

Chapter 1:

What Is Holding You Back?

Factors That Keep Companies from Achieving Stable Revenue

If you've picked up this book, you're probably looking for ways to grow your sales, build a healthier sales organization, get predictable revenue, decrease your business stress, and rebalance your life. Whether it's some or all of these things, you most likely have seen mini wins but nothing sustainable. The things you've tried so far aren't working, and even if they have here and there in the past, you're beginning to feel like those successes might have just been luck.

You want to grow your business into something stable. You want to be intentional about your sales tactics and bring them to life without having to completely start from scratch every time. You want your salespeople to be on message as they represent your company, to be an extension of your brand, to be successful month in and month out, and even to enjoy themselves at work! And when you're feeling especially optimistic, you might daydream about being able to accurately predict your short-term *and* long-term revenue, increase your net income, and have a clear and certain path to hitting your revenue goals.

Instead, right now, you might have salespeople who frustrate you. Maybe you feel they need to be more organized, have better attention to detail, be more proactive, and follow up more. You might even see them leaving early every day even as they complain they don't have enough leads.

Maybe you have tried all the usual tactics to bring in new customers (SEO, paid search, ads, social, lead magnets, webinars, email blasts—you name it!) and still you find yourself with erratic and inconsistent revenue each month. Or maybe you find that the only way to boost revenue is to provide big discounts and promotion after promotion to incentivize sales.

Whatever your sales symptoms might be, you are over it and you want change. You want things to get simpler, more predictable, and more stable.

Strong foundations and sustainable success aren't just for big corporations. It's possible for small- and medium-size businesses (SMBs) and start-ups to create systems that keep sales moving steadily upwards, all while keeping your company morale high and your culture healthy.

I know it's possible because I've seen it happen again and again. For over twenty-five years, I've worked with companies and individuals on navigating change, building sales organizations, and developing high-performing teams. Those experiences have helped me develop the Three Frameworks that, when completed, make successful sales sustainable and repeatable.

To get you in the headspace to learn about this, there's a major myth that we need to smash first. It's one I've heard over and over from leaders and sales teams at almost every company I've worked with.

The Myth of the Miracle Cure

Popular culture has tricked people into thinking that if there is something wrong with our lives, there's one single reason why it's happening. Books and movies talk about someone's big "tragic flaw" that leads to their downfall. Hamlet was indecisive. Darth Vader couldn't control his anger. Achilles had that Achilles' heel.

In the same way, advertisements can lead us to believe that there is one solution that will chase away each of our problems. Low energy?

Drink this health tonic. Dry skin? Use this lotion. Hate where you're living? Move to this new housing development.

You even see this kind of oversimplification in sports. The Chicago Cubs didn't win a World Series for seventy-one years, and many sports fans, famously a superstitious bunch, blamed this losing streak on the Curse of the Billy Goat, which a local character named William Sianis cast when he wasn't allowed to bring his pet goat in to the fourth game of the 1945 World Series.

You probably have heard this part of the story, but what you might not know is the following. In October of 2016, the Cubs hosted a fundraiser for the animal rights group Farm Sanctuary, with the tongue-in-cheek purpose of reversing the Curse of the Billy Goat. Two weeks later, they won the World Series.

I'm going to go out on a limb here and say that the reason the Cubs didn't win the series for seventy-one years was not because of William Sianis and his goat. I also don't think it was because the equipment they had wasn't good enough or because the team somehow managed to get a batch of poor players every single year. Thinking that one of these things was holding the Cubs back from winning shows a common fallacy: that a single magical unicorn—or in this case, goat—holds the key to all your problems.

No matter how much we look for a miracle cure, our problems are never caused by just one thing, and they can't be solved by just one thing either.

But when it comes to a stalled-out sales organization, leaders almost always start by incorrectly blaming a lack of leads for their inability to grow.

Salespeople, Order Takers, and Identity Crises

United Events is an event production company that manages audio-visual and technical production for advertising agencies, corporations, associations, and nonprofits. When another company has an event they

are planning, United Events is there with the equipment and skills to bring those events to life. They called me to help them bring in more revenue by finding them more leads. What I actually found was that the number of leads was the least of their problems.

Before this engagement, I had built lead generation engines for many companies. What got me excited to work with United Events was that all their leads 100 percent needed the services they sold. After all, how could you hold an event if you didn't have the audiovisual gear and a team to make sure your message could be seen and heard by your audience?

So, I came up with an approach to identify and prospect leads by finding out what events were coming to their area. The logic was simple: fish where the fish were by identifying and then contacting the organizations that had upcoming events.

As was my normal practice, I started by making a list of people coming to their area in the near future to hold events. Before calling and emailing event organizers, I brought a question to United Events' CEO, Mark.

"Why do people buy from you?" My plan was to use his answer to open up conversations with these potential customers.

Mark told me that one major competitor was the in-house audiovisual teams at hotels where these events often took place. Typically, the hotel would charge their in-house events companies a 50 percent commission for any leads that came through the hotel to the audiovisual company, so they'd have to charge a higher price to pay for the commission and also ensure they could make a profit.

"We can save these leads coming to these hotels at least 20–25 percent versus the in-house company because we don't have to pay that commission to the hotel," Mark said.

That's what I went with when my team contacted each person on our newly formed lead list. When people responded that they were interested, my team immediately distributed those leads to United Events' salespeople to follow up.

About a month and a half later, the salespeople responded to me. “Karl, we can’t sell based on price,” they said. “The in-house company’s prices are always better, and we can’t beat them.”

This was news to me, and it told me that nobody really knew what made United Events different from the competition. The leads weren’t bad—they just didn’t understand what was truly being offered to them. Nobody at United Events seemed to understand, so how could these potential customers?

However, as I said before, the problem is never caused by just one thing. There was also a major problem with how the leads were being handled, which is what I discovered when I started interacting more closely with Tyrone, one of the salespeople.

My team had just sent Tyrone an introduction to Laura, an event planner who was coming to town and had shown interest in United Events after my team emailed her. “She wants to talk to you. Could you reach out and set an appointment with her to talk about her event and introduce her further to the company?”

A couple of days later, I’d heard nothing back.

“I’ve been too busy to get to it,” Tyrone said when I checked in with him. “Can you just send me their RFP? That’s all I really need.”

I was dumbfounded. “When you ask for a request for proposals,” I said, “that tells the event planner that you’re thinking about this as a commodity and that you’re selling on price. But we already know that doesn’t work, right?”

“No, it’s just that once I get the RFP, then I can talk to her about it,” he said.

I’d revealed another major problem with the way their sales organization was conducting business. Most of the salespeople thought all the leads we brought in were basically sold on United Events already and were just being delivered to them to close the deal. They were leapfrogging over all the work of getting to know the customer’s unique situation, what they needed to consider and evaluate, and what they needed to de-risk their decision.

Essentially, they'd reduced the salesperson role to that of someone just providing a quote and then taking an order. Now, on top of not knowing what made their company different from the rest, the salespeople at United Events also weren't meeting the customers on their levels, to then guide them to the point of buying. At that point, I realized that we needed to go back to go forward and unveil all of the many problems that were contributing to the company's struggle to sustain and grow.

Who This Book Is For

If you are a one-person operation that sells monkeys to zoos, this book probably isn't for you. If you're the CEO of Google, it probably isn't for you either.

If you're looking for a meteoric rise in revenue so you can sell your company in two years and split, you might not want to build the sustainable company I'm talking about here. And if you don't really care about leading a happy group of people who grow together as a team, this book is definitely not for you.

If you are a leader of an SMB with five to fifty employees, and if your people's well-being matters to you, you'll 100 percent get something out of this, and so will your team!

I've worked with family businesses, founder-led companies, venture-backed start-ups, companies that sell products, companies that sell experiences...and pretty much everything in between. Each started from a different point of origin before I began to work with them, and the leaders have shown a number of different characteristics that you might find relatable.

Do any of the following situations sound familiar?

The Spaghetti Thrower

WE'VE TRIED EVERYTHING—WHY AREN'T WE GROWING?

Before I arrived, United Events was in a cycle of flinging random solutions at the wall. When I arrived, the sales team looked at me like I was being excluded from an inside joke.

“So, you’re Mark’s flavor of the month?” Jackie, one of the salespeople, asked me in one of our first meetings. “No offense, but we’ve done all of these mission statement writing, sales training, marketing, and team development–type things before, and none of it ever really sticks.”

Apparently, Mark was the kind of leader who was constantly grasping for new solutions that might increase sales. However, none of the things he tried was the secret sauce that would finally make their spaghetti stick to the wall. The rigamarole was that Mark would try a tactic, thinking that it would finally be the thing that got them on the road to stability and growth. It might be a new CRM (tech for customer relationship management), or an aggressive social media ad buy, or a daylong company team-building retreat. When he didn’t see results right away, he’d give up and move on to something else, and so would his team.

Constantly having to change trajectories with no reward was frustrating for Mark. It was also frustrating for his team, who had lost their spark a long time ago. They were so unsure of what they were supposed to be doing, they were operating on autopilot.

When I got there, United Events didn’t know who they were and were treating sales as if it were a mechanical process that was malfunctioning. When I was done working with them, they had grown their revenue by \$2 million and gone from a group of individual salespeople each doing things their way to a unified team who loved coming in to work and performing their absolute best.

The Cinderella Story

THE CLOCK IS TICKING. WE NEED TO GROW THIS NOW.

Bay Area Games was the quintessential millennial start-up. The two founders, Josh and Rahul, were in their early thirties and had spent

the last two years of their lives working on something that wasn't bringing in any revenue whatsoever.

When they hired me, it was right when their work was finally starting to pay off—and it was paying off more than just a little bit. Someone from a seed fund had taken interest in their company and had just put a whole bunch of money into it. The founders hired ten of their friends, who all ate, slept, and breathed Bay Area Games.

Their model was based on a relationship with brand partners who wanted to be seen by gamers and building a gamer base who wanted what those brand partners had to offer. Their idea was great, and now they had the financial validation to run with it. The problem was that they knew they didn't have much time to score those first, most difficult sales. They had found themselves in a chicken-and-egg scenario, with very high stakes for their company.

It was like when you're trying to land your first job: companies only want to hire people with experience, but how will you get experience if no one will hire you? In this case, how could they get enough gamers to impress the brand partners they wanted to keep without having any way to incentivize that gamer base yet?

If they couldn't prove that their idea would sell, they wouldn't get a new round of funding. Like Cinderella at the stroke of midnight, Bay Area Games' carriage would turn into a pumpkin and they'd be back where they'd been before. Being able to make crucial early sales would determine their ability to continue to scale and get another round of funding. They knew if they didn't climb this learning curve quickly, they'd be letting all of their friends, their investors, and themselves down.

With so much on the line, and midnight fast approaching, Josh and Rahul brought me in to help them quickly create offerings and an adaptive sales process that would appeal to different potential brand partners. In true tech start-up style, we designed a series of tests and made small changes according to the responses we got—compressing the sales cycle and decreasing risk by not going big with an untested idea for generating sales.

Using this method, we found out what value we could provide to brand partners and what type of partner liked our solutions the most. We also discovered the best ways to move these customers through the sales funnel and the best key performance indicators (KPIs) to measure our successes as we tested and pivoted. Streamlined weekly sales meetings helped an already highly collaborative group better fly in formation.

The story of Bay Area Games is far from over, but establishing the brand partner program was an early success. We created a replicable sales system that would help them scale, and it kept their carriage from turning into a pumpkin—they scored another round of funding and are still dancing at the ball. And these early wins validated Bay Area Games’ value proposition to investors and the picture of success that Josh and Rahul had painted for them.

The Runaway Train

WE BRING IN MONEY, BUT WE’RE ALWAYS IN SURVIVAL MODE.

Online Academy is an online learning company that provides programs for professionals to improve their business skills through workshops, lessons, coaching, and certifications. I was brought in because their director of sales had stepped down, and Dave, their CEO, needed me to train their four salespeople into a better-functioning team.

“We’re not having revenue problems,” he said to me. “Generally, we book the same number of appointments per month and have a steady close rate of 25–30 percent. If we could just get that close rate up, and maybe get rid of some waste, that would help us reach our goals.”

Totally straightforward, or so I thought.

I started looking for places to tighten up the sales funnel and started educating the salespeople on better sales techniques, but not long after that, Dave called me with news that changed my focus.

“Just so you know, we’re running our regular end-of-year sale this month,” he said. “We’re going to discount the hell out of our products and drive revenue as hard as possible, and that should cover our expenses in the next sixty days...including paying you.”

He chuckled, but I didn't. I warned him that continuing to run sales like this was going to undermine all the revenue he could be making. What about all the people who were about to buy at full price but then would be going for the discount instead? What about the people who had just purchased at the regular price only to see a sizable discount on the thing they'd just purchased? Having major discounts could also devalue the offering in the minds of potential customers, and in the minds of the salespeople too!

But Dave was adamant that these sales worked every time. They were how Online Academy had consistently made ends meet for years.

So, we worked out a compromise.

"Dave, instead of just discounting, how about we bundle? We offer people a choice of a discounted course or a bundled course with an add-on when they pay full price?" I suggested.

This ended up being a first step toward some major foundational changes in the way Online Academy brought in revenue. While still providing a special offer, we were setting a new precedent for valuing the company's offerings on something other than price. People who received sales and marketing materials from Online Academy now wouldn't just be taking price into consideration when they were evaluating whether to buy or not—they'd be thinking about all the benefits they could get.

We were also making it easier for the salespeople to use the content of the courses and the special add-ons as selling points...instead of the urgency of "This deal is ending soon!"

When the data came back, it showed that a lot of people who bought opted for the bundle instead of the discount. With that, we were on the way to a sea change.

My focus wasn't on snagging a few quick wins here and there to help Online Academy boost revenue. There were foundational ways that the company could tune up their operation, which would make a major difference in how much they were able to earn.

When I started working with them, Online Academy was indeed bringing in consistent revenue. The company was growing, but they

didn't know how to manage their growth sustainably. They were devaluing their offerings because they were only selling them based on price. Every day, they felt like they were on the brink of disaster.

Within nine months of working to fix their sales processes, we multiplied revenue by a factor of 1.5, had increased prices by 20 percent, and had brought up net income by 200 percent.

MAYBE YOU SEE YOUR COMPANY in Online Academy or one of these other companies. Maybe you're stuck in a rut or are constantly anxious about being able to pay everyone on your team, or you're worried that if you don't start growing soon, you'll lose everything.

If any of these problems are familiar, this book is here to help.

The Three Frameworks to a High-Performing Sales Organization

It's natural to want an easy fix, a big win that makes everything fall into place. Real life shows us that this almost never happens, and that's as true in business as it is anywhere else. While a big win here and there is possible, and pretty darn nice when it happens, getting to a place where you're happily humming along usually results from a series of small wins.

It also comes from cooperation and hard work.

Once a leadership team decides they want to put the time and effort into becoming a high-performing sales organization, they bring in someone to act as a Change Agent and lead the group through each step of the process. That's usually the role I play. For you, that role can be filled by an outside consultant, or it can be someone who works in your organization—maybe even you. We'll get into this more in the next chapter.

The Change Agent works with a core group of company staff called the Improvement Team. This team may be made up of salespeople,

marketers, and people responsible for business development. If the company is small enough, everyone might be on the Improvement Team. Often it will just be salespeople, with folks from other departments guest-starring here and there when their input is needed.

Over the course of three months to a year, you'll establish the following Three Frameworks to transform your sales organization into something that serves everyone better, from you as the leader, to your sales and marketing people, and to your current and future customers.

Framework #1—The Revenue Equation

The Revenue Equation combines the three factors that, when optimized, create the basis and systems that you will use to guide everything that your organization does. After administering a quick survey called the Revenue Equation Diagnostic to determine how much work needs to be done, it's time for the team to dig in and develop those three factors.

$$\text{Sales Foundations} + \text{Sales Design} + \text{Sales Infrastructure} = \text{Revenue Stabilization and Growth}$$

SALES FOUNDATIONS: WHO ARE YOU?

These are the values and characteristics that make your business unique. Without knowing your Sales Foundations, which I discuss in chapter 5, without knowing why your company and your offering are unique, you will struggle to sell to others. A lack of proper Sales Foundations was the problem that Mark, United Events CEO, made when he told me to use a 20–25 percent lower price for events as a selling point with the leads my team was emailing and calling.

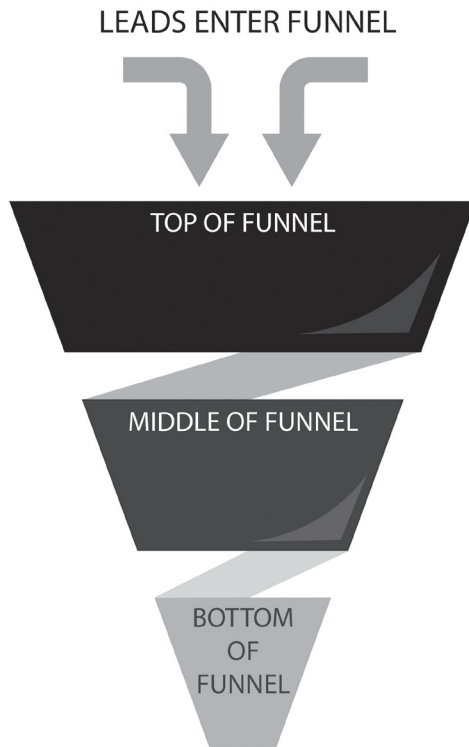
SALES DESIGN: WHO DO YOU SELL TO?

If you're going to find and sell to the right customers, you need to know who they are and what their current state looks like. Chapter 6

shows you what you need to go past creating ideal customer personas... to charting out each persona's unique sales journey. If United Events salesperson Tyrone, for example, had been able to identify where event planner Laura was on her sales journey instead of just asking for an RFP, he may have been able to close that sale.

SALES INFRASTRUCTURE: HOW WILL YOU SELL IT?

Now that you know all these things about yourself and your customer, in chapter 7, you build the processes to act on that information. Map every team member's responsibilities and all the steps it will take to move your customer through their sales journey, without leaving anything out or anyone behind. Online Academy desperately needed help with their Sales Infrastructure to organize the tens of thousands of leads that were trapped in their sales funnel.



Framework #2—The Individual Performance Planner

Everyone has worked together to create your Revenue Equation. Now, you are going to focus on each individual who will be following those guidelines. Working with each salesperson to discuss their strengths, you can, together, set short- and long-term goals for their lives inside and outside of work and have them create their own Individual Performance Planner. Their intentionality about being their best and your intentionality about supporting them are key if you're going to get the most value out of all the hard work you just did with your Revenue Equation.

Framework #3—The Revenue Planner

Finally, it's time to put everything together to free your trapped revenue, find some quick wins, and accelerate sales and profitability. With your new understanding of your business, customers, funnel, and the people working in your sales organization, you have all the tools to stabilize your sales and get them to trend upward. You'll learn how to use everything you've already put into place and create a plan to achieve quick wins within three months, stabilize your revenue in the following three months, and realize intentional revenue growth in the following twelve months (and beyond).

Who Is at the Center of It All?

Everyone wants revenue growth, but most people gravitate toward crutches or magic bullets instead of digging deep to find the core problems that are preventing them from getting to where they want to go. Time and time again, these methods fail people. It's true that getting clear on your and your customers' identities and getting your systems in order are vital, but everything really depends on the people who make up your sales organization.

In my years working to build companies and sales organizations, what I've found is that everyone wants to foster the kind of

environment where people are happy to work. That kind of environment is a natural outgrowth of using this framework. The entire process revolves around how empowered your Improvement Team is and how much trust is built up between its members. When people feel like they're in a safe place, they will be able to honestly point out areas that need to be improved, identify your best customers, and show you what they really have to offer when they're at their best.

Following these Three Frameworks isn't about reaching a specific endpoint. But if you do follow it with intentionality, you will build a healthy company culture and sustainable revenue growth.