

THE Revenue game



THE MYTHS AND PRINCIPLES OF REVENUE GENERATION August 2008

Our Mission Today:

Help you remove myths, magic & chaos from your revenue model - replace them with principles, science and process.

The result will be
a proactive / predictable
revenue strategy & execution

Create Alignment

- A principle is an accepted or professed rule of action or conduct
- A myth A popular belief that is false or unsupported by facts

Two Goals for You Today:

Understand your company's current alignment & how your role impacts that alignment

Pick one thing you can do to move toward alignment - more revenue, less resource investment and less stress

To be an Angel

You must be in
Alignment

30 Second Introduction

My Name is _____

My company name is _____

The client problem we solve that no one else solves is _____

My primary impact on “Revenue Generation” is _____

Common Myths

- 1) Good sales reps are “naturals” and your success is a matter of finding those “naturals”.
- 2) Marketing programs are unpredictable “hit and miss” tools
- 3) Networking is about meeting as many business people as possible
- 4) Quality products along with good service is a winning strategy

(cont)

- 5) Good sales reps will create the right message at the right time**
- 6) Good marketing is highly dependent on creative ideas**
- 7) If the revenue strategy is right, you will succeed in "Revenue Generation"**
- 8) Giving sales & marketing power & budget virtually guarantees success**
- 9) Always stick with a winning strategy**
- 10) Listen to customers they know what they want**

**Everyone wants economic
growth
but
nobody wants change!**

**No matter how good you
or your team are**

No matter how hard you work

**Your “Revenue Generation”
can never exceed your
organizations current
Alignment**

Life Saving Alignment

Sales Person(s)	Your Sales Person	Your Surgeon
Selling vs. Marketing	Sales Team	Operating Team
Individual Performers Trying Hard	Your <u>Total</u> Company	Your Hospital

5

Cross organizational alignment exists with strategy, structure and tools in place. Metrics rule. Results are predictable. Transitions are opportunities.

4

One or more functional units are aligned and having success. Greater emphasis on 'results focused' execution. Sales/marketing work together with shared goals & metrics

3

A company strategy/plan exists, at least one offer has structure and programs behind it, and some metrics are being tracked. Execution still a struggle, but silos work together sometimes.

2

There is a revenue GOAL, but not a plan. The organization operates in silos and each one is attempting to provide some tools and metrics. Reliance on "rainmakers" and things just working out.

1

A company of individual contributors doing whatever they believe is best at the moment. No common strategy, few if any metrics, hope for silver bullets, heroes and good luck.

Pre-work Questions

- 1. % of your target revenue assigned?**
- 2. What does an hour of *Selling* cost you?***
- 3. How many hours per week does a GREAT sales organization sell per person?
How many does yours sell?**

**Selling* is moving a deal forward and no one else can do it better or cheaper.

What Happens if you Don't Align!

Stage 5 - Points of Leverage Example

quota	\$ 1,000,000.00
Base salary	\$ 75,000.00
commission @ .5	\$ 37,500.00
T&E @ 20% base	\$ 15,000.00
Required Support 4Hr per wk	\$ 20,800.00
fringe benefits @ 20% base	\$ 15,000.00
Total Cost per Person	\$ 163,300.00

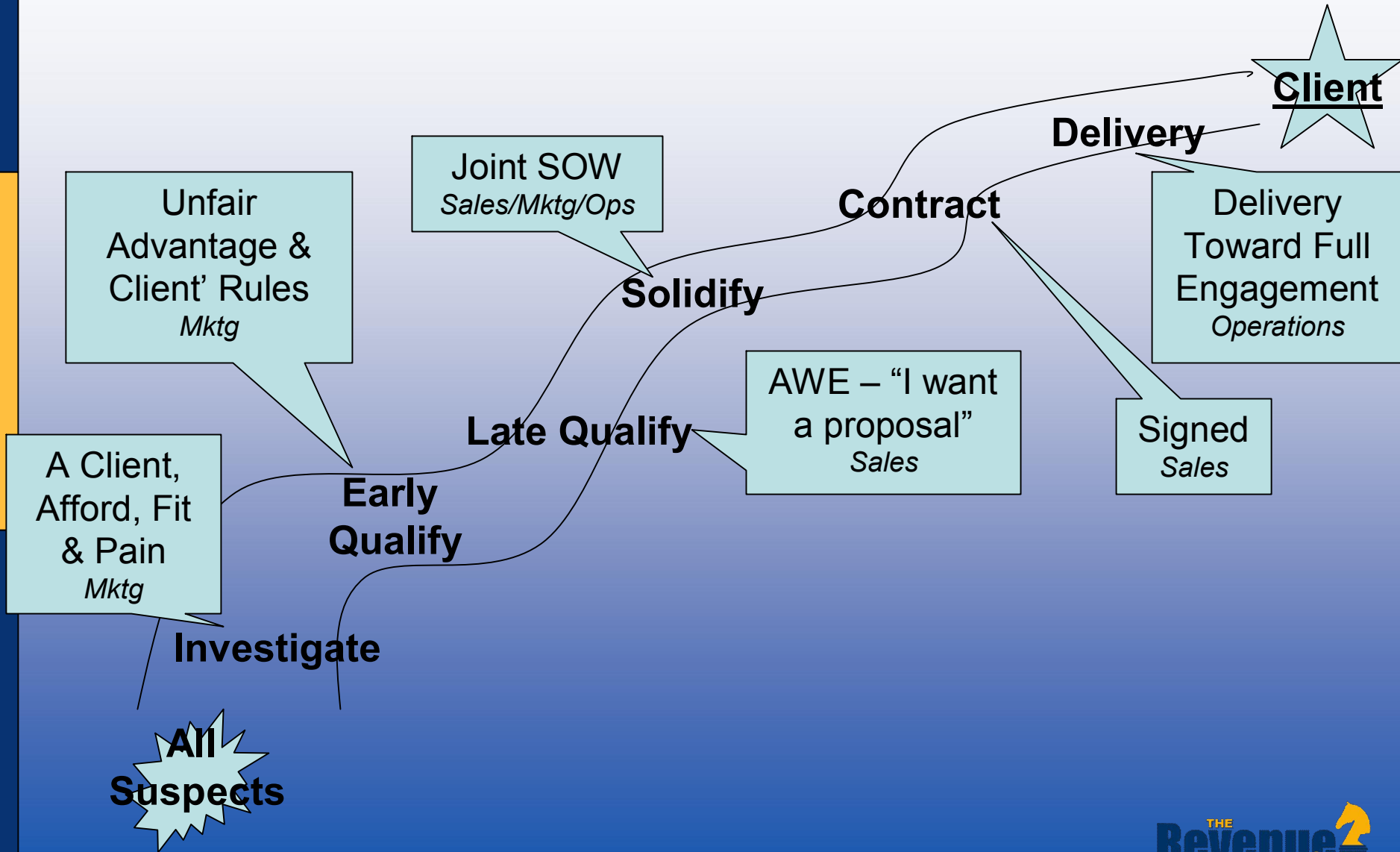
		wks per yr	hrs per yr
Total hours available	50	48	2400
Stage 5 hours per week	10	48	480
Stage 3 hours per week	3	48	144
Stage 1 hours per week	1	48	48

		base 75k
Cost per sales hour (PSH)	Hrs Selling per wk	\$ 68.04
Stage 5	10	\$ 340.21
Stage 3	3	\$ 1,134.03
Stage 1	1	\$ 3,402.08

Revenue PSH to reach quota	Hrs Selling per wk	\$ 416.67
Stage 5	10	\$ 2,083.33
Stage 3	3	\$ 6,944.44
Stage 1	1	\$ 20,833.33

Stage 5 with leverage	
Stage 3 some leverage	
stage 1 no leverage	

"Revenue Generation" Roadmap



Do you just want relief

or

**To align for long-term
proactive predictable revenue**

if you want alignment - then

**Are you willing to “fundamentally
change” how you do “Revenue
Generation” to get that alignment?**

Principles of Alignment

- I “Revenue Generation” is a Science. It has a Body of Knowledge, Principles, Best Practices & Ethics
- II To Win the Revenue Game – The Revenue Strategy is Designed into the Product, the Process & the Culture.
- III Structure Supports Strategy
- IV Use Tools to Support Strategy
- V Align Everything To Bellcurve Tracks

Find Your Target Customer

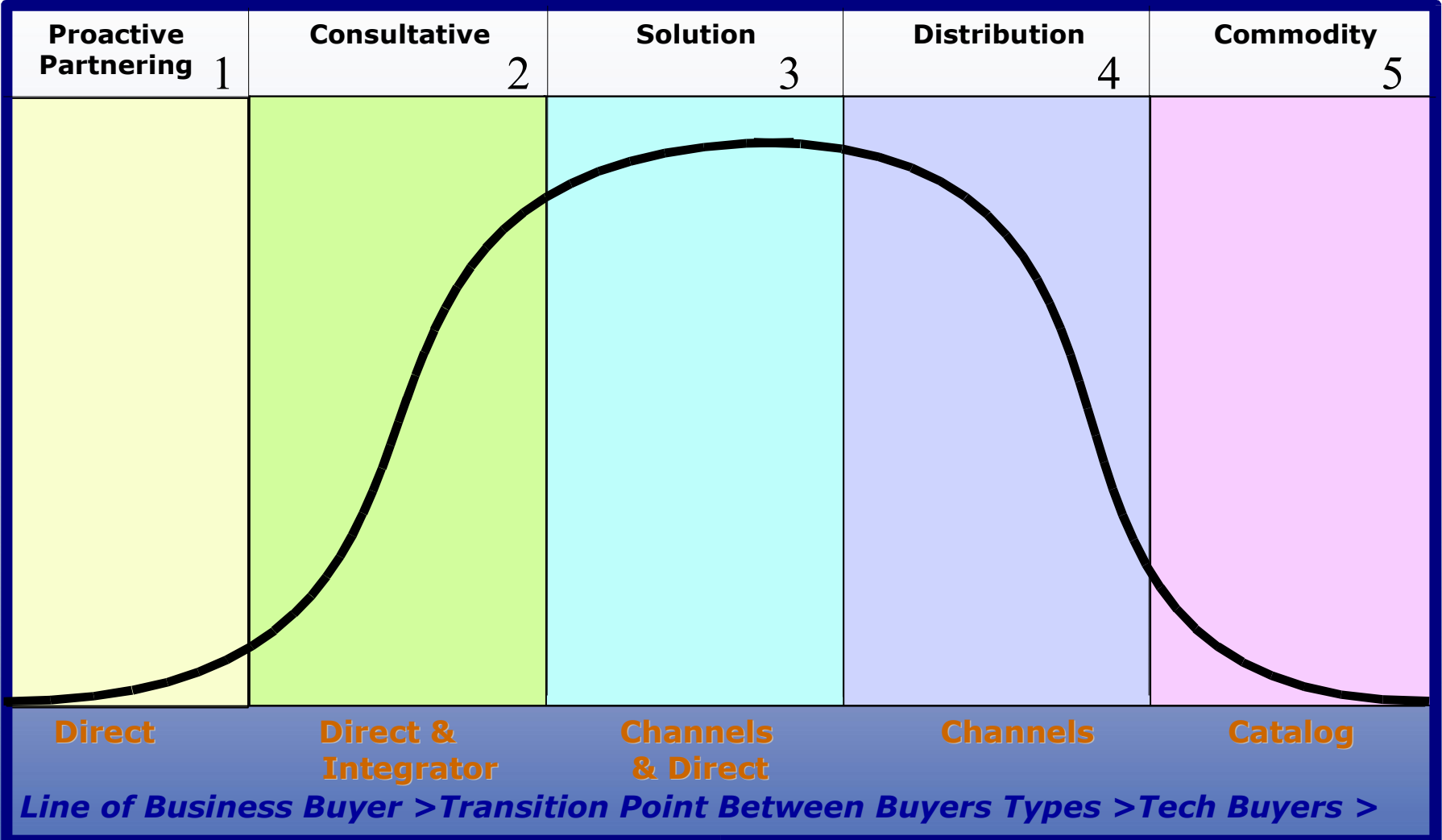


Pre-work Questions

- 1. % of your target revenue assigned?**
- 2. What does an hour of *Selling* cost you?***
- 3. How many hours per week does a GREAT sales organization sell per person?
How many does yours sell?**
- 4. The client problem we solve that no one else solves is?**
- 5. Who are you going to call?**
- 6. What are you going to say?**

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CRO Thinking



Strategic

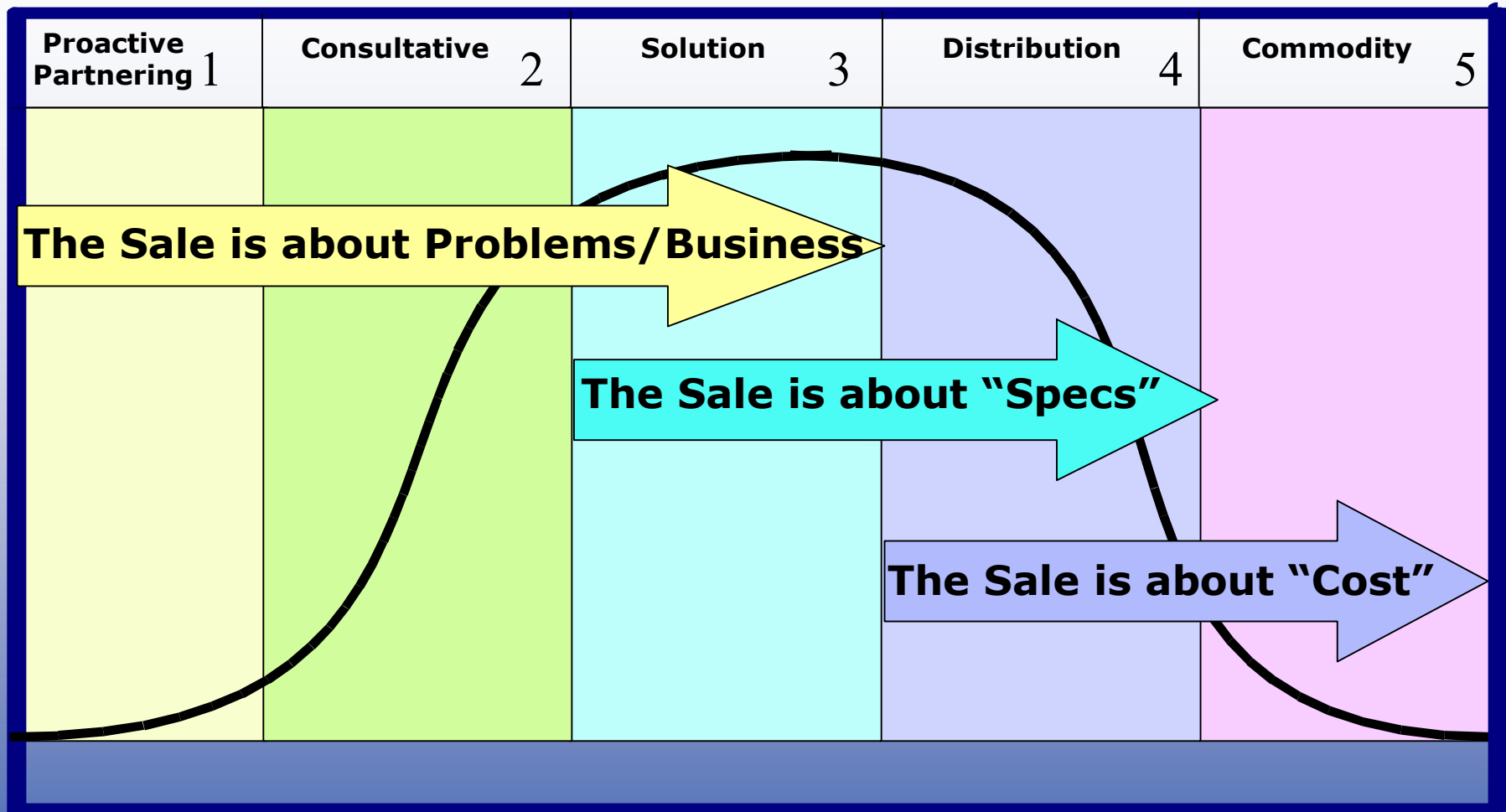
People
Expertise



Tactical

Programs
Process

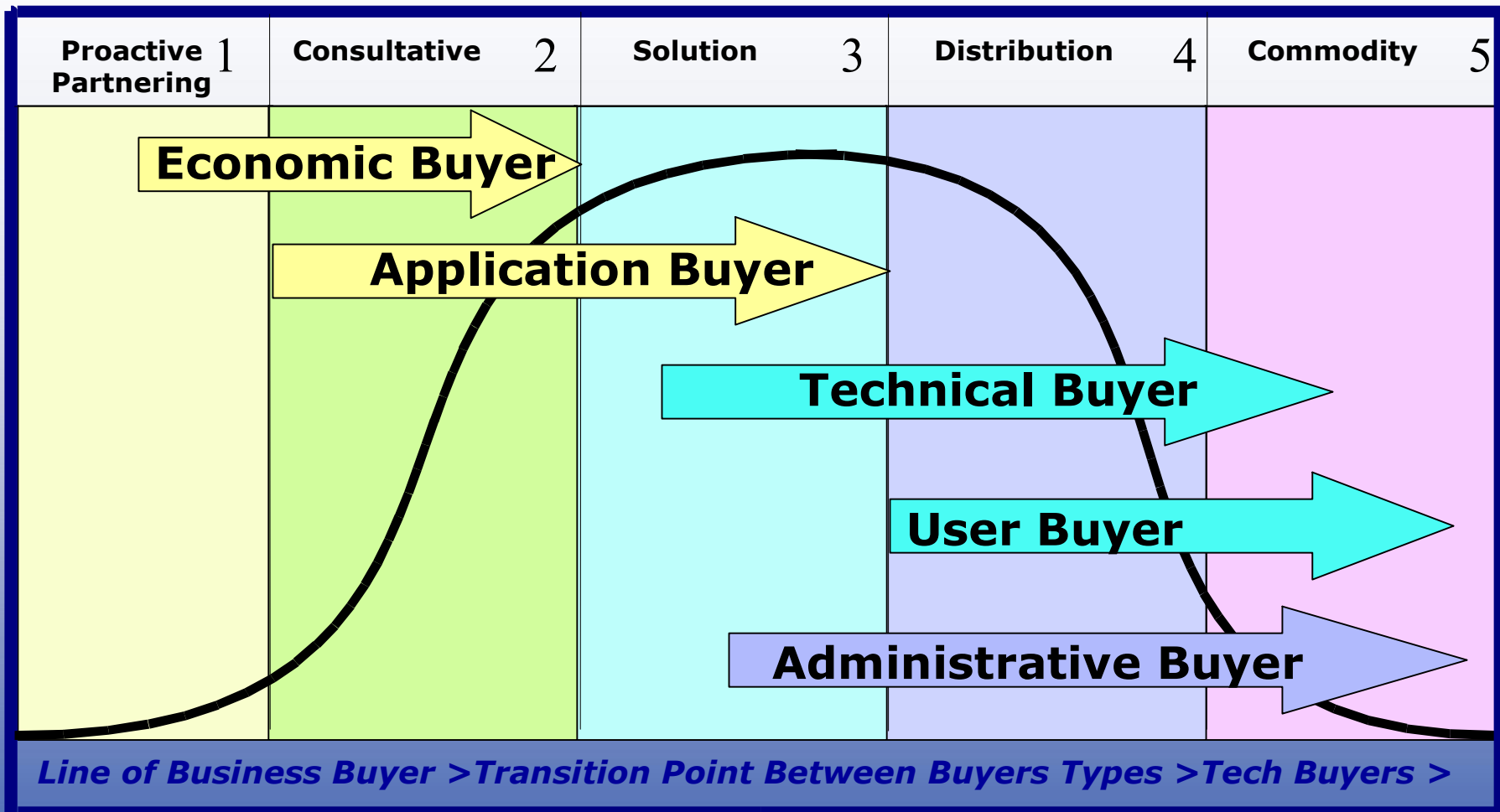
Transaction Driver



Strategic
People
Expertise

Tactical
Programs
Process

Buyer by Mindset

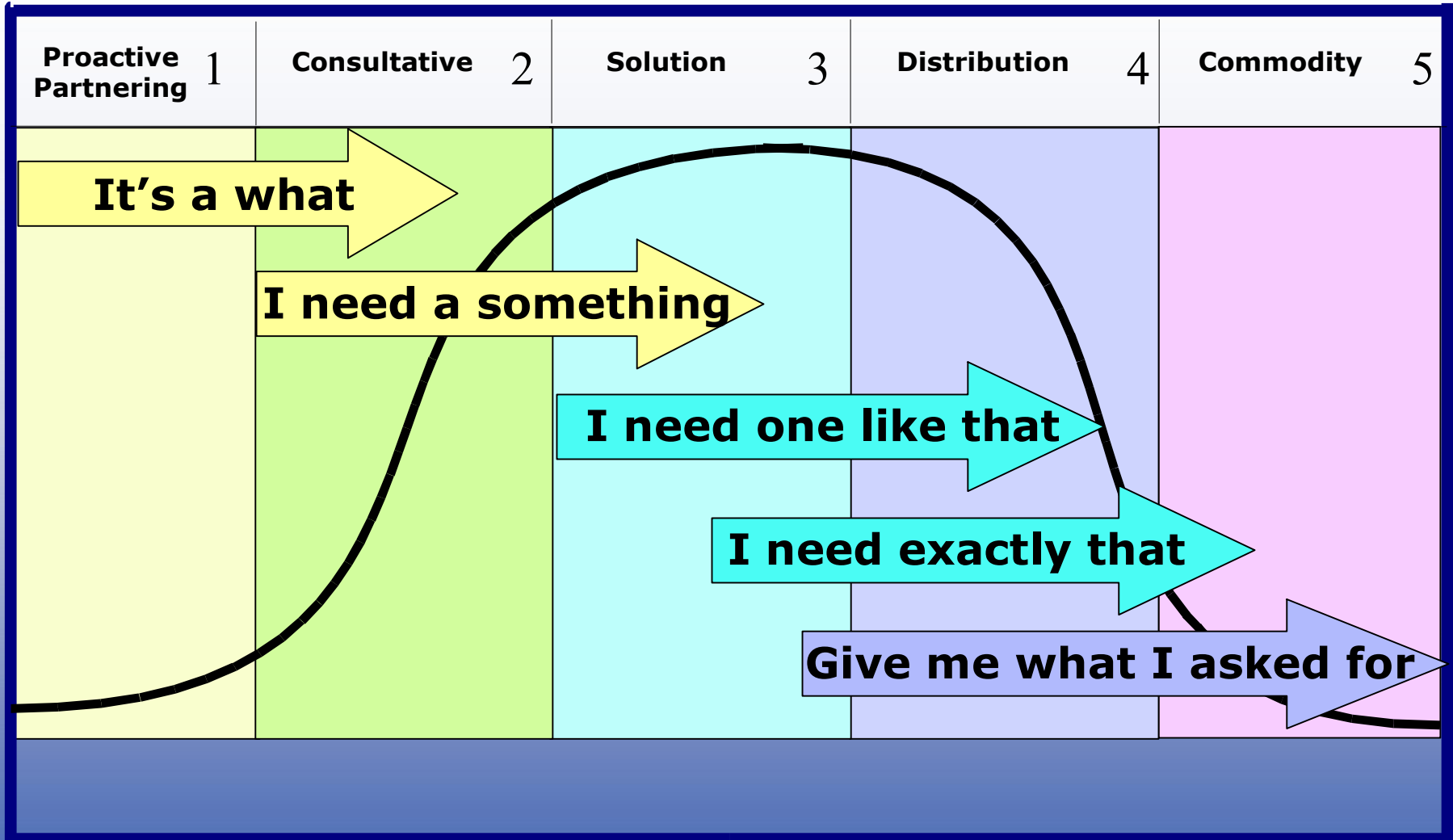


Strategic
People
Expertise



Tactical
Programs
Process

Buyer Knowledge

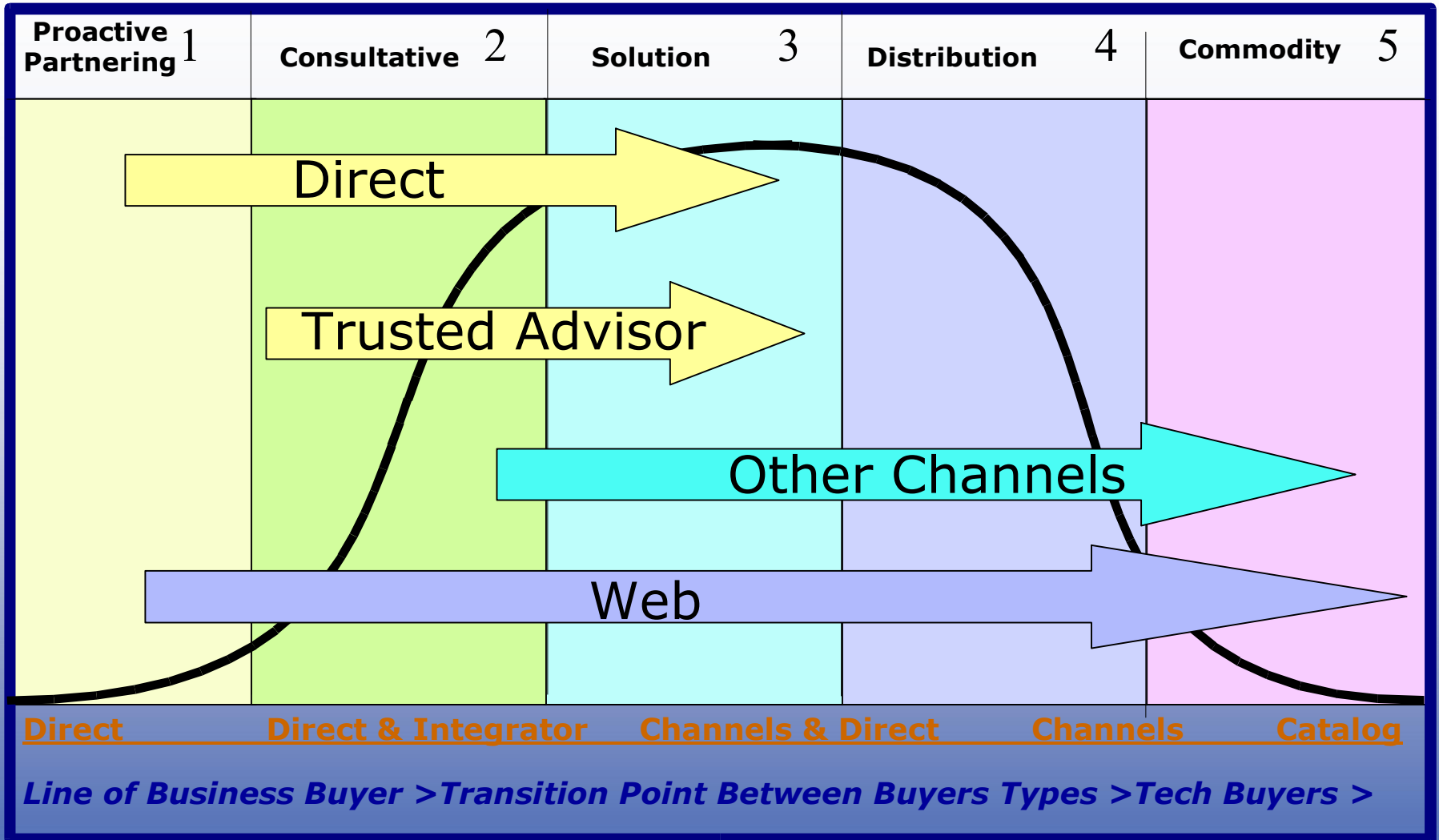


Strategic
People
Expertise

Tactical
Programs
Process

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Channels

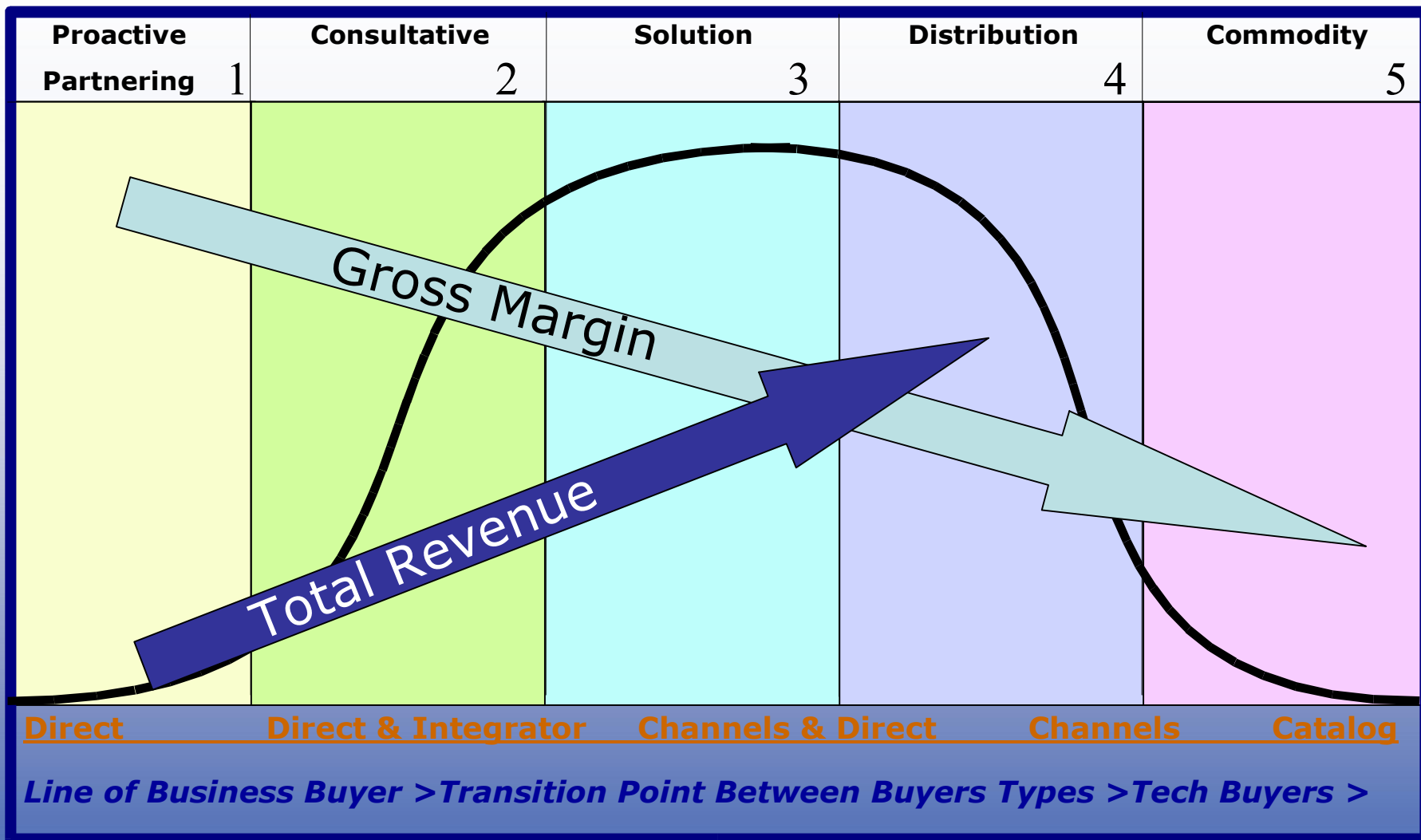


Strategic
People
Expertise



Tactical
Programs
Process

Margins / Revenue



Strategic
People
Expertise



Tactical
Programs
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- VII Sell Offers not Products

The Product vs. The Offer

What do your sales people & customers talk about???

What is key to dominating your niche



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How to Develop a Compelling Message

What is the customer problem we are solving that no one else solves?

	Purpose & Attributes	Required Emotional Response	Result Achieved
I. Theme	<ul style="list-style-type: none"> Captures the essence of your total company Relates to all the products Creates the required emotion 	<p>Awe (e.g., heroic, wowed, shocked, intimidated, confused, amazed)</p>	The prospect stops their current mental process, opens their mind for at least a few seconds, and is thinking about what you said and how it might relate to their success
II. Big Picture	<ul style="list-style-type: none"> Describes the superset of the way things are done for all products Creates the required emotion 	<p>Excitement (e.g. eager, stimulated, proud, driven, ecstatic)</p>	The prospect can visualize themselves in your picture and they are excited about the possibilities
III. Value Propositions	<ul style="list-style-type: none"> Presents a compelling conceptual offer that the prospect would like to engage in immediately Based on the required emotion 	<p>Confident (e.g., hopeful, protected, secure, able, trusting)</p>	The prospect feels this can work if it's done right
IV. Solidification & Proofs	<ul style="list-style-type: none"> Takes the prospect (and buying team) along a path to clearly see the benefits, understand the steps of implementation and how to eliminate the risks in arriving at result Attains the required emotion 	<p>Comfort (e.g., snug, well, comfortable, ease, relaxed, relief, shielded, cozy, safe)</p>	The prospect knows that if they work with you this <u>can</u> be done right and <u>will</u> be done right.

Compelling Message

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- VIII You Don't Have Anything to Sell Until It is Messaged
- IX There Are Two Types Of Marketing
- X Winning Requires Integrity

What Happens When
YOU
Apply These Principles
Over
The Long-Term

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On YOUR Bellcurve

Place each on the Bellcurve (with a specific deal in mind):

- 1) The offer you were or are selling
- 2) The Prospect you were or are trying to sell
- 3) The primary competitor for this business
- 4) Your lead revenue person for this business

Now What

What action will **You** take?

“Alignment Action”

What is your top alignment issue?

What action(s) are you going to do to improve your alignment?

If you review this & have questions or ideas about your Stage 5 alignment contact

rick.mcpartlin@therevenuegame.com

800-757-8377

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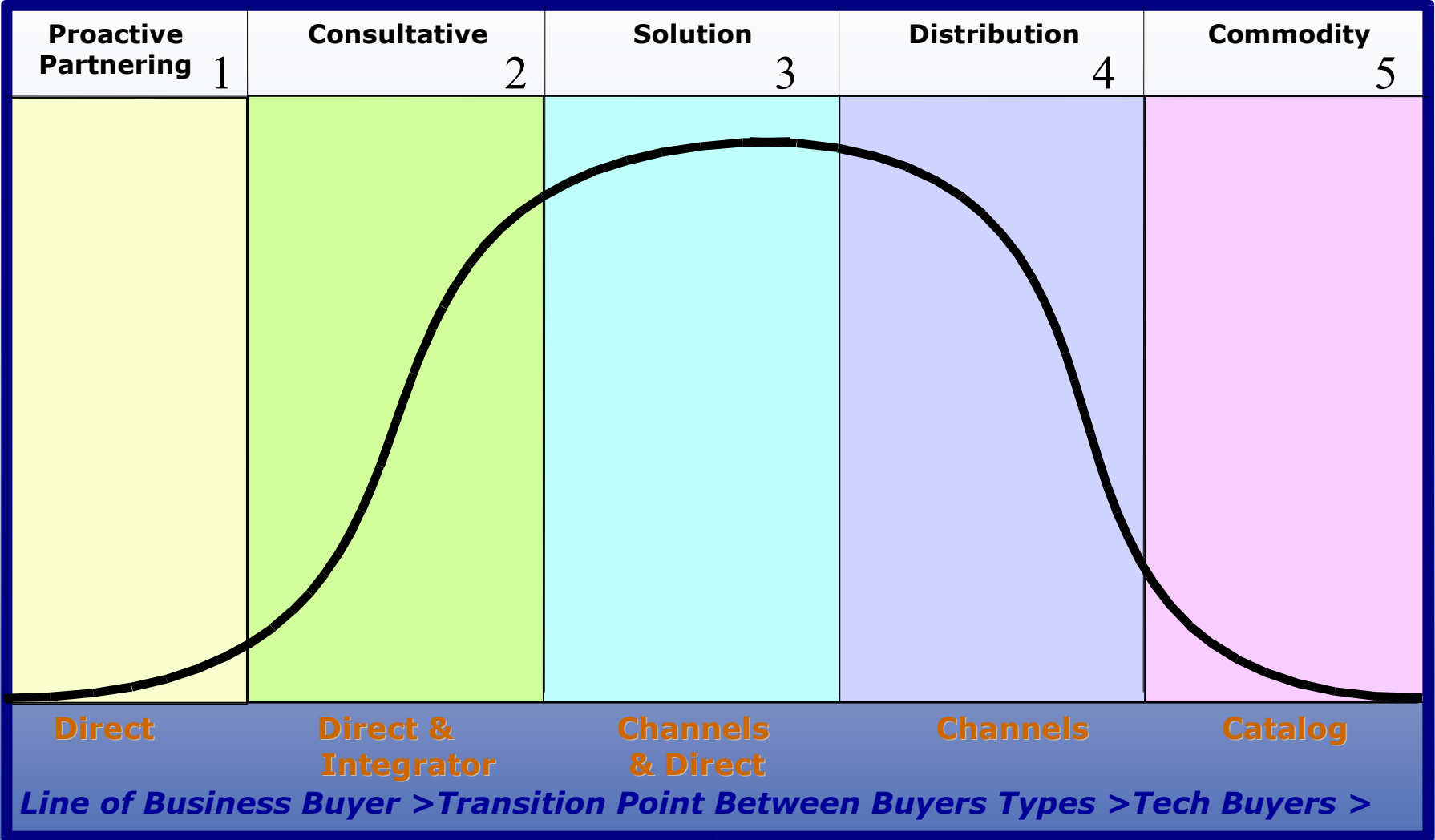
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Expertise



Tactical
Programs
Process

12 Alignment Indicators for Stage 5

1. Do you have a plan to achieve alignment (Stage 5)
2. Do you know the # of selling hours per week per rep
3. Do all members of your team have the same revenue focus
4. Do you have a proactive / predictable revenue strategy
5. Do you know the key elements for the current transition
6. For this FY did you assign ^ 100% of target Revenue
7. Do you have someone who fulfills the CRO role
8. Do you effectively manage all offers & messages
9. Do you have a plan to drive cost out / revenue in
10. Do you capture & apply revenue Best Practices
11. What exactly is the niche you will or do dominate
12. What Client Problem do *You Solve* that *No One Else Solves*