forwards or backwards through the sales stages frequently or haphazardly. These issues reflect on how reps adhere to or are held accountable for the sales process used to manage opportunities to closure.

Dysfunctional inputs are harder to diagnose, so Funnel Metrics has created an approach to measuring and monitoring this issue through the creation of two metrics we call Sales Process Compliance metrics.

Sales Process Compliance

The Sales Process Compliance Metric assesses the number of times in a month, quarter or year sales reps move their opportunities around during the sales process. This is measured by the number of times the sales stage is changed in a given period. The ideal number of times a sales stage should change over the life of the opportunity is measured by the number of stage changes that would occur as a result of moving through each stage in the sales process only once. This is divided into the length of a sales cycle (in days or months as required) to determine the average number of stages per month that an opportunity should change.

Depending on the length of the ideal sales cycle (as determined by the goal set for the rep) this might only be once per month, or all the stages of the entire sales cycle could be completed within a month. The more changes deviate from the goal, the lower the compliance. Because the score establishes ranges of performance (using buckets), how good or poorly the rep performs is based on how many times in a month the stages are changed relative to the goal.

Close Date Compliance

The Close Date Compliance Metric measures the number of times in a month, quarter or year sales reps change the Close Dates in their Opportunities. While it's normal to change a Close Date during an overall sales cycle, some reps continually update Close Dates because they may not have a clear idea about the customer's buying process; because forecasting requires data changes at the end of a period when deals don't close; or because the rep is manipulating the opportunity to manage it around management accountability measures.

Given the length of the Sales cycle (as established by the goal for sales cycle length) the number of times a deal might change Close Dates would be calculated as the compliance with the allowable number of times a deal might require Close Date updates based on the overall length of the sales cycle. The purpose of measuring compliance is not to prescribe how many times a rep should change the Close Date but to identify those reps that have abnormally high numbers of Close Date changes. Certification scoring sets ranges of performance for reps to score higher or lower based on how often their Opportunity Close Dates are changed over time.

Additional Analysis

Measuring the pace of opportunities added to the funnel and compliance with the Sales Process and Close Dates are good indicators of when a rep may not be complying with data quality rules for the business. The good news is that in most cases, these issues are often caused by unintentional misinterpretation, lack of training, or just oversight that occurs when people have extensive workloads (like most reps).

Our recommendation is that an analysis of Sales Stage History for non-complying reps which includes assessing the average length of time Opportunities spend in each stage would be the next step to formally determine why a rep's sales process behavior is volatile.

The good news is that most reps will not have poor scores on these metrics if they just comply with the process on a normal basis, so the above analysis would only be needed for a small number of non-complying reps.

Funnelocity identifies the real outliers to eliminate the effort of analyzing the entire team just to find the minority of reps that are not in compliance.

Funnelocity is More than a Compliance Application

Funnelocity is designed to help managers substantially improve sales rep process compliance. Using the process of Certification Scoring, Funnelocity aggregates the scores of every individual metric, by rep, role, region, country, or any level in the organizational hierarchy. Behavior patterns and metrics can be seen either for groups of reps or even individual salespeople to see extent of performance issues across and within the business.

Specific metrics, such as the Sales Process Compliance metrics, identify reps whose behaviors don't comply with established processes. Based on this, additional drill down on specific metric scores can be completed, identifying users not adhering to the sales process or simply entering inconsistent information.

In summary, our process to evaluate and analyze Customer sales data is rigorous because of the very nature of what we are trying to solve for in our application. This permits managers to prioritize the levers that most impact their team's productivity and to identify outliers who don't comply with established processes

Funnelocity enables drilldown, trending, and benchmarking on all sales metrics and quantitative scores. Our application optimizes sales performance by using the Salesforce platform and a flexible customer implementation process that is designed to improve data quality at each step in the process. The alternative is for managers to continue coaching and training their salespeople on the metrics and skills which have an **unknown** relationship to revenue growth and quota attainment.

To learn how Funnelocity[SM] supports CRM and sales process compliance to more predictably improve sales performance, please visit our website: https://funnelmetrics.com