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Sales Enablement Defined

by Scott Santucci

for Technology Sales Enablement Professionals



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Sales Enablement Is The Bridge Between Go-To-Market Strategy And Tactical Execution

by **Scott Santucci**

with Eric G. Brown, Bradford J. Holmes, Katherine Shao, and Daniel Feldman

EXECUTIVE SUMMARY

Tectonic forces are at work transforming business relationships away from their traditional dependency on products and services toward a focus on business outcomes and results. Inefficiencies noted within a sales organization are only early warning signs. Left unchecked, these flaws and frictions will eventually wreak havoc on balance sheets. Vendors that understand the fundamental changes at play will evolve their business models to be more holistic and customer-centric and will enjoy higher margins and increased differentiation in the marketplace. Those slow to respond will be relegated to commodity supplier status and forced to drive massive costs out of their selling model to remain cost-competitive and to protect eroding margins. Sales enablement is an emerging, cross-functional discipline designed to bridge the gap between strategy and execution and to accelerate the transformation into a new selling model.

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NOTES & RESOURCES

Forrester conducted a variety of research to develop this report, including: analysis of earnings call and investor relations communications from Accenture, BMC Software, CA, Citrix Systems, CSC, Dell, HP, IBM, NetApp, Oracle, SAP, and Symantec; and full-day discussions in both Europe and the US with 30 sales and marketing executives representing Alcatel-Lucent, Ariba, BMC Software, Brocade, BT, Capgemini, Cisco, Fujitsu, Genesys, HP, IBM, Orange Business Services, SAP, Symantec, T-Systems, and VMware.

Related Research Documents

["Optimize Performance By Driving Enterprise Sales Outcomes"](#)
July 17, 2009

["Uncovering The Hidden Costs Of Sales Support"](#)
April 13, 2009

["Engineering Valuable Sales Conversations"](#)
November 12, 2008

CONFRONTING CHANGE, VENDORS ARE ADOPTING NEW STRATEGIES

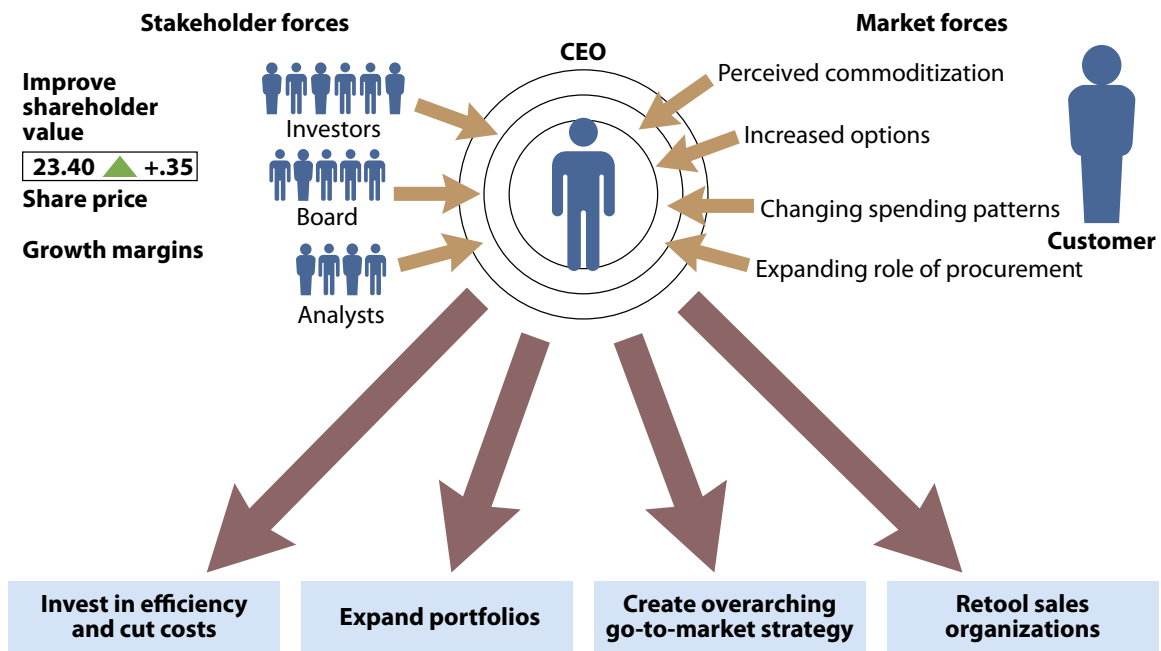
In their book *Confronting Reality: Doing What Matters to Get Things Right*, Larry Bossidy and Ram Charan assert: “Whether change is abrupt or gradual, at some point it makes old beliefs and behaviors obsolete. Ignoring that reality, as so many leaders do, is devastating.”¹ In November 2008, Forrester predicted where the technology industry is heading based on the reality that companies are transforming how they do business (see Figure 1).² Technology industry executives are responding to these transformative pressures in a variety of ways and expressing these reactions in comments and prepared remarks to their core stakeholders. The emphasis is on:

- **Focusing on pragmatic, profitable growth.** “We’re investing heavily in engineering, we’re investing heavily in sales, and obviously [there are] other parts of the business we need to invest in to scale, but there’s a limit to how much we can do that. And as long as revenue remains at this kind of growth rate, that’s what’s enabling us to stay at our operating margin.”³ (Tom Georgens, president and CEO, NetApp)
- **Continuing to retool the sales engine.** “When we think about what we’re trying to accomplish with the team and where we’re going, we’re moving from where we are today and where Citrix has been historically . . . [Citrix clients need to be making] more of a strategic purchase . . . leading more directly or with a [systems integrator] and being proactive in our sales approach. So, it’s a pretty significant change that, as I said, we started last year.”⁴ (Al Monserrat, senior vice president of sales and services, Citrix Systems)
- **Eliminating waste.** “We are very focused on being a lean company and doing more with less. Just because you have more people doesn’t mean you get more results. So we have lifted and shifted a lot of the internal resources to be more customer-facing, and therefore more quota is on the street without increasing headcount to begin with. As the economy rebounds, we would do selective hiring in the sales department and we’d probably just focus on sales only and quota-bearing positions, so we can catch the upside.”⁵ (Bill McDermott, co-CEO, SAP AG)
- **Differentiating at the point of sale.** “The one word I hear clients use most often with me is they talk about Smarter Planet as an aspiration of a way forward for them, of the value that they can get out of this whole point of being instrumented, interconnected, and more intelligent data. It changes the nature of the conversation with the client, and it changes the nature of the sales opportunity we have with them. You can’t do that unless you have an integration engine. And that is one of the biggest competitive differentiators between us and anybody else that is out there in this tech universe.”⁶ (Ginni Rometty, senior vice president of global sales and distribution, IBM)
- **Transform reps’ selling behavior out of their comfort zone.** “So the sales teams have been very eager to try to bring the Perot Systems capabilities in and are doing that with success. Our pipeline for new opportunities is significantly higher than it was six months ago. But it is a

process. When you talk about re-educating a sales force the size of Dell's to sell solutions instead of selling point products, that's a process. We've actually budgeted a significant amount of money to do that across the field. And when you have thousands of sales executives, that's a big process." (Peter Altabef, president, Dell Services)

Our analysis of technology industry P&L statements suggests that significant organizational shifts are in motion as companies transition from rapid growth activities to more targeted efforts focused on improving productivity. Forrester's analysis of 42 technology firms shows that they expanded their selling, general, and administrative (SG&A) expense by 9.6% in 2007 and 9.8% in 2008, but in 2009, these same firms contracted spending by 5.7% (see Figure 2). As they recover from overinvestments of the past that focused on growing their sales forces, most firms we speak to remain cautious about adding headcount — but are beginning to loosen their spending on programs to make the existing sales force more productive.

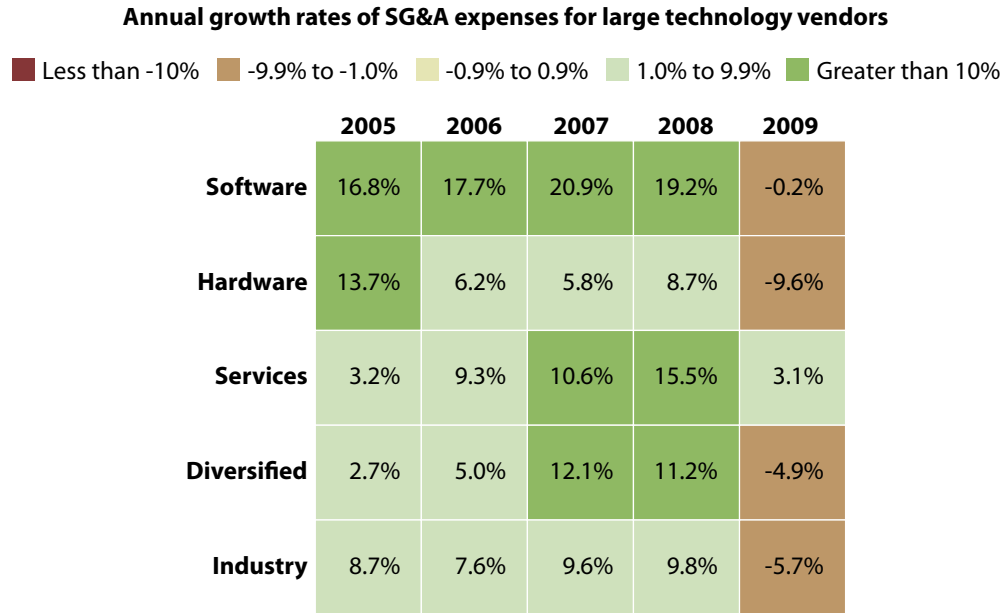
Figure 1 CEOs React To Colliding Forces



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Source: Forrester Research, Inc.

Figure 2 Organizations Have Shifted From SG&A Growth To A Forced Focus On Efficiency



Base: 42 large technology vendors

Source: Forrester analysis of 42 companies' financial reports

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Source: Forrester Research, Inc.

Changing Buyers' Behavior Makes Strategic Changes More Urgent

While most sales and marketing professionals look internally for opportunities to boost the productivity of the sales force — such as building sales playbooks or doing more skill training — buyers' decision-making processes for IT-related purchases are evolving to reflect an ever-increasing entanglement of technology and business. As a result, trends have emerged that threaten the careers of vendor executives who fail to adapt.

- **Buyers are stratifying their suppliers into a caste system.** One end of the caste system will be populated by the majority of suppliers within a given account. To meet their cost reduction targets, the least painful path for CIOs and other IT executives is to turn all nonstrategic suppliers over to the procurement organization and wring costs out — either through renegotiation or supplier consolidation.⁸ This environment creates highly competitive, price-sensitive selling scenarios that will ultimately force suppliers caught here to systematically remove costs from their selling engines.

On the other end of the spectrum, vendors will enjoy a far different fate. As technology intertwines with business processes, CIOs are forced to transform their traditional IT operating models to be more aligned with the varied needs of IT's business constituents.⁹ This is why executive buyers consider suppliers who understand their business or who focus on helping them deliver a result to be the most strategic (see Figure 3). In addition, 80% of those we surveyed will spend moderately or significantly more money with those suppliers (see Figure 4).

- **Buyers differentiate among vendors based largely on their engagement strategy.** When asked about the differences in supplier proposals for a given project, one CTO said, “They more or less do about the same thing for about the same price.” The technology industry has attracted so many competitors and different delivery options that the ability to compete on features or approach alone is diminishing. In the eyes of buying executives, the ability to match relevant capabilities to their specific situations or to focus on driving business results are the top two ways vendors differentiate themselves (see Figure 5).
- **Executive-level buyers rarely find value from conversations with vendor salespeople.** One simple way to assess the effectiveness of technology industry salespeople is to ask executives how prepared they are when they meet with them and how valuable they find those interactions. Forrester asked buyers these very questions, with unfortunate results: Only about one-third of executives believe that the salespeople who call on them can empathize with their roles in their organizations or can understand their businesses and recommend ways to help (see Figure 6). When asked to comment on whether meetings with salespeople live up to their expectations, only 15% of executives responded “usually” (see Figure 7).

Figure 3 Buyers Consider The Vendors Who Understand Them To Be The Most Strategic

“What qualities make a vendor a strategic, value-added provider?”

	Overall
Understanding our business, culture, and how to help us execute	56%
Focus on helping us realize an end result	43%
Responsive	40%
Global understanding of our business and corresponding capabilities	31%
Flexible and reasonable	27%
Accountable	25%
Easy to do business with	24%
Strategic influence (both ways)	17%
Sales goals are aligned with our success factors	12%
Strong ability to communicate in our language	6%
Other	2%

Base: 166 North American enterprise business and IT decision-makers
(multiple responses accepted)

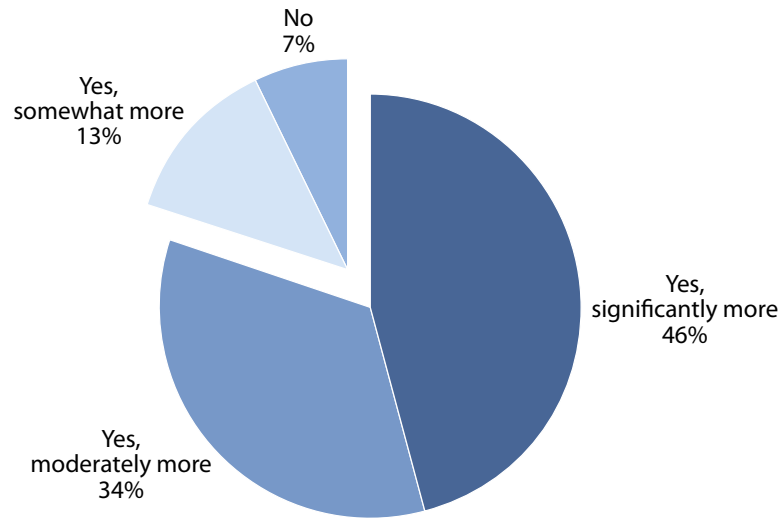
Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

Figure 4 Executives Spend Significantly More With Strategic Vendors

“Does your firm generally spend more money with strategic providers than with other vendors?”



Base: 166 North American enterprise business and IT decision-makers

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

Figure 5 How Vendors Engage With Executives Is More Differentiating Than What They Sell

“What differentiates a vendor from their competition the most?”

The ability to match relevant capabilities to specific client situations	34%
A focus on driving a business result	19%
How well the vendor’s capabilities address needs	16%
How easy the vendor is to do business with	14%
The ability to clearly and honestly communicate	12%
The reputation or track record of the vendor	9%
The economic value of the vendor’s offerings	5%

Base: 166 North American enterprise business and IT decision-makers
(multiple responses accepted)

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

Figure 6 Executives Feel That Salespeople Don't Understand Their Roles Or Their Businesses

“When you meet with a vendor salesperson, in general, how often are they prepared for the meeting with you in the following ways?”
 (Respondents who answered “usually”)

	Overall
Knowledgeable about my specific business	27%
Can relate to my role and responsibilities in the organization	34%
Understands my issues and where they can help	38%

Base: 166 North American enterprise business and IT decision-makers
 (multiple responses accepted)

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

Figure 7 Executives Find That Appointments With Salespeople Fall Short Of Buyers' Expectations

“How often would you say that your meetings with salespeople are valuable and live up to your expectations of the meeting?”

	Overall
Never	1%
Rarely	22%
Occasionally	63%
Usually	15%

Base: 166 North American enterprise business and IT decision-makers

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

EXECUTIVE MANDATES RESULT IN AN EPIDEMIC OF UNCOORDINATED INITIATIVES

Executive managers are increasingly frustrated about the perceived lack of sales productivity.¹⁰ This frustration typically boils over into directives to the management team that unleash a flurry of initiatives intended to help the sales force (see Figure 8).

“We’ve got to grow. I mean, at the end of the day, the industry is about \$1.9 trillion. Because of what we’ve done with our portfolio, we’ve opened ourselves into a position where we can now compete for about \$1.3 trillion to \$1.4 trillion of it But frankly, our portfolio has put ourselves in a position where the portfolio is better than the results. When we get in front of customers we tend to win And so for us that requires us getting partners and getting salespeople in front of more customers, more often. And we’ve got a lot of work to do to get that right.”¹¹ (Mark Hurd, chairman of the board, president, and CEO, Hewlett-Packard)

Product And Portfolio Managers Drive Activities That Promote Their Offerings

Business unit, P&L, or product-level owners who want to assist with the selling effort generally take on initiatives that either center on rationalizing or better communicating the portfolio or involve supplying more support services at the point of sale. For example, many companies are trying to evaluate their inventories of products and services and putting more energy into newer or higher-margin offerings (see Figure 9).

Marketing Professionals Drive Activities To Supply Content And Leads for Sales

Various functions within marketing organizations are increasingly involved in providing support and materials to the sales organization, including product marketing (if it doesn’t report into the business units), field marketing, market intelligence teams, analyst relations groups, and even branding groups (see Figure 10). Marketing-led efforts typically focus on fine-tuning messaging, supplying content thought to be useful to the sales force, and generating leads.

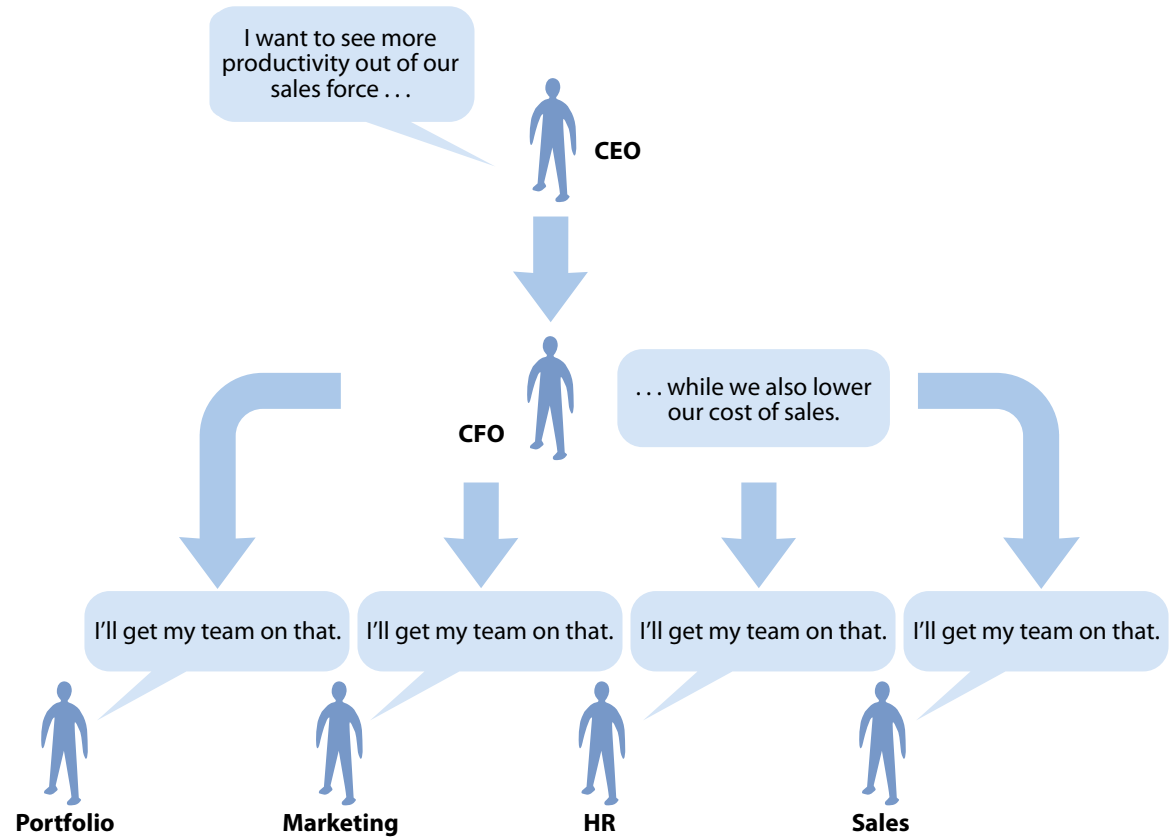
Human Resource Groups Drive Activities That Address Skills And Behaviors

In larger organizations, most of the skill development responsibility rests within the human resources organization and is the responsibility of the learning team or even the corporate university function (see Figure 11). In practice, however, gray areas exist between the employee development responsibilities of the human resources department and the requirements of the sales organization. Examples of sales support investments can be found in either training or sales organizations.

Sales Leaders Drive Activities That Target Specific Channels

Sales leaders look to sales operations, frontline sales management, and sales subject-matter experts (engineers or delivery consultants) to help improve productivity. Most sales-led initiatives focus heavily on either developing specific skills or defining processes but also include planning and selling strategy (see Figure 12). Sales organizations are generally oriented around different channels to optimize their coverage for targeted customer types. Investments are usually targeted specifically for a given channel, like inside sales, partners, or strategic accounts.

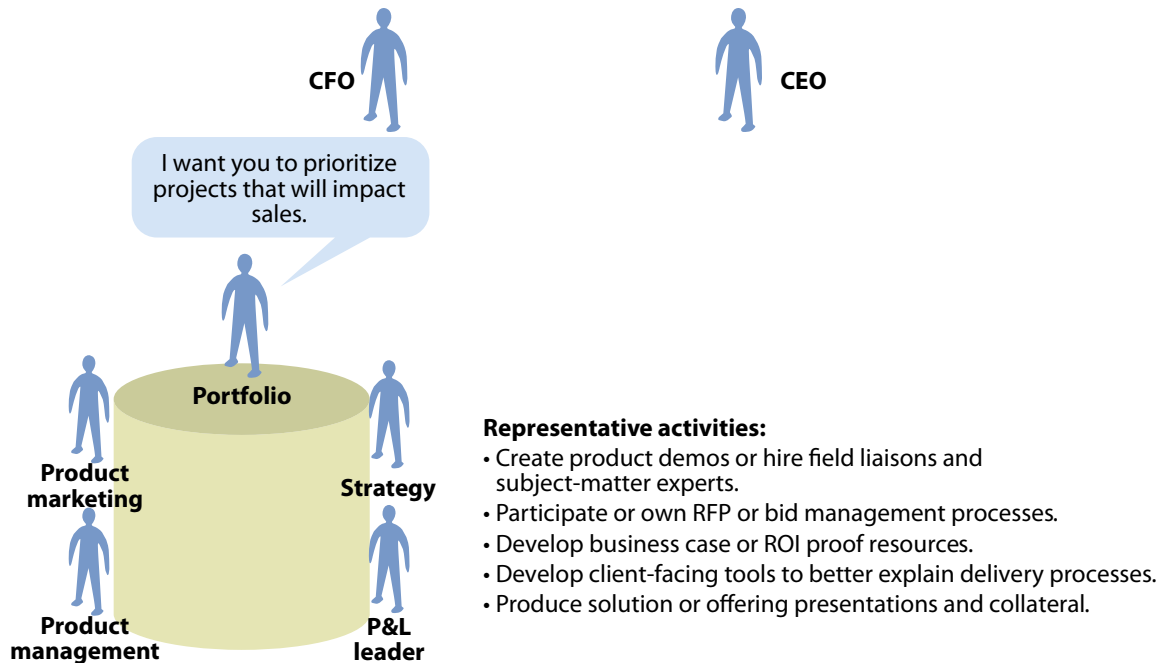
Figure 8 Executives' Demand For Sales Results Forces A Torrent Of Uncoordinated Initiatives



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Source: Forrester Research, Inc.

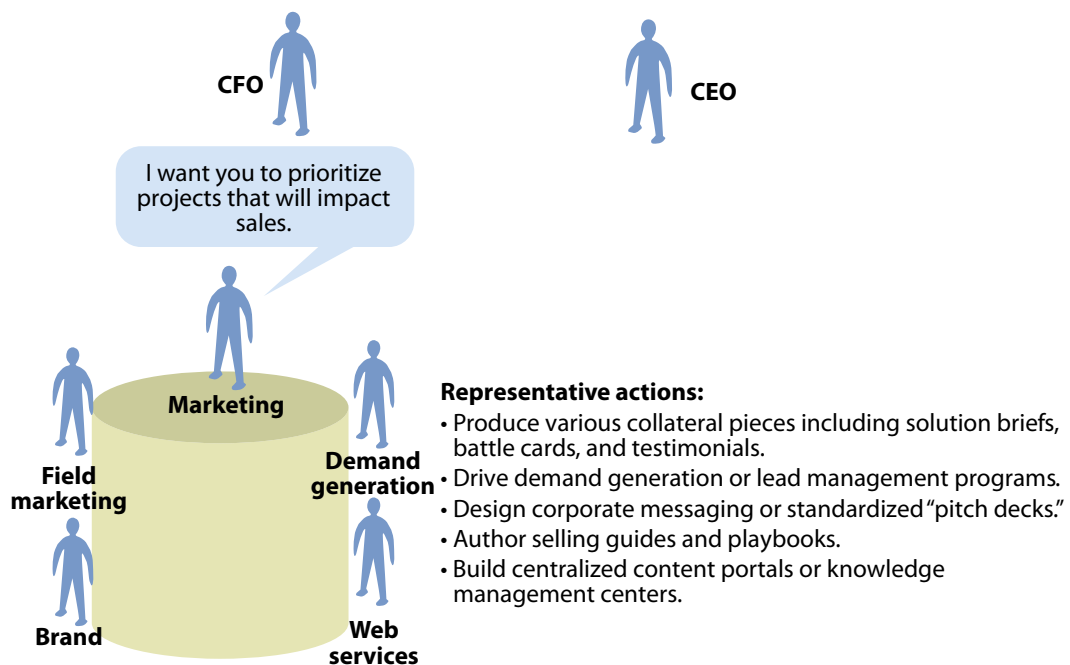
Figure 9 Product And Portfolio Managers Drive Activities That Promote Their Offerings



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Source: Forrester Research, Inc.

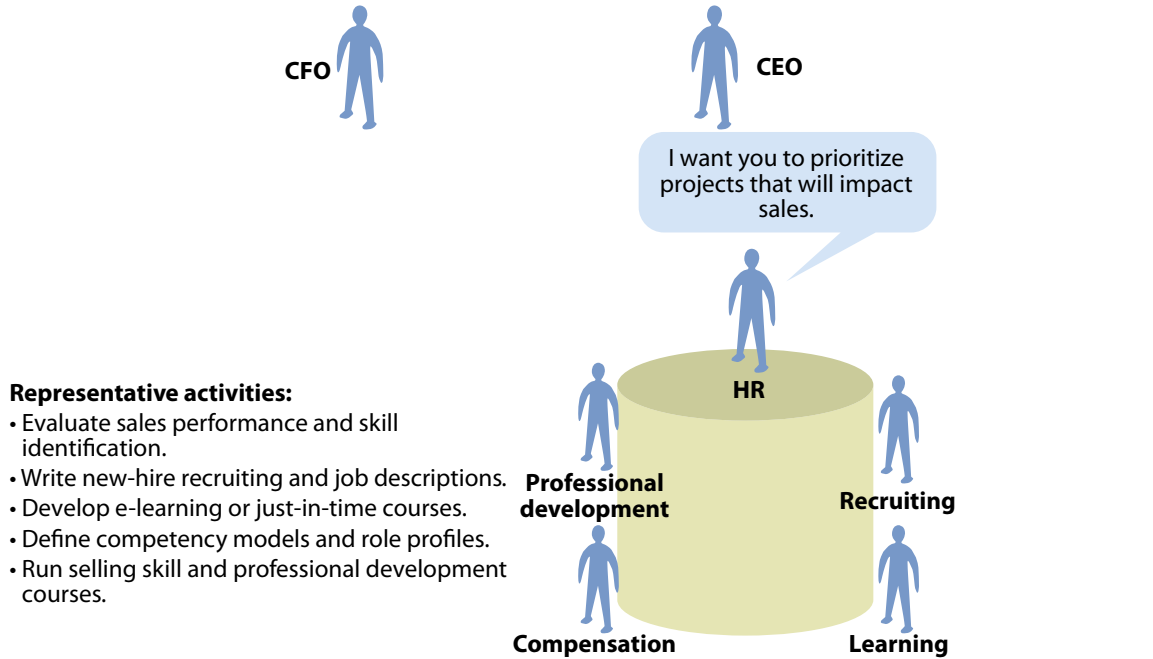
Figure 10 Marketing Professionals Drive Activities To Supply Content And Leads for Sales



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Source: Forrester Research, Inc.

Figure 11 Human Resources Groups Drive Activities That Address Skills And Behaviors



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Source: Forrester Research, Inc.

Figure 12 Sales Leaders Drive Activities That Target Specific Channels



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Source: Forrester Research, Inc.

RANDOM ACTS OF SALES SUPPORT UNDERMINE THE BEST-LAID STRATEGIES

While each of these investments is well intended, in practice, they are more often reactions to a symptom observed by an executive rather than the result of a considered, collective analysis. For example, a new CEO whom we know went on customer calls and was horrified about how his sales representatives were presenting the company's value proposition — the reaction was a major effort to redo the standard sales deck. There are countless instances of these well-intended but isolated decisions about what salespeople need to be successful. However, without a plan to rationalize and coordinate these efforts, the result is a cacophony of individual initiatives — random in purpose and virtually impossible for the sales channel to effectively absorb and adopt (see Figure 13).

For a salesperson, the experience is like attending a physics course in college and finding that, instead of following a syllabus, each class delivers a completely different experience. One day the student learns about Einstein's theory of relativity; the next he conducts a laboratory exercise — led by a different professor — measuring the rate of acceleration. Each instructor emphasizes different key points. One class covers introductory concepts, while the next flies through graduate-level material. For your sales force, the situation is worse, because they have to apply their learning the next day in front of customers. These random acts of sales support undermine management's strategic goals because they:

- **Are expensive and divert resources from productive programs.** Due in large part to the diffusion of budgeting across a matrix organization and the number of groups supplying sales support, it's almost impossible for executive management to have visibility into these investments and determine their effectiveness. By organizing these expenditures into categories of investments behind a quota-carrying sales professional, Forrester estimates that the typical technology industry company is spending about \$135,000 per salesperson each year in support activity.¹² Adding all of these projects up, these random acts of sales support comprise as much as 19% of a firm's overall SG&A expense — and this amount does not include compensation or travel and entertainment (T&E) expense (see Figure 14).
- **Confuse the customers.** The single biggest quality that differentiates suppliers in the eyes of an executive-level buyer is the ability to connect the dots between his or her challenges and clearly articulate how your firm can help. Unfortunately, most of the material created by marketing organizations or communicated by sales professionals is not targeted at the right altitude level or in the language of business.

- Create organizational drag that slows change.** In addition to increasing costs and confusing customers, the chaos generated by random acts creates roadblocks to achieving the kind of organizational change CEOs must implement to meet their corporate objectives. Regardless of the size or strategy of the company, most technology industry vendors are going through some form of transformation to their sales forces (either improving the efficiency of a transactional model or implementing a model that adds more value to customers). At their core, these transformation efforts require moving the bulk of the sales force out of their current comfort zone and into new ways of engaging with clients they have yet to meet. Because most of the random acts of sales support lack a design point, many of them actually reinforce the very behaviors that sales leaders are trying to dislodge, thus undermining the changes needed to elevate performance.

Figure 13 Chaotic Responses To Executive Leadership Create Random Acts Of Sales Support



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Source: Forrester Research, Inc.

Figure 14 Categorizing Investments Reveals The Hidden Costs of Sales Support

	Marketing view		Sales view		Variable costs	Base costs	Sales rep activity
	Efficiency investments		Development investments				Core sales activities
	Management overhead		Management overhead		Commissions	Salary	Gain access
	Sales support services		Training and education		Incentives	Benefits load	Successful meeting(s)
	Demand generation		Coaching		T&E	Infrastructure	Buying vision
	Collateral and tools		Best practices and job aids		Reporting	Onboarding	Business case
	Sales support spending						
	From marketing		From sales		Total		
External spend	\$26,039		\$8,680		\$34,718		
Headcount	\$26,039		\$80,435		\$100,544		
Total	\$46,147		\$89,114		\$135,262		

← Sales support spending per quota-carrying sales rep per year

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Source: Forrester Research, Inc.

SALES ENABLEMENT BRIDGES GO-TO-MARKET STRATEGY AND TACTICAL EXECUTION

For technology organizations to successfully navigate the choppy waters of transitioning from a product-first, inside-out culture to a more customer-centered, outside-in organization, the random acts of sales support must be corralled and the current selling system simplified. Sales enablement professionals must change their companies’ checklist-driven, deliverables-focused orientation to a more strategic, purpose-built, sales-ready focus in order to drive effective, end-to-end execution across the people and teams working to help sales sell. Forrester’s definition of sales enablement recognizes the broad scope and significant complexity of today’s selling environment:

Sales enablement is a strategic, ongoing process that equips all client-facing employees with the ability to consistently and systematically have a valuable conversation with the right set of customer stakeholders at each stage of the customer’s problem-solving life cycle to optimize the return of investment of the selling system.

A holistic, systemic view of sales enablement requires attention to each component of the definition:

A Strategic, Ongoing Process . . .

It is an all-too-common perception that sales enablement is limited to a collection of deliverables rolled out in a “big bang” fanfare at a sales meeting — and then forgotten. This narrow view must be blown up if the complexities of the selling environment are to be tamed. Instead, the sales enablement role and function must be defined holistically to identify efficiencies in the entire value-communications process between your company and your constituents in client organizations.

. . . That Equips All Client-Facing Employees . . .

Sales cycles evolve over time, involve many different customer stakeholders, and often require different subject-matter experts to operate together outside of their silos in an integrated fashion. In most cases, it's difficult for even your top sales representatives to get multiple subject-matter experts from different groups on the same page — let alone to develop a tight and compelling value story for a given customer. Sales enablement also means that all people who interface directly with customers have correct information, clearly defined roles and responsibilities, and a way to make sure that the team doesn't communicate conflicting perspectives or messages.

. . . With The Ability To Consistently And Systematically . . .

For the most part, salespeople are creatures of habit. Their days are consumed by a huge inventory of tasks, to-dos, and activities. One of the biggest problems that they run into is a lack of consistency across the tools and programs on which they rely and the spottiness in the quality of rollout and content.

For example, the format and tone of a selling guide might be different from that of a thought leadership paper. Internal documents might use the term “asset management” to describe different concepts, or different product groups might each claim that its solution is the one to lead with when communicating with the CIO. Without structure to ensure consistency or a standardized way to share this information, companies create unneeded complexity for salespeople. Even if they find the time to read through the materials provided — or to take the online training course, or to engage with the subject-matter expert — they still have difficulty applying that conflicting information to their daily lives, and thus their behaviors never change.

. . . Have A Valuable Conversation . . .

The prevailing approach of most organizations is to develop a standard PowerPoint deck to codify the vendor's value proposition and to train salespeople to deliver it. This inside-out design point treats salespeople as a broadcast mechanism rather than as people in a relationship and violates the principles of most professional selling methodologies. Simply put, only a customer can determine whether what you are communicating is valuable to them — and that determination can only be made through the conversations with your company. Forrester's value equation frames the customer's perceived value as the impact that you bring to his organization, less the costs incurred to realize that impact, discounted by the risks that he and his firm will encounter in realizing that value (see Figure 15). Impact, cost, and risk are all specific to a customer.

Because the value equation is quantified over the course of a buying process, each interaction with a customer must be valuable, or that equation will not compute in your client's favor and . . . no deal. Conversations are dynamic, so salespeople must be prepared to be: 1) timely (understanding where a client is in its journey or maturity level); 2) relevant (about issues and topics important to that company); and 3) in context (empathetic of the particular individual or individuals with whom the salesperson is speaking) (see Figure 16).

Figure 15 Clients Perceive Value As A Combination Of Impact, Cost, And Risk

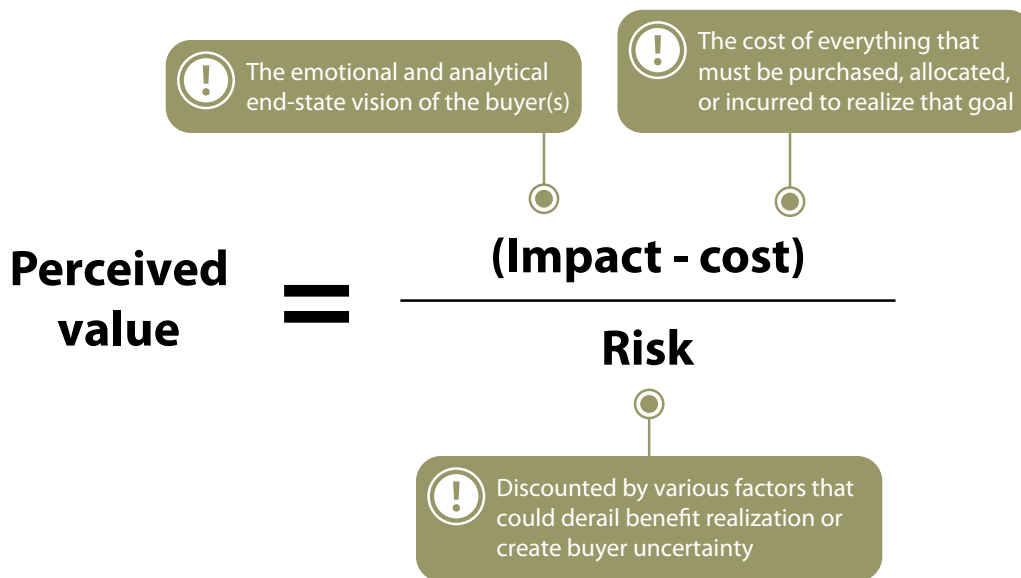
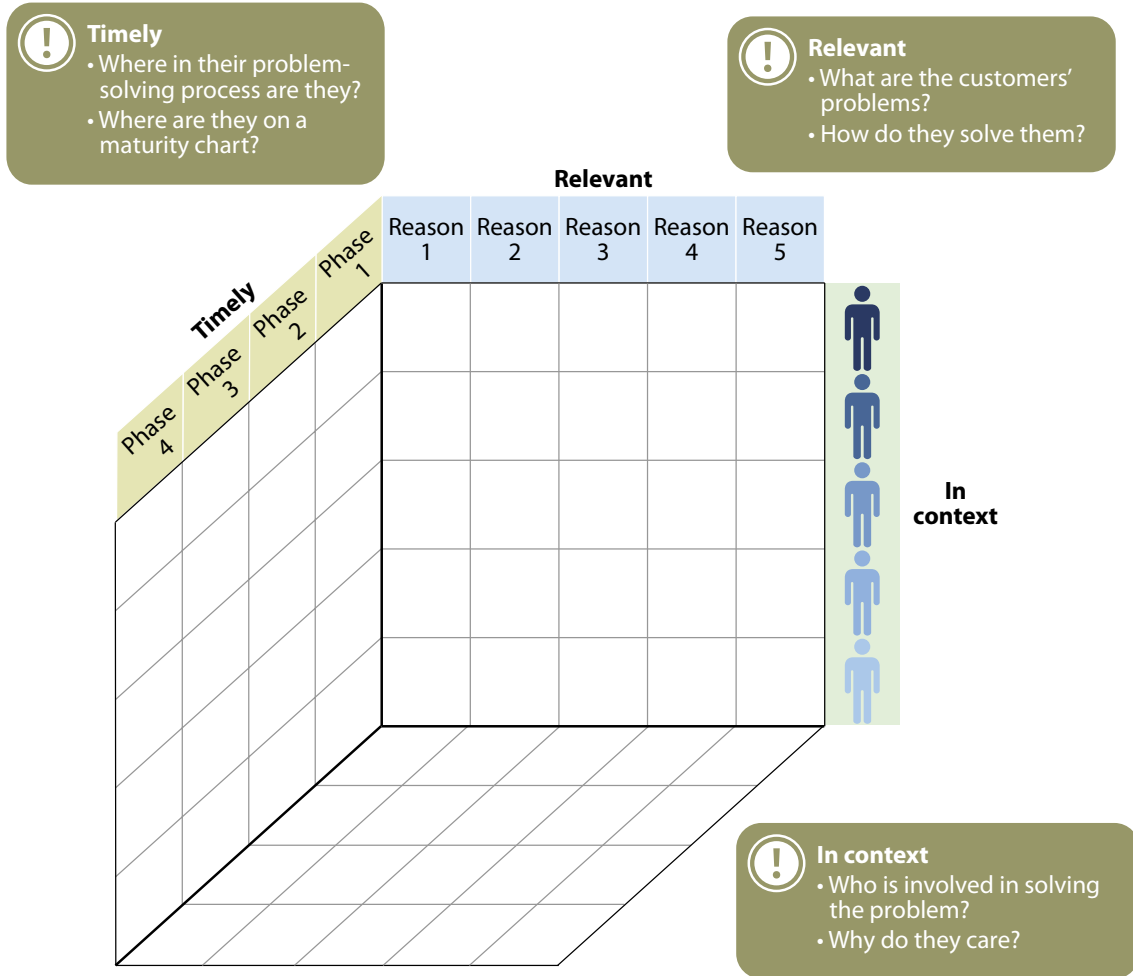


Figure 16 Valuable Conversations Are Timely, Relevant, And In Context



... With The Right Set Of Customer Stakeholders ...

All too often, initiatives to support sales maintain an inside-out view of the customer, expressed through high-level, summary bullet points that don't reflect the reality and complexity of all the stakeholders who influence, prevent, or are affected by a buying decision. This "agreement network" of different roles at different altitude levels reflects how technology and business are intertwining, along with new funding models and a shift in the way IT relates to its business constituents. Navigating this network is critical, yet most vendors have little to no insight into this deeper world of the customer.

... At Each Stage ...

The old adage "always be closing" still applies in today's complex selling environment, with a slight modification. The close should be focused on achieving a communication milestone, not just the final deal terms.¹³ Over the course of an evaluation process, customers need different information to evaluate their challenges and environment so they can better assess the role your organization can play in helping. For example, the informational requirements of customers to determine their future-state server architecture are far different than the evaluation process to buy blades, racks, or virtual machines. Additionally, a range of folks will be involved in making these decisions, including enterprise architects, security experts, data center directors, network engineers, and data storage managers. In today's collaborative decision-making process, salespeople struggle when some members of the agreement network are bought in but others are not. These complex sales require a series of small closes throughout the client engagement process.

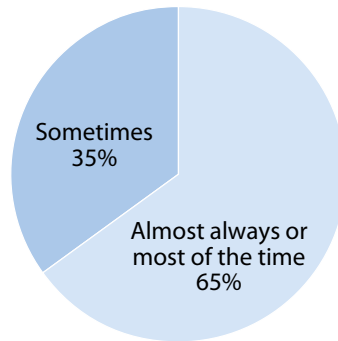
... Of The Customer's Problem-Solving Life Cycle ...

Many sales and marketing organizations have taken to focusing on the customer's buying process as a core design point, and most sales pipelines begin with "approved budget" as the first filter. However, within a customer organization, the buying process is initiated typically after a decision has been made around an approach and funding has been secured. In most cases, by the time an evaluation has gotten this far, many different people within the customer's organization have developed a common vision for what they want to accomplish and have probably worked with another supplier to create that vision.

We asked executives how often they selected a vendor who had worked with them to turn a vision into a clear path to value, and 65% chose "almost always" or "most of the time" (see Figure 17). In addition to a changed focus on content and programs, the focus of sales management needs to change. The majority of pipeline qualification stages begin with "funded project" as the first filter. This will only ensure that the focus of the pipeline will remain on opportunities more aligned to request-for-proposal (RFP) response and price-competitive situations. Creating an integrated sales and marketing pipeline that maps to the customer's problem-solving life cycle allows sales enablement professionals to develop repeatable programs that help salespeople begin their selling campaigns earlier and at higher levels within the organizations, thereby improving the likelihood of success.

Figure 17 Executives Choose Vendors That Turn A Vision Into A Clear Path To Value

“How often do you choose a vendor who has worked with you to turn a vision into a clear path to value?”



Base: 166 North American enterprise business and IT decision-makers

Source: Q1 2009 North American Buyer Expectations Of Sales Interactions Online Survey

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Source: Forrester Research, Inc.

... To Optimize The Return On Investment ...

With proliferating sales support expenditures focused more on the deliverable than the result, it is virtually impossible to align product or marketing resources with selling activities to create the leverage that the sales organization needs to increase the throughput of its channels. Sales enablement professionals should develop a service orientation to sales support programs in which many different and related investments are streamlined around achieving common selling objectives and measured accordingly. It's very unlikely that your current technical infrastructure is optimized to collect the kind of valuable metrics required, so you'll need to begin with simpler measures that follow basic objectives. For example, if your company's new selling strategy requires access to C-level people, you can measure the number of secured meetings with the right people before and after a targeted program.

... Of The Selling System

The final key point here is that, ultimately, the combination of your company's products, services, and marketing and sales functions is, in reality, a value communications ecosystem that spans your customer's problem-solving life cycle and that engages a variety of client stakeholders involved in the purchase. Looking at sales enablement through that lens provides the right vantage point to remove variables and to streamline activities, thus simplifying the entire process and improving its yield.

IMPLEMENTATION AND SUCCESS REQUIRE CROSS-FUNCTIONAL COLLABORATION

The organization that can unclog the information overload that prevents greater sales throughput will eventually unlock breakthrough performance. To optimize the return on investment of the selling system, sales enablement professionals must step up and evolve their role into a more strategic function:

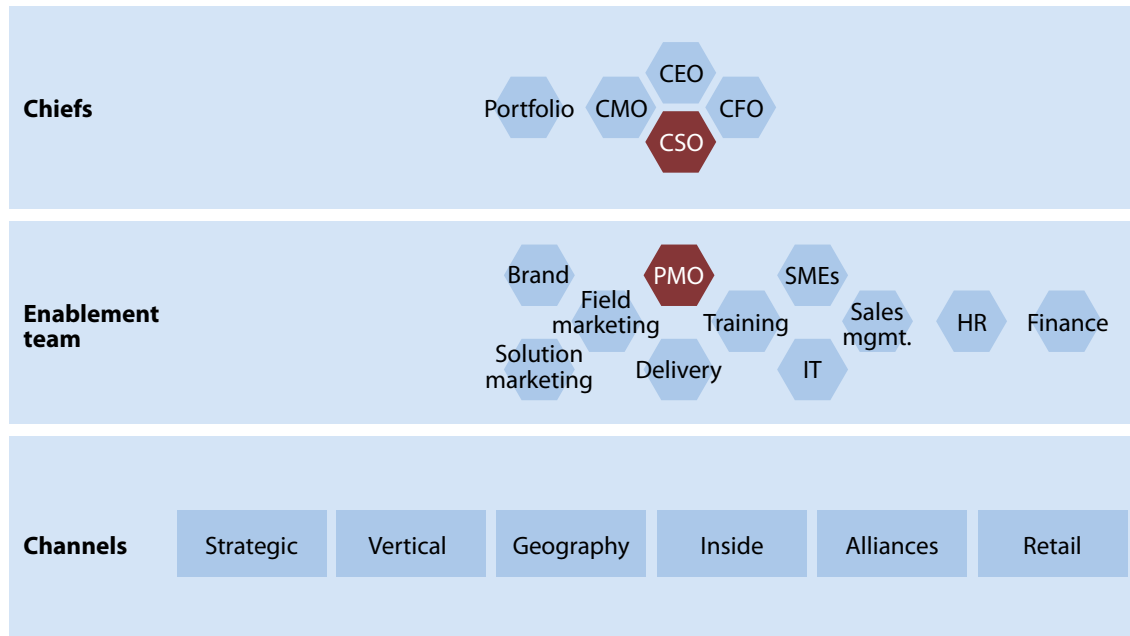
To accomplish this goal, portfolio, marketing, and sales teams must work cross-functionally to create effective sales content and programs that map to a holistic customer model and that are delivered on a common platform.

Portfolio, Marketing, And Sales Teams . . .

Involvement across portfolio, marketing, and sales functions and resources is critically important for the long-term success of sales enablement professionals. In most firms, the resources required to effectively communicate with customers cut across the organization. People within the portfolio own the knowledge of how your firm can help; marketing typically owns the resources for content creation and development; and sales organizations control the people and skills required to connect the dots with customers.

. . . Must Work Cross-Functionally . . .

Sales enablement professionals must elevate the importance of a holistic approach to an executive-level sponsor (or committee) while also building a governing coalition among an array of support groups. Command and control functions may emerge, but given the level of maturity of most sales enablement functions today, the more practical organizational model is to follow a federated approach where a central team manages certain functions and coordinates with groups throughout the organization (see Figure 18). As the sales enablement group drives higher ROI from the selling system, different organizational models will emerge.

Figure 18 Sales Enablement Professionals Must Coordinate With Groups Across The Organization

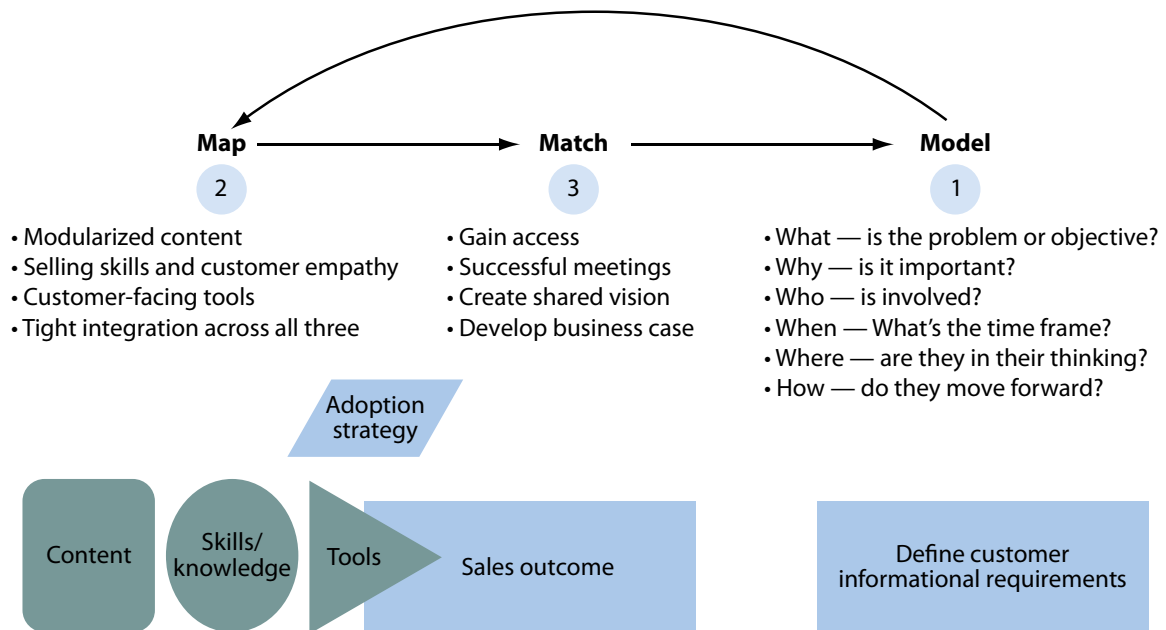
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Source: Forrester Research, Inc.

... To Create Effective Sales Content And Programs ...

The focus of any sales enablement group should be to follow a portfolio management approach and identify very targeted and specific areas that will yield measurable results — for example, initiating specific programs to improve the cross-selling rate of a given selling region or to accelerate the go-to-market approach of a new offering. Instead of focusing on all of the deliverables that need to be created, first focus on diagramming what needs to be done to meet that measurable objective — and then define the content, skills, and tools required to accomplish it (see Figure 19).

Figure 19 Use An End-To-End Approach To Drive Measureable Objectives



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Source: Forrester Research, Inc.

... That Map To A Holistic Customer Model ...

The central and critical design point for effective sales enablement execution is your customer. To overcome the muscle memory of product-centricity and cultivate this new discipline, create a representative model of your customers and develop rigorous processes to ensure you are designing your system outside-in as opposed to inside-out. You should be able to define in the customer's language:

- What problem or problems your company can help them address.
- What success looks like.
- Who (what role or title) is most responsible for solving that problem.
- What other roles/job functions are involved in solving that problem.
- What your client needs to do to achieve its business outcome.
- What your client personally needs to do to be successful.

- What key milestones your client needs to go through to meet those objectives.
- What your company's role is in helping your client solve the problem.
- What customer references you have that can help address these questions.
- What the gap is between this approach and the current comfort zone of your sales force.

... And That Are Delivered On A Common Platform

Strategic sales enablement is a journey that involves creating economies of scale over time. To achieve this, sales enablement professionals must develop a common platform that aligns many different work efforts. A successful customer-centered foundation should:

- Codify the best practices to helping your customers solve common problems in an authentic and genuinely helpful way.
- Provide a simple and repeatable format for salespeople to decode that knowledge in a way that accommodates a natural conversation and isn't canned or routine.
- Be flexibly designed to enable salespeople to revise the materials and collaborate with customers in response to the contingencies that arise throughout the problem-solving process.
- Provide greater visibility of the health of the revenue engine to executive management and provide ways to ensure that standards are being met while accelerating adoption.

WHAT IT MEANS

SALES ENABLEMENT EMERGES AS A NEW STRATEGIC DISCIPLINE

As the lines between business and technology continue to blur, executives within buying organizations will increasingly favor vendors that deliver business outcomes — versus technology benefits — and relegate those that cannot to the commodity supplier heap. This trend will accelerate as the traditional asset-centric IT operational model gives way to a more services-oriented approach.

This shift will force vendors to make a hard choice: whether to play a role in helping their customers to better leverage technology for business advantage or to become a low-cost supplier of reliable hardware, software, or service components. The strategic choice will then lead technology industry sales enablement leaders to one of two execution paths to develop best-in-class selling systems:

- **Compete on business outcomes.** If the strategic choice is to configure capabilities into a vehicle for delivering business outcomes for clients, a comparatively expensive and highly skilled sales force must be able to co-create value with executive-level decision-makers across a wide range of topics and will need to be empowered with the knowledge and decision-support systems to be conversant across a variety of complex topics.
- **Compete on price and reliability.** Companies choosing to compete more on price must develop significantly less-expensive sales models to protect margins. In this latter case, sales enablement professionals must automate more of the value communications process, requiring greater process expertise and assisted-selling platforms. Many larger organizations, such as BMC Software, HP, IBM, and Oracle, will develop and enable multiple models, as they will have different sales channels specializing on different objectives.

In any case, technology industry sales enablement leaders must begin moving their organizations away from the current status quo of random acts of sales support to more adaptive models that either optimize value co-creation or automate many sales steps to dramatically reduce the cost of sales and deliver a higher ROI from their companies' selling systems.

ENDNOTES

- ¹ Larry Bossidy and Ram Charan, *Confronting Reality: Doing What Matters to Get Things Right*, Crown Business, 2004.
- ² Technology buyers are in the midst of redefining their relationships with vendors, anointing just a few as value-added partners while relegating the bulk to the commodity supplier heap. To succeed in this dog-eat-dog world, sales enablement professionals must engineer a strategic program that empowers sales teams to efficiently configure messages, product combinations, and conversation strategies that match clients' needs and buying patterns and knock their socks off. See the November 12, 2008, "[Engineering Valuable Sales Conversations](#)" report.
- ³ Source: From comments by Tom Georgens, president and CEO, NetApp, May 26, 2010, Q4 2010 NetApp earnings call. Obtained from Thomson Reuters StreetEvents.
- ⁴ Source: From comments by Al Monserrat, senior vice president of sales and services, Citrix Systems, May 12, 2010, Citrix Systems 2010 Financial Analyst Track. Obtained from Thomson Reuters StreetEvents.
- ⁵ Source: From comments by Bill McDermott, co-CEO, SAP AG, March 2, 2010, CeBIT conference call. Obtained from Thomson Reuters StreetEvents.
- ⁶ Source: From comments by Ginni Rometty, senior vice president of global sales and distribution, IBM, May 12, 2010, IBM investor briefing. Obtained from Thomson Reuters StreetEvents.
- ⁷ Source: From comments by Peter Altabef, president, Dell Services, Goldman Sachs Technology and Internet Conference, February 24, 2010. Obtained from Thomson Reuters StreetEvents.

- ⁸ With increased cost savings through more strategic implementations of spend management programs and the tremendous results being realized by global enterprises, procurement functions will be growing in scope and scale and will play an expanded role in the buying process moving forward. See the February 17, 2010, "[Technology Buyer Insight Study: The Expanding Role of Procurement In the Buying Process](#)" report.
- ⁹ The transition from IT to BT continues, evidenced by the absorption of traditional IT roles throughout the business organization and the increasing number of business executives who are taking ownership of technology decisions. Successful BT operating models exist along a continuum of leadership balance between the CIO and business executives. See the March 6, 2009, "[BT Changes IT's Operating Model](#)" report.
- ¹⁰ Because there are so many different definitions of what sales productivity is, there's no holistic model and agreed-upon definition that establishes common metrics. Productivity is only perceived at this point.
- ¹¹ Source: From comments by Mark Hurd, chairman of the board, president, and CEO, Hewlett-Packard, March 02, 2010, Hewlett-Packard at Morgan Stanley Technology, Media & Telecom Conference. Obtained from Thomson Reuters StreetEvents.
- ¹² Forrester developed a framework — a pro forma cost-per-salesperson statement — to help sales and marketing executives to catalog the sales support spend across their organization and provide a structured way to look at the cause-and-effect relationships between investments and sales results. We gathered publicly reported financial information from 50 technology vendors and vetted assumptions through interviews with business leaders and CFOs. See the April 13, 2009, "[Uncovering The Hidden Costs Of Sales Support](#)" report.
- ¹³ Driving down the cost of sales, while simultaneously boosting productivity, continues to be a top business priority and an objective that requires a new way to support and evaluate the sales system. Executive management lacks the visibility into the cause-and-effect relationships between sales support investments and their impact on productivity. To help address this issue, technology sales enablement professionals should begin driving coordination across the various groups that supply the sales force with resources and streamline these deliverables into measurable programs that will improve the business. See the July 17, 2009, "[Optimize Performance By Driving Enterprise Sales Outcomes](#)" report.

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