

## **Chaos to Cadence: Transforming Sales Organizations to Win in the Global Economy**

*Through IBM's own experience and many client engagements, IBM understands the new competencies needed to thrive in the business of strategic sales in complex Sales organizations.*





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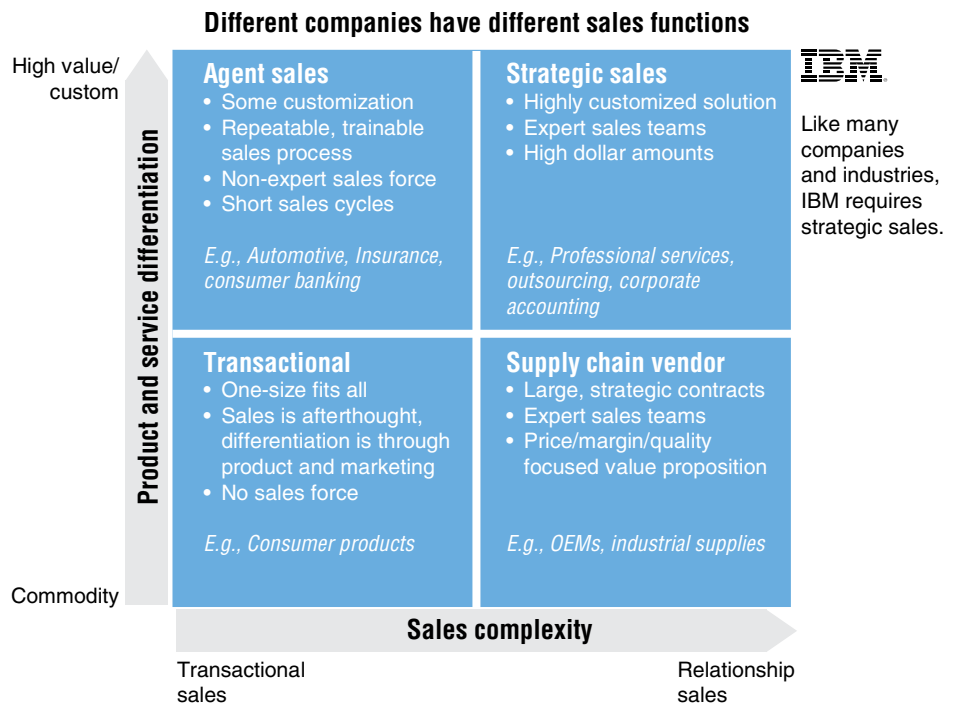
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**Introduction**

Sales is often the untamed “wild west” in many organizations, especially in those organizations with intensive sales cycles and diverse, multi-disciplinary, expert sales teams. Sales organizations thrive in Chaos, relying on the energy, heroism and savvy of independent-minded sales professionals. Like other large firms with long histories of traditional Sales and big-company behavior, IBM knew this environment intimately. But as IBM strove to become more agile in response to market demands, IBM discovered that Sales processes needed to be refocused, sales intelligence leveraged, and teams orchestrated across clients, product lines, roles, geographies and function. More so, Sales needed to be a leader of integration – alignment of people and technology - within the enterprise, forging unexpected partnerships with the likes of Finance and other strategic functions. Chaos needed to be managed with Cadence, providing the organization with a tightly measured and rhythmic harmony that would drive more sales and improve overall business efficiency, all while providing more value to our clients. This transformation to sales Cadence, together with our experience with over 2,000 Sales-focused client engagements, taught us the new competencies required to become a better Sales organization. We are now ready to share these skills with others looking to begin their journeys from Chaos to Cadence.

**I. The Imperative to Transform the Strategic Sales Function**

One could argue that there is no other single business function as important to a company's performance and yet so uncontrolled as Sales. This phenomenon is especially exaggerated in the arena of large, complex, strategic selling, meaning those sales that require 1) high dollar / high value products or services for large corporate clients; 2) long, multi-contact intensives sales cycles, and 3) expert, multi-disciplinary sales teams. Complex sales often involve services priced in the thousands or millions of dollars, are typically sold from one large business to another business, and are framed as being strategically vital to the client organization.



**Risk and reward**

Risk and reward are exaggerated in this environment. In strategic selling as described above, the sales process is as much art as it is science, involving smart people working for months or even years on the next big deal. Revenue can come in surges via large wins and can be missed just as easily. The cost of sales is significant, often requiring highly paid teams to work for long periods. The complex sales environment is very unpredictable; a company can find itself succeeding or failing based on the performance of this one organization, or even a single sale.

IBM has observed that this exaggerated sense of risk and reward is often what drives Sales to be uncontrolled in many organizations. The sales process is nuanced, long, and complicated, so the activities and responsibilities are delegated to the highly paid experts that must perform well. This behavior is reinforced by the purposefully entrepreneurial culture that Sales engenders, with sales professionals being the only corporate citizens whose compensation can change wildly from month to month or year to year.

Often in the past (and probably at many organizations still) a delegated, “let them run wild” approach to sales management worked well, even if the company could never pin-point which sales practices were working and which were not.

*“The world is being flattened. I didn’t start it and you can’t stop it, except at great cost to human development and your own future. But we can manage it, for better or worse.”*

*The World is Flat,  
Thomas L. Friedman*

***The world as we now know it***

Today, for strategically minded enterprises, the traditional approach no longer works. Many products and services have evolved to become complex solutions, often requiring the minds and talents of hundreds to successfully configure and deliver. Companies are now global in both a strategic and tactical sense, genuinely coordinating and integrating across the world. Communications and technology have evolved. The world has become “flat”. Buying sophistication and customer demands have increased to the point that reliance on hawkish sales techniques and personal relationships has been replaced by strategic, value-based partnerships between smart enterprises. The role of Sales has is transforming from a promotional spokesman to a trusted advisor, and underscores the value of influencing clients’ strategies and decision-making processes.

The cost of complex sales is high, both in direct costs and the economic impact on the enterprise. A long sales cycle, with large, highly-compensated teams, travel, subject matter expert participation, legal reviews, document production, and other costs, can add up to a very large expense. This said, the direct costs of Sales paints too small a picture of how critical and costly a dysfunctional Sales organization is to a company. Client relationships are too important to fail. They often require multi-year investments, and the value of an existing client is not just the thousands or millions in revenue of the first sale, but the growing annuity it represents for years and years of reorders and cross-sells.

As the fountainhead of demand and revenue, Sales also drives overall business performance. Sales must either dictate or comply with the output of product development, manufacturing, infrastructure planning, and delivery staff. Framed this way, poor sales planning isn’t about the deal that was lost; it’s about the staff that wasn’t deployed, the inventory that wasn’t sold, or the years of product development that were wasted. Knowing how Sales is going to perform is often more valuable to a company than how well Sales performs.

This ability to foresee opportunity cost is an important complication in the imperative to improve Sales: at the field/client level the Sales organization must get better at doing its job (e.g. courting prospects, closing deals); and at the enterprise level Sales must also play a vital and integrated role in informing and working within the rest of the business operations (e.g., reporting revenue, accurately forecasting performance).

***What needs to change?***

This necessary change in Sales performance drives a need to change the Sales function itself. Instead of maverick, independent teams, the new integrated Sales organization reigns in the core Sales processes and reduces the risk of sales failure while boosting the possible rewards. Other business functions no longer keep Sales at a distance, but instead desire visibility to the pipeline and performance of the team. Sales performance itself is no longer reliant on the skills of the Sales individuals, but depends on a coordinated and programmatic approach to achieving success consistently across teams and geographies. Most importantly, the company is able to measure and control sales activities, so that action can be taken throughout the process instead of waiting until the end to see if they've won or lost.

Making the shift is tough. An entrepreneurial sales culture can be a barrier to change, but it is also an important requirement for maintaining Sales' energy. These challenges leave Sales leaders often asking themselves:

- How can Sales lead and participate with the rest of the enterprise to improve our business?
- How can I integrate my sales efforts across teams and accounts, but also across my other important operations?
- How do I get a complete picture of my sales data, pipeline and performance in a way that I can make strategic decisions?
- I need to integrate my sales force, but where do I start?

In summary, we may ask "How can I reduce the sense of Chaos in my sales operations?"

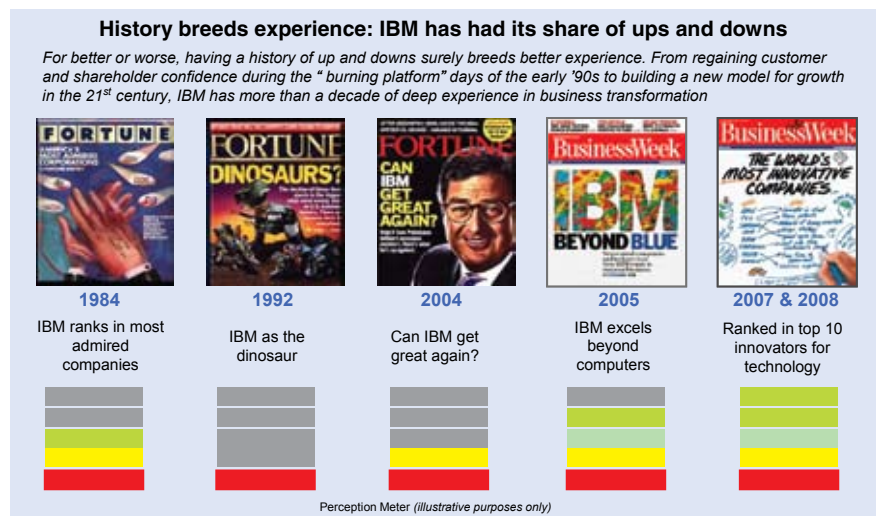
IBM understands: We've been there, done that, and continually strive to improve. It is not from a theoretical perch that IBM understands the challenges of managing the strategic Sales function. IBM lives and breathes complex sales as part of our operations, and like many companies, IBM fostered an uncoordinated, chaotic Sales force for years. But as the marketplace changed, we needed to change too, driving a decade-plus long journey to improve and integrate our Sales function, to render control and visibility where there was none, and to support our growth with a new view of Sales effectiveness.

It wasn't easy, but through this intense and sometimes painful experience, we've learned some valuable lessons. We're ready to share this story and experience with our clients, partly because we are eager to demonstrate our dedication to this change, but also to impart the valuable lessons for your benefit.

## II. IBM's Journey from Sales Chaos to Cadence

It wasn't so long ago that International Business Machines, or "Big Blue", sold everything from Selectric Typewriters to punch card-enabled information systems and other business-to-business offerings that now seem like ancient relics. Having the history that IBM has is both a luxury and a burden; while there is great wisdom and ingrained values from having experienced it all, there is also the historical baggage that goes along with it.

Approaching 1993, IBM was in rough shape operationally. Each regional division was run individually. Across many lines of business the company often operated ineffectively and costs were running out of control. Management was unable to make timely or accurate decisions, and getting the company to act quickly was impossible anyway. In 1992, Fortune Magazine famously and painfully depicted IBM as a "dinosaur"; a giant and lethargic beast that would soon be extinct. The world was changing and the status quo wouldn't do. Globalization was becoming real, where multi-nationals were no longer simply roll-ups of international branches, but where divisions would coordinate across space, time, language, and culture. This was largely driven by a combination of client



demands, deregulation, and communications technology. Technology products, services, and even skill sets were quickly becoming commoditized. The dawn of the Internet and open standards changed how technology was shared, marketed, and monetized. Perhaps worst of all was that big companies were being called out. It was growing more unacceptable to be ineffective just because you were big, and there were thousands of nimble and aggressive small companies eager to prove this point.

Within IBM, being called a dinosaur wasn't just an editorial joke; it was a crisis. The most glaring discrepancies were in process and information. There was no global process leadership and there were inefficient processes across the company. Breakdowns between processes were most problematic. For example, the process and format used to obtain order information from the sales force would be different from how accounting or procurement or customer service might record it within their system. If Sales was able to capture the information, it may need to be re-entered to be used by other areas within the company. The definitions of information might be kept differently between the groups, or the rules for how an order was handled or tracked may have been different. The number of incidents and misconnects could number in the thousands given the size of the organization, the complexity of the product set, the scale of the client base, and the many geographies and partner-vendors.

With these problems one can imagine operational inefficiencies such as errors, rework, ignored problems, etc., that would add up to costly waste. The time lag and data inconsistency, though, caused much larger breakdowns when it came to operational planning, forecasting, and other critical decisions that could impact the business for years to come. Management couldn't see what was sold, didn't know what was going to be sold, and operated in a constant state of emergency just to keep the business running. Crisis management resulted in more process inefficiency; work-arounds, designed to deal with immediate, systemic failures, became permanent, further compounding the firm's slow, wasteful performance. Underlying the process was a mess of an information and technology foundation. Business information had different sources, metrics, and definitions across departments. Different business functions and geographies would develop their own 'rogue' systems, each storing the same data in different ways. Upon analysis by the Finance organization, IBM discovered that less than 1% of business information was stored and accessible globally without manipulation. Systems and platforms were not integrated. At this time, IBM had over 16,000 software applications in use.



***Does this sound familiar?  
A Composite Example of  
Chaotic Sales***

***One company?***

*As one multi-national serving another, Sales' relationship with one global chemical company was anything but strategic. Over 30 different teams serviced the account with no coordination across regions nor product lines. When pressed, Sales could not even tally the client's complete spend over a year. Hardware sales would not be followed by software sales, allowing competitors unfettered access. Multiple sales of the same systems would result at the company with no thought of integration. At it's worst, the client would use bids from different sales teams as price negotiating leverage against each other.*

*Today the relationship is different. A joint sales executive and business development partner monitor the entire account across products and services and geographies. Profitability and success are measured at the account level. Sales of one service link to sales of other services. Competitors are 'locked out' because of the strategic nature of the relationship. Its not just Sales that benefits. The client enjoys lower costs and a strategic purview of their technology operations.*

Technology was touted as IBM's strong point, but instead was its own glaring weakness. IBM wasn't just inefficient; it was untrue to its brand.

***The problem with Sales***

When looking at problems with the IBM Sales force, there were breakdowns at two distinct levels. The first was performance at the field/client level, and the second was integration of Sales processes and information into the rest of the organization. Both of these problems contributed to the amount of Chaos in the environment.

**Sales Organization in Chaos**



At the field level, the Sales force lacked a unified sales strategy. Sales strategies were based primarily on products and geography. Sales teams were encouraged to be independent and heroic, meeting their sales numbers at any cost, consistently driven to a mania towards each quarter's end.

Sales leadership had little visibility to information. The lack of information resulted in a further dependence on individual skills and passion within the field. Sales mavens were made and promoted based on their relationships and personal skills, and sales performance was dependent on their attitudes and migrations. At the field and client level, these issues caused many problems. Global clients were looking for solutions that would span across product lines and geographies. Clients found themselves often with tens or hundreds of vendor relationships with IBM with no one having a clear view of the entire relationship, leading IBM to lose

leverage and credibility. Instead of being seen as a strategic vendor supplying hundreds of millions of dollars in solutions, IBM appeared to be a thousand small vendors, sometimes competing against each other. This made it hard to lock down clients into non-competitive relationships and to coordinate service delivery. The marketing message for IBM said “we’re global, we can help you with all of your technology”, but clients could see the truth: IBM was really many independent Sales teams, each with its own agenda.

The results were missed sales, lost accounts, degeneration of brand, increased sales costs, and loss of revenue.

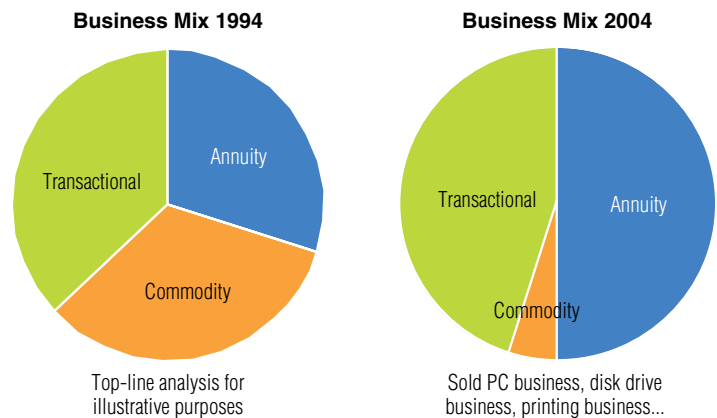
From the view of other departments in the enterprise such as Finance or Supply Chain, the problem with Sales was a lack of information and process coordination that prevented others in the enterprise from making good decisions. Demand planning, product development, manufacturing, and services staffing depended on knowing what Sales would produce on a day-to-day basis. It could be argued that even if the Sales force had poor bookings, but still provided accurate forecasts, than at least the other groups could manage the business towards profitability.

Instead, sales information never made it to any other group except in a distant post-mortem weeks or months later. Forecasting and projections were made by the seat-of-the-pants and best-guess conjecture. If manufacturing or staffing over projected, there would be an emergency to liquidate or sell-off inventory, forcing marketing to pump advertising or Sales to push particular products/services despite client demand. The business was turned on its head. Instead of basing business on what clients’ needed, IBM was trying to force its clients to buy what it produced. *It was Chaos.*

### ***A Time for Change and A New Mission***

In the mid-nineties, IBM decided it was time to change. IBM understood that it was going to have to meet its competitors and clients on their own terms, not IBM’s. IBM’s mission and business model needed to be rebuilt in a way that served the market’s view of success and was also profitable.

From a market point of view, the IBM product model was not aligned to client needs. In 1994, about a third of the business could be characterized as “commodity” i.e., products and services that were easily replicable and where price was the primary differentiator. The new business strategy would focus on clients, and would result in a sell-off of the commodity businesses. In 2004, CEO Sam Palmisano captured this market-facing strategy in his Annual Report Chairman’s letter: “... the two primary sources of growth and profit in IT today (are) the high-volume undifferentiated product play; and the high-value, innovation and integration play, focused on the enterprise. It is this high-value space we have chosen to lead.”



This market-facing strategy could only be effective if there was also a new operational strategy i.e., the company’s ability to deliver the goods. This new strategy was to be a “Globally Integrated Enterprise”, which meant that the firm would operate with precise coordination, agility, and purpose across functional and geographical boundaries. At a tactical level, it meant standardizing processes, harnessing integrated systems and information, and transforming the governance and management of the enterprise on a global level.

The key tenets of the vision were articulated in some succinct goals and messages:

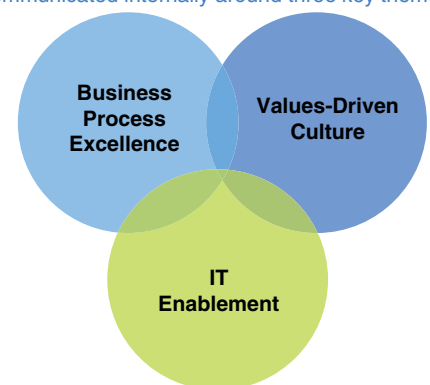
- Lowering the center of gravity closer to the customer
- Driving process excellence for back-office efficiency and client-facing productivity
- Capitalizing on talent and scale worldwide
- Creating a culture of innovation
- Operating by a common set of values

This change wouldn't be easy. IBM was still going to be a large, complex company. IBM currently has over 350,000 employees serving clients in 170 countries, and offers over 500 product and service offerings. The new vision called for better managing the complexity of the environment by integrating disparate and ungoverned operations. The new strategy would extend to all functional areas including Finance, HR, Supply Chain, Marketing, Distribution, Sales, and IT. The programs supporting the new vision would be global in scope, often shifting organizational boundaries and accountability in new and imaginative models. In many ways, the leading charges for integration followed the money, meaning Sales and Finance would be key drivers of the transformation as they owned the sources and uses of financial information. Across all functions, changes in three core areas of focus were put into motion:

**Business Process Excellence:** IBM would standardize processes between groups and geographies. This would enable them to reduce rework, improve efficiency, and act as a decisive unit. For many, it was a painful transformation as each group valued their individual processes and way of doing business – insisting that each area had special nuances and requirements that necessitated custom workflows.

Values-Driven Culture: People needed to be at the center of the transformation. A new culture had to start with senior managements' sponsorship – everyone had to re-embrace the core values for which IBM was founded on. These were: "Dedication to every client's success. Innovation that matters - for our company and for the world. Trust and personal responsibility in all relationships."

IBM needed to support its market-facing strategy with a transformative improvement within their operations. This operational strategy was communicated internally around three key themes:



IT Enablement: Information technology would be the key tool in enabling the change, with a profound emphasis on simplification, integration, and shared standards.

Data consistency and access would be paramount. Over a decade, IT would see some of the biggest changes. From 1992 to 2005, the number of CIOs would drop from 128 to just one, data centers would consolidate from 155 to just six, and the 16,000+ applications would be reduced to just over 4,000.

A new tool with big business implications would best represent one of the most important changes, and it was led by the Sales organization.

***Transforming Sales: Within the Enterprise and Within the Field***

As stated earlier, it was important for IBM to think about Sales in terms of both how they interacted with the entire enterprise (e.g., how well they informed and collaborated with Finance, Marketing, Supply Chain, etc.) and how well they performed their day-to-day tasks (e.g., how they identified leads, conducted sales meetings, managed their pipeline). Sales leadership would have to create a sense of integration among their disparate Sales teams while also being a proactive and productive participant in the greater enterprise integration.

Looking to the field and their day-to-day activity first, many of the problems that plagued the greater organization were also resident within the Sales force. IBM's Sales leadership team was often confronted with different versions of 'reality' when reviewing their own business performance. Each Sales leader relied on different sources of information and different metrics to assess performance. Sales leaders spent time debating whose 'facts' were correct rather than addressing fundamental business issues.

In order to transform from Chaos, Sales leadership knew that they would need to develop one set of facts and one reality by which all decisions could be made by. Only then could they focus on addressing the business issues. The Sales leadership team decided to make some key changes to transform their chaotic sales environment. These included:

**Redefining the sales strategy and governance model.** This new strategy would flip the old model based on product lines and geographies on its head, and would instead focus on client and account needs. From an operational point of view, it would transform the organization so that accountability would be shifted to focus on account success.

**Reengineering core sales processes** to support the new Sales organization. This would require standardizing processes and data definitions across the various business units and geographies. It would include adopting best practices in Sales processes leveraged from other organizations, as well as reengineering the best and brightest processes from their own ranks.

**Realigning the organization and culture** towards the new goals, including changing key incentive metrics, changing reporting structures, building new competencies among staff, reinforcing changed behavior, and supporting the program with persistent and focused communication.

**Deploying new information technology and sales tools** to bring leaders onto the same page with a consistent and agreed-upon set of 'facts' about their sales business. This tool would grow into something much more important than the first function it served.

### ***Gaining an "EDGE"***

In 1997, IBM's Sales and Distribution organization launched an initiative to Enable Decisions for Global Execution (or EDGE). EDGE would give the Sales organization an 'edge' in making business decisions.

EDGE would be a centralized business intelligence (BI) system providing reliable, accurate, timely data to all Sales management. The initiative focused on three areas: strategic decision-making; data, metrics and rules; and business information. On the surface, EDGE presented users with an intuitive dashboard – a logical arrangement of business data and metrics. Under the surface is where the real phenomenon happened. The data shown was the result of significant changes in Sales process, data definitions, data structure, storage, analysis, and business rules. EDGE was able to:

- Deliver critical performance metrics and "headlights" to support early effective management action for exceptional situations
- Provide timely reporting on key business unit operational and financial performance metrics aligned to IBM's management system
- Promote consistency in definitions and processes from sales rep to chairman and across all business units
- Integrate information across the end-to-end value-chain; from opportunity identification through order load to financial recording and customer satisfaction

EDGE had humble beginnings. It began as a six-month project with a small team that was executed for a relatively small cost. EDGE was initially developed for use by Sales executives exclusively. This first version had some very immediate and compelling benefits. The latest sales opportunity information was easily visible to sales representatives, managers and executives, enabling all parties to act more

quickly and decisively to capitalize on sales opportunities. Early benefits were worth nearly forty times the initial project cost, and sales review and planning time was reduced by more than 63%.

Much bigger benefits were realized when EDGE was adopted by the broader organization. Over the years, the mission of EDGE grew to provide easy, timely and secure access to trusted sources of business information for the entire enterprise. It became one of the premier enterprise information assets owned by the CIO, serving functions and geographies across the enterprise as diverse as Finance, Supply Chain, and the CEO's office. It is now a 24 x 7 production operation, with over a terabyte of data processed daily, a global team of over 100 people, and over 22,000 business users. What started as a simple dashboard is now available on mobile devices, giving users business intelligence wherever they are.

In a statement in the Associated Press, IBM CEO Sam Palmisano boasted about EDGE to the world, stating “... *we put this information system in place that's called EDGE...it's not just the financial data...it's demand, it's leads, it's market opportunities...we can roll it up electronically for every client team, every customer set, every geography, every product line everywhere in the world, daily. It's a wonderful source of information so that when we get together, everybody has the same set of facts. We don't spend any time exchanging information. We only spend time working on whatever the issues happen to be.*”

In 2005, EDGE was the winner of the Data Warehousing Institute's Best Practices competition for Business Performance Management as Best Enterprise BI Implementation. EDGE has also had a profound effect on how IBM offers solutions to our clients. Our experience with EDGE is imported into the business intelligence packages and solutions IBM provides to the market.

### ***Achieving Cadence***

In this paper, we use the term “Cadence” to illustrate the opposite of “Chaos”, but beyond its figurative usage it resounds as a formal touchstone within the IBM Sales organization. IBM uses the term “Cadence” to capture the identity of our integrated sales processes, data, and assets. For example, EDGE contains Cadence reports, which are progress reports that enable IBM to measure key goals and progress against those goals. These reports are then used as tools to manage Cadence calls with account or project teams. Moreover, this internal branding has become part of our Sales culture, and is a constant, positive reminder of how IBM Salespeople behave and execute.

IBM's Sales transformation from Chaos to Cadence involved over 50 other initiatives that enabled IBM to improve sales performance. With all of these initiatives, it was critical to first lay the foundation of standardized processes and a quality data foundation that enables these initiatives to work. These initiatives included:

#### Strategy Initiatives

**Channel Strategy (Simplified Routes to Market):** Method for creating plans to address different sales channels

**One Voice Initiative:** Collateral and messaging initiative to control message and contact points with key clients and prospects

**Consistent Marketing Execution for Revenue Growth:** An initiative-focused marketing program aimed at strategic accounts

#### Process Initiatives

**Selling Process:** A standardized methodology for sales

**Account Planning:** Standard practices for planning for accounts and account teams

**Customer Coverage:** A method for linking customer needs and locations with IBM sales teams

**Marketing Performance Management:** Adopting a metrics-driven approach to measuring marketing performance

**Indirect Channel Infrastructure (Partner World, ibm.com):** A strategic process for managing and leveraging partners and resellers

#### Organizational Initiatives

**Sales Management:** A formal process for managing sales teams

**Sales Force Selection and Organization:** A method for hiring and staffing sales forces.

**Sales Performance, Compensation and Incentives:** A revised approach to managing sales compensation

#### Technology and Tools Initiatives

**Sales Force Automation:** Systems to address core sales processes, such as contact management

**Sales Data Mining, Reporting and Analytics e-business Enablement:** A suite of tools for performing ad hoc analysis on sales data

**Call Center Process and Technology:** An integrated approach and technology project focused on inside and direct sales forces

**Market Insights Initiative:** Business Intelligence initiative focused on marketing performance

**Single View of the Customer:** A data focused initiative to reconcile customer records and information

**Database Marketing:** Best practices in database marketing for use in direct campaigns

**Market Intelligence and Market Management:** A data-driven approach to obtaining market intelligence



**Still on the Journey In Practice**

*In our recent past, the IBM Sales organization proudly adopted and deployed the Signature Sales Method, a comprehensive selling methodology and program. While this program was very successful, IBM is always eager to take the next great step forward and constantly improve. In 2008, IBM initiated a deep dive into our clients' needs, desires, and behaviors through a comprehensive primary research and analysis initiative. Through this client-focused engagement, IBM has devised a new, value- and values-based selling method that is being deployed as the next generation of Sales methodology in the organization. Titled the Customer Value Engagement Method (or CVeM), the new method focuses on three distinct buying behaviors and matches them with a new focus on attributes that make IBM a better partner, such as providing value for money, being a trusted supplier and being a partner player. An important aspect of this new sales method is its focus on delivery and the entire quality of the relationship, reinforcing IBM's stated values as well as demonstrating the importance of integrating Sales' role within the entire organization.*

**Sales Organization in Cadence  
Within the Enterprise**



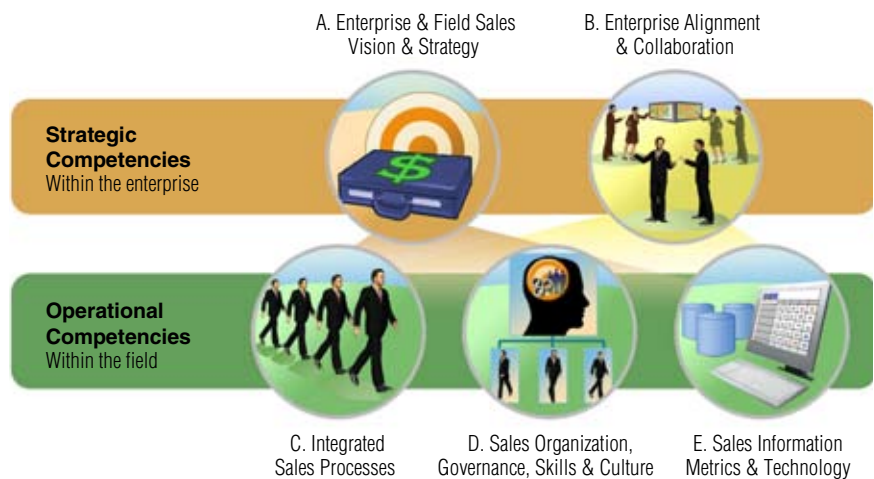
**IBM and Sales Transformation: Still on the Journey**

While we have learned a lot about improving Sales and the overall IBM organization, we continue to learn. This is partly because our journey has been incremental where IBM has taken careful, manageable steps, with each one expected to return small but meaningful results and lessons while paving the way for the next phase of transformation. One of our greatest lessons is that Sales improvement is not just about improving Sales performance itself, but is about understanding how the role of Sales must align and collaborate within itself and across the organization. This is a far cry from the days of independent selling where the Sales organization was the uncontrolled wild bunch, expected to execute without constraint. Today, the journey is ongoing with Sales as a leader and innovator in integration, working to bring both the Sales force and the IBM organization into tighter alignment.

### ***III. New Competencies for the Cadenced Sales Organization***

The story of IBM's ongoing transformation from Chaos to Cadence provides a provocative foundation for our overall understanding of transforming complex Sales organizations. Our story, though, is only our story, and its specific issues, imperatives, solutions, and steps were suited to IBM's unique business situation and environment. However, as a consulting and technology services company we help thousands of other companies with their business problems, and it's a unique experience to be both 'client' and 'advisor' on such a critical program.

This joint experience gives us good insights on the areas organizations should focus on when addressing Sales challenges. We can think of them as strategic competencies (i.e., within context of the enterprise) and operational competencies (i.e., within context of the field). These distinctions are important to understand how and where change is affected, although attributes from any one area certainly affect and cross-over into all the others.



The five competencies include:

#### **A. Enterprise and Field Sales Vision & Strategy**

The first step to transforming sales is a comprehensive vision and strategy that entails both Sales' role within the organization, as well as how the Sales organization itself will improve its core field and client activities. Many companies should examine turning their Sales organization on their side and aligning towards clients and client needs versus a tradition product/geo approach (a.k.a. Voice of the Customer, or Customer Focused Enterprise). Further, an external, market-facing strategy must be joined by an internal-facing, operational strategy. This operational strategy can not be limited to spot plays or just technology fixes, but should encompass the entire operation with a key understanding that

maintaining consensus among leaders and stakeholders and changing culture will likely be more difficult than infrastructure work. Savvy Sales leadership should take this opportunity to elevate themselves within the greater enterprise as not only managers of the Sales team, but as integral leaders and sponsors to the overall business and operational strategy of the firm.

### **B. Enterprise Alignment & Collaboration**

As a key component of the new Sales vision and strategy, Sales leadership should demonstrate and then follow-through on the strategy by having a keen understanding of how revenue generation, revenue planning, and forecasting all play into other critical enterprise operations, including Finance, Marketing, Supply Chain, Product Development, and IT. For example, the Sales Organization may find itself in unexpected but extremely valuable partnerships with groups such as Finance, Distribution, or Supply Chain. While the cultures between groups are likely different, these types of groups are vitally integral to the money supply of the firm. With this authority, the partnership can spearhead and champion initiatives to standardize processes, build new solutions, and pursue integration of the enterprise.

The value of the links Sales has with Marketing or Service Delivery are still important, but these functions typically already have an extensive and tight working relationship, with Marketing and Sales often coupled in business-to-business and services type firms. Still, integration and improvement of Sales data and processes could very well transform how Marketing views its own operations and tactics, and provide a much more synchronized effort between the two groups.

### **C. Integrated Sales Processes**

Process integration actually deals with two important aspects of process reengineering/adoption, the first focused on process standardization, or adopting uniform process across divisions, and the second focused on process integration or how processes and information connect with each other. The former enables best practices and execution improvements to be realized enterprise-wide, while integration enables the speed of collaboration to be more efficient. For example, adopting a standard process for revenue projection for a particular service line will help the Sales team save time, enable Sales leadership to access the same "one version of the truth" and will enable global Sales teams to quickly and accurately work together. Integrating this same process with others will make collaboration and decision-making within the enterprise better, for example, if how Finance and Sales use the same method to capture and understand projected revenue. Integrating sales processes first begins with understanding the current state and determining which processes to keep, which to discard, and which to reengineer.

In mature Sales organizations, this may be a painful analysis and project. In some instances, entire job functions that were created by a procedural work-around may be eliminated. In other organizations, the culture may pride itself on its custom processes or even its ability to function without them (e.g., “making it up as they go along”).

#### **D. Sales Organization, Governance, Skills and Culture**

A significant lesson we’ve learned from IBM’s transformation and our work with clients is that stakeholder and leadership consensus and enthusiasm are critical to enable the change, especially for complex solutions. At every step, key parts of the organization may instinctually resist change. This is especially true of Sales cultures, which are habituated and incentivized to be aggressive, independent, and entrepreneurial. This new culture must be driven by demonstrating the value of the change and by communicating its benefits, most explicitly in “what’s in it for me?” type messages. In this environment, we’ve found that authoritarian, top-down mandates only go so far given the independent character of good Sales executives.

Adopting new processes and technology means acquiring new skills. As much as agreement and attitude are important to change, so is acquiring the knowledge that comes from completing the new process or accessing the new technology tool. Without this skill knowledge, Sales practitioners are likely to fall into old habits.

#### **E. Sales Information, Metrics and Technology**

In our experience, and at most organizations, the new technology that provides visibility and business intelligence for Sales will become the most physically manifested and visible attribute of the transformation. In most environments, the tool will be a dashboard that provides key metrics, accessible in different reports, different cross-tabs and data cuts, with the ability to perform both pre-determined and exploratory analysis on the business. It will likely be integrated into planning tools, such as for demand planning, revenue planning, forecasting, etc., as well as into Sales operational tools such as CRM systems, Sales productivity platforms, pipeline management tools, and even into the marketing suite.

This user and presentation layer described sits upon a much more complex and challenging foundation. Achieving control of consistent and accurate data may require new data governance, new data rules, data integration, data quality measures, and new system architecture. Many of these ideas are encapsulated in the practice of Master Data Management (MDM). Connecting and leveraging the various sources and uses of data may stretch well beyond the purview of the Sales organization. It will require new processes to ensure that accurate information is captured in the first place. The definition of quality metrics will require a keen understanding of the business and business objectives to make sure that the measurements that are tracked are the right ones to be measuring for business success. These underlying business and technology initiatives will represent the bulk of the transformation effort, with the user interface being an elegantly and deceptively simple representation of the facts.

The above merely skims the surface of in describing what would be useful to a Sales force trying to achieve Cadence. There are many other sales processes that benefit from technology automation, such as lead management, campaign management, content and collateral management, RFI/RFQ/RFP tools, account management tools, sales resource planning tools, compensation management, pricing and configuration tools, collaboration, social networking, remote presentation and meeting software, and countless others. While these solutions all provide a useful spot benefit for the team, true transformational benefits will start with the foundational aspects and build upon itself: sales strategy, process integration, data visibility, governance, culture, and enterprise collaboration.

#### **IV. Beginning the Journey from Chaos to Cadence**

As IBM continues the journey towards Cadence, other organizations may wonder how they can start or continue their journey. The concept of “journey” is important; change must happen in gradual, risk-mitigating steps that the organization can manage while continuing to uphold business-as-usual. The journey concept is also important because as times change, so does technology, best practice, and the market. The ability to “sense-and-respond” becomes important as companies build out operations today that are flexible enough to support what the future may hold.

Whether the journey is just beginning, continuing forth, or taking a wild turn, the first step is always developing an understanding of where you are and where you are going. In our business, this means assessing your process, people and technology environment and then building a comprehensive vision and blueprint for the future. Only then can you understand where gaps lie and what the transformation priorities are. To start this understanding, sales leaders may now begin asking themselves:

- Are we able to view and discuss the same “facts” with different Sales leaders?
- What is our shared vision for sales integration? How do we begin to implement process governance?
- How can we use technology and business intelligence to change the way Sales works, both in the field and within the enterprise?
- What key alliances does our Sales organization need to make internally?

For IBM, we have been en route on our journey from Chaos to Cadence for over a decade, and potentially, it will never really end. And perhaps if there is any lesson in a never-ending journey it would this: be sure to stop and smell the roses. Or, in our preferred pragmatic business terms, be sure to reap the rewards of your business success as you learn and grow.

## **About the authors**

### **Scott Keipper**

Scott Keipper is an Associate Partner in IBM's CRM practice and has deep sales and transformation experience with over 11 years of business and consulting experience. He has worked extensively with large companies, helping them solve their sales issues, including development of transformation road maps and solution implementations. He also has deep experience working on large, complex transformational efforts, particularly in the telecommunications industry. In addition to his role as a consultant, he has personally worked as a sales account executive selling complex solutions to clients. Mr. Keipper also has a background in financial audit and holds a Masters of Science in Accounting Information Systems from The Florida State University.

### **Anna Tai**

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Route 100  
Somers, NY 10589  
U.S.A.

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03-09  
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