



THE BENCHMARK

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Revenue growth: Closing more sales

In my March column I shared financial benchmark data for sales growth as well as a list of best-in-class tactics that drove that sales growth. Here I address one of those tactics—sales management and the use of a customer resource management (CRM) system. Most high-performance sales companies employ a CRM planning and tracking system such as BOSS LM or SalesForce.com to make plans, monitor plans and coach for success.

Make a plan

Table 1, below, shows how to set up a plan for a commercial landscape salesman in the columns “Plan number of leads,” “Plan dollars bid” and “Plan dollars closed.” In this real-life example the goal is to close \$1 million in new annualized contracts. The bid plan is based on a 20 percent close rate. Therefore, \$5 million needs to be bid. The required leads (a lead is an actual property) are based on an average monthly job size of \$2,500

(\$30,000 per year) and an 80 percent opportunity rate. To be successful, this salesman will need to find and develop 208 property leads. The monthly plan numbers are based on a pacing rate in line with your market’s seasonal buying history.

Monitor the plan

A planning and tracking system that captures actual lead, bid and close performance is an essential best practice. The “Actual” columns in Table 1 show this salesman is ahead on bids but lagging on sales closes. The sources for this report are three lists in the CRM system: 1). Leads that are in queue with scheduled activities for advancement to a bid; 2). Bids in the pipeline ready for decision and closing; and 3). Bids lost and closed. Many lost bids can be re-tasked for future year sales work.

Coach for success (i.e., closes)

The sales meeting is a best practice to help salesmen improve. A CRM has to be married to a process to refocus and coach salesmen toward success. Here’s a standard process.

Sales meeting agenda

1. Do the math. Is there enough in the pipeline 60 to 90 days out? Using the “Actual” columns in Table 1, we can project the closes from the bid pipeline. Presently \$1,056,000 is bid and \$270,000 is closed. This leaves \$786,000 available. Projecting the next 60 days of closes required (April and May) plus the current lag of \$30,000, \$230,000 is necessary to get back on track. Using the 20 percent close rate on the existing \$786,000 open bids would provide \$157,000. This is short of the goal.

2. Assign probabilities to open bids and strategize tactics to get a decision. Make phone calls during the meeting to open bids. It’s amazing how much progress you can make “doing it live.”

3. Assign priorities to leads/opportunities and strategize tactics to qualify and advance. Again, make phone calls and write emails during the meeting to get advancement.

TABLE 1: COMMERCIAL LANDSCAPE SALES PLAN

Month	Plan number leads	Plan dollars bid	Actual dollars bid	Plan dollars closed	Actual dollars closed
January	21	\$500,000	\$455,000	\$50,000	\$47,000
February	21	\$250,000	\$277,000	\$100,000	\$94,000
March	21	\$250,000	\$324,000	\$150,000	\$129,000
April	21	\$500,000	-	\$100,000	-
May	21	\$750,000	-	\$100,000	-
June	21	\$500,000	-	\$100,000	-
July	21	\$500,000	-	\$50,000	-
August	21	\$500,000	-	\$50,000	-
September	10	\$250,000	-	\$50,000	-
October	10	\$250,000	-	\$100,000	-
November	10	\$250,000	-	\$100,000	-
December	10	\$500,000	-	\$50,000	-
Total	208	\$5 million	\$1,056,000	\$1 million	\$270,000
Progress to date			\$56,000		(\$30,000)