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# Insight-Driven Sales Management

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## Abstract

In the new VUCA (Volatile, Uncertain, Complex and Ambiguous) world that we live in, there are new rules that will reshape many of the components of sales management, from prospecting, to lead qualification, to closing and relationship management. This chapter will explore the impact of technology, data proliferation, and omni-channel customer touch points on how organizations will manage their sales process and the sales teams in the integrated online and offline worlds (O2O sales). The digital-age consumer and the digital-age sales team will have different communication needs and tools that need to be addressed by sales leaders to ensure their organizations' success and competitiveness in this new landscape. Customer insights is the new name of the game and it needs to be developed using techniques such as content management, user experience management, performance analytics, machine learning, and artificial intelligence. Effectively and efficiently managing the sales process and the sales practices in the digital age will be the new challenge that organizations need to face as some types of sales jobs might disappear (order takers) and new jobs will need to be developed (sales analysts and data scientists). Today's sales managers need to put science into the art of selling.

**Keywords:** data, analytics, sales management, insights, digital, new-age consumers, O2O, AWATAD

## 1. Introduction

Most companies have heard about the VUCA world that we live in today, but few have developed actionable strategies to thrive in this business environment that is entangled in volatility, uncertainty, complexity, and ambiguity (VUCA).

Insight-driven sales management is one of those powerful systems that can help companies thrive not only survive in this new business world.

To understand this novel approach to sales management, a review of academic literature and practitioner reports was conducted to explore this shift in the business environment and how it will impact the sales process and how we manage it. This chapter will review the impact of data and advanced technologies such as Artificial Intelligence and machine learning on sales decisions and the characteristics of the digital-age sales teams, consumers, and business buyers. It will also discuss the future of the sales process (planning, coordinating, controlling, and motivating) and the sales management practices.

Companies need to embrace the VUCA world and proactively manage it to capitalize on the many opportunities it represents and reduce the negative impact of threats that might arise. Sales organizations are the frontline forces that can help manage this new business world.

Sales management teams need to use agility to manage volatility, information to manage uncertainty, restructuring to manage complexity, and experimentation to manage ambiguity as follows:

- **Agility** is the way to manage **volatility**; resources should be allocated to build flexibility in the company ability to take advantage of the windows of opportunities presented by the rapidly changing business environment.
- **Information** is the way to manage **uncertainty**; companies should learn to integrate and understand relationships and patterns to develop insights to support decision-making. Sales organizations are a great source of valuable information that can support this uncertainty management.
- **Restructuring** is the way to manage **complexity**; companies should learn to develop high-performing organization designs that align internal company capabilities with the external complexities in the most efficient and effective manner. Sales organizations represent a big part of the companies’ human capital and need to continually evolve and innovate to support complexity management.

	What it is	An example	How to effectively address it
Complexity	A diverse but interrelated set of information, processes, and procedures that require deep integrated analysis to be usable	International market penetration involves managing a very complex set of relationships, laws, regulations, financing options, and logistics issues	Internal standard operating procedures (SOPs) need to embrace the external environment perspective. Operations need to analyze the market information and integrate it in its practices through effective and efficient restructuring
Ambiguity	Lack of knowledge and inability to link antecedents and consequences of critical issues with limited ability to use lessons learnt to make future predictions	The impact of new digital platforms on traditional media channels (TV, radio, and newspapers) has caused many shifts in consumer behavior that is impacting many industries such as media, telecomm, and entertainment	Experimentation is the way to manage ambiguity. The management should develop an effective system for anticipation and deployment of strategies that can handle the unknowns based on the integration of new trends and best practices
Volatility	Instability that comes from frequent and unpredictable changes in the business environment	Raw material prices can be affected by many issues (such as political tensions, transportation costs, regulations, environmental issue, etc.) that cause it to be very volatile	Agility is the best way to handle volatility. Companies should focus on building controlled and well-planned slacks to allow for future flexibility and manage volatility
Uncertainty	Situations are understood; antecedents and consequences can be correlated, but past experiences cannot be used to assess the ramifications and magnitude of the changes	The war on terrorism generally suffers from uncertainty; we understand the root causes of terrorism, but not exactly when and how it will hit next	Information based on new sources of data (both online and offline) coupled with insights are critical to managing uncertainty. Organizations need to embrace a new perspective on information use in business

Table 1.  
Managing the VUCA world [1].

- **Experimentation** is the way to manage **ambiguity**; learning to put your ideas to the test and to leverage the lessons learnt is the best way to reduce the business ambiguity and to engage the teams and reduce anxiety about the changes.

Those are the new rules for effective sales management in the future. **Table 1** defines the dimensions of the VUCA world and provides examples to demonstrate it and explain how to effectively address it.

## 2. The data-driven sales world

We are living in a world where DATA is considered the new oil. Companies that will learn how to manage its internal and external customer data to develop insights to drive its sales process and its decision-making are those that will lead the way for the future sales management models.

IDC indicates in their study about “Worldwide Embedded and Intelligent Systems” that by 2020 the world will have more than 4 billion connected people, with \$4 trillion in revenue opportunities, more than 25 million mobile applications, and more than 25 million embedded intelligent systems. All this will generate 50 trillion GB of data [2].

We are now moving toward the Internet of things (IoT), where the physical and virtual worlds are integrated. We are already seeing many devices and applications that are gradually coming part of our life such as smart homes, driverless cars, smart personal assistants, and industrial robotics. At the same time, many companies are working on commercializing the Internet of everything (IoET). This is where people, applications, devices, sensors, and data are seamlessly integrated and used to generate revenue and create value.

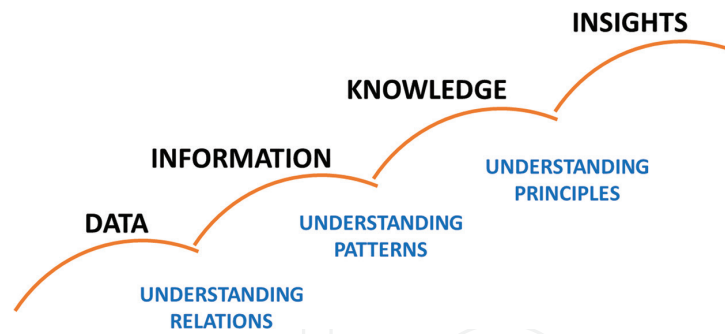
This explosion of connectivity and data will require a different type of sales management approach that can turn this data into valuable information that is used to create organizational knowledge that can be leveraged using new tools such as Artificial Intelligence (AI) and data science into customer insights.

Syam and Sharma indicated that part of the fourth industrial revolution is the integration of Artificial Intelligence (AI) and machine learning (ML) into the sales functions. They labeled this movement as the “Sales Renaissance.” They indicated that the impact will not be uniform across all sales situations, such that the higher the complexity of the sales process, the lower the impact of AI and ML on the salesperson. In such cases technology will augment the salesperson role but will not replace him/her. In such cases the salesperson is a knowledge broker. On the other hand, simple sales situations are good target for AI and ML to minimize the role of the salesperson or even replace him. They proposed that AI and ML can play a significant role in improving the efficiency and effectiveness of all the steps of the sales process including prospecting, pre-approach and approach, presentation, overcoming objections in closing stage, and follow-up [3].

Sales teams will never relinquish its reliance in traditional salesmanship and relationship skills but will need to complement this with an intelligent use of the data and the insights that can be drawn out of it to bring the sales team efficiency and effectiveness to new heights that matches the new challenges presented by the VUCA world we live in.

The following **Figure 1** clearly indicates that the world has passed the information age and the knowledge economy and is now moving toward insight-driven business models as the foundation of future competitive advantage. But the figure also shows that data is the foundation of this progression and evolution.

William C. Moncrief in his paper titled “Are sales as we know it dying... or merely transforming?” argued that many galvanizing environmental factors have



**Figure 1.**  
*From data to insights.*

changed sales over the years (such as globalization, changing consumer habits, and automation), but the impact of social media effects on sales will present a leapfrog in sales transformation. The social media environment will be affected by and will affect all aspects of the sales organization [4]. With the information SM provides the analytic tools available (such as Facebook analytics, Socialbakers, etc.); sales teams have a very powerful new tool to support their sales efforts and in customer relationship building.

In a case study developed by Bocconcelli et al. in 2017, they confirmed that small and medium enterprises (SMEs) can use different types of social media (SM) platforms (such as Facebook, YouTube, and LinkedIn) to manage the sales relationships with its distributors, customers, and business partners. SM as a valuable resource reduced constraints of time and space, enhanced communication, and provided more planned and proactive sales approach. Finally, SM effectiveness as sales resource depends on its integration with other SME sales resources [5].

The future of sales management is to be insight driven and to be built on a solid foundation of data, information, and knowledge. This provides better understanding of relations, patterns, and principles to manage all of the process stakeholders—both the digital-age sales team and the digital-age consumers.

### 3. The digital-age sales team

The digital-age sales team has seven key attributes needed to remain at the top of the future sales management system. These attributes hold true regardless of the size or shape of sales operation [6].

1. Modern sales teams are **data driven**: they use data along the full sales cycle from prospecting to lead qualification to closure and after-sales relationship management or upselling and cross-selling opportunities.
2. Modern sales teams are religious about **sales forecast accuracy**: the VUCA world that sales teams need to manage requires accuracy in forecasting to avoid resources misallocation and to increase their efficiency and effectiveness. Both underperforming and overachieving on sales forecasts should be looked at as areas for improvement.
3. Modern sales teams focus on **sales performance management**: beyond sales targets achievement, the digital-age sales teams must incorporate in their system a total sales performance management (SPM) system that integrates data from four sources:



- a. The Customer Relationship Management (CRM) system: data such as Pipeline Analytics, commission forecasting, and sales effectiveness measures
  - b. The enterprise resources planning (ERP) system: data such as demand planning, pricing optimization, and contract management
  - c. The human resources information system (HRIS): data such as onboarding, coaching, and certification
  - d. The industry data such as territory optimization, route optimization, and underserved market segments
4. Modern sales teams deliver **constant real-time coaching**: coaching should be an on-going process that is integrated in sales management and not as an add-on or ad hoc practice. It should also be based on information about sales performance management and targeted to achieve specific KPIs.
5. Modern sales teams manage using leading KPIs: traditional lagging KPIs such as sales target achievement and deal profitability are not enough to effectively manage the digital-age sales teams. Leading KPIs such as number of calls made, number of visits, average duration of sales calls, etc. are forward-facing indicators that give a picture of the health of our sales process efficiency and effectiveness.
6. Modern sales teams continually monitor and tune their sales process: as sales teams continuously face new types of customers and new markets with challenging new needs, the sales process must be continually monitored and tweaked to match the evolving sales situations and requirements. Sales process elements such as inputs, non-value-adding steps, decision points, and control points need to be assessed and improved.
7. Modern sales teams encourage performance through **motivational initiatives**: compensation plans and commission schemes motivate basic sales performance, but high-level sales performance requires creative motivational initiatives such as sales contests that motivate the winners as well as the whole team.

#### 4. The digital-age consumers

Our sales teams need to face today's digital-age consumers. Those consumers are more complex and better equipped to deal with sales people. They are characterized by the following seven dimensions:

1. They are more **knowledgeable**: thanks to internet accessibility, user-generated content, and social media, consumer today have access to many sources of information to learn about companies, products, and services from different sources and perspectives.
2. They are more **demanding**: consumers today have new definition of VALUE that goes way beyond features and benefits. Sales teams need to focus on value propositions that can satisfy consumer demand.

3. They are more **empowered**: connected consumers have more options that allow them to compare and contrast different offerings to choose the best. They have more channels to access information, products, services, and companies.
4. They are more **collaborative**: consumers today help each other and provide information, opinions, advice, and support that were traditionally provided by the sales person.
5. They are more **diverse**: thanks to the globalization of markets and consumerization of technology, consumers today share different experiences from different backgrounds and perspectives to enrich each other's purchase experience and make it more challenging for the sales team and the sales process adaptation to manage this diversity.
6. They are more **interactive**: the prefiltration of user-generated content (UGC) represents a whole new input to the company-customer communication process. This many-to-many communication requires continuous monitoring and evaluation by the sales team.
7. They are more on the **move**: sales teams need to learn how to manage this new Any-Where, Any-Time, Any-Device (AWATAD) shopping behavior of consumers that are constantly on the move.

All those dimensions are driven by the inherent characteristics of the digital world we live in. this new consumer needs a new breed of sales people, tools, and processes to meet his needs, expectations, and higher levels of power.

This new level of consumer power in the digital age is based on four sources: two individual-based power sources (demand- and information-based power) due to higher level of accessibility and information availability and two dynamic and complex network-based power sources (network- and crowd-based power) due to higher levels of connectivity and interactions on social media platforms [7].

Demand-based power is viewed as democratic voting power exercised by the consumer in different actions online, such as Facebook likes, YouTube views, Google searches, and Amazon purchases. Information-based power is related both to the consumer content consumption and content creation.

Network-based power comes from the consumer ability to add value beyond the original content through content dissemination, content completion, or content modifications. Finally, crowd-based power comes from pooled, mobilized, and structured resources that the individual consumer and the groups he belongs to can benefit.

This escalating level of consumer power needs to be managed across the different areas of customer touch points and interactions both in the physical and digital worlds. That led to the redefinition of when and where the customer and the sales team connect.

Sales management is about efficiently and effectively managing the customer **moments of truth**. Traditionally, companies use different sales and marketing stimuli to create the first moment of truth during the sales process at the store (in-store promotions, merchandizing techniques, etc.) then the second moment of truth as the customer experiences the product/service (product design, after-sales service, updates/upgrades, etc.). **Figure 2** shows the traditional three-step mental model of sales/marketing [8].

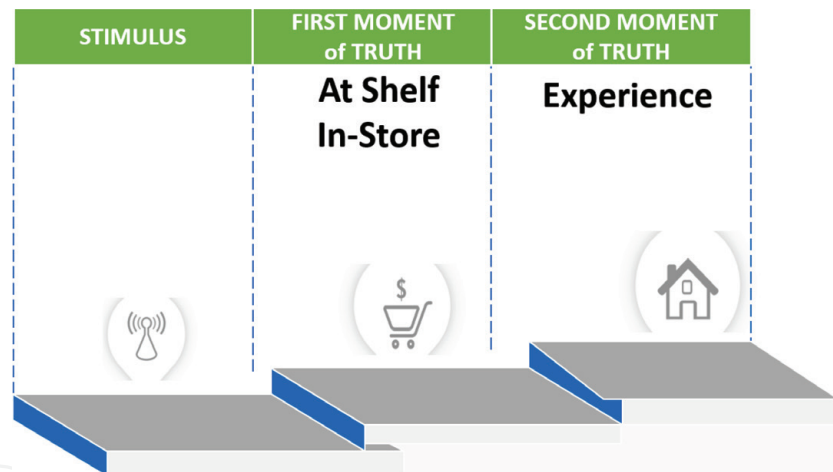
As per Google, in the digital age, sales management needs to add a **zero moment of truth (ZMOT)**, where the sales process starts in a pre-shopping stage that can happen

online or at home or in store. This means that modern sales teams need to change their engagement model and definition of customer touch points (see **Figure 3** below).

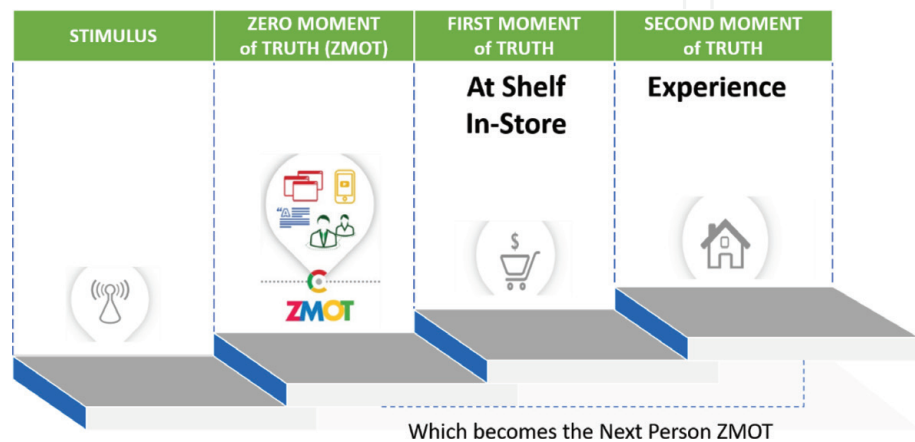
In a survey of 5000 customers, Google found that online comparison shopping comes (54%) immediately after talking with the sales person (57%) as the main influencer in their buying decision (see **Figure 4** for the comparison shopping online and searching online (50%) rank among the top influences on the shoppers' ultimate decision) [9].

Savvy consumers are becoming increasingly fastidious and expect a tailored, personal shopping experience. Modern day consumers expect to be able to shop anywhere (home, in-store, at work, on the road), at any time (24 × 7), and from any device (computer, mobile phone, e-kiosk, etc.). They want the right product and the right price delivered at the right time. Consumer-focused retailers are working hard to meet these stringent demands across the different channels the consumer is using. This integrated customer shopping experience is formed by the new environment known as the **omni-channel retailing**.

The future in retailing is in the tight and seamless integration of online and offline business practices into a new business model that cater to the new emerging consumer needs. Traditional brick-and-mortar outlets, pure e-tailer sites/applications, and brick-and-click (bricks-and-mortars that also have an online presence) players need to develop new omni-channel-based strategies. That is why traditional retailers are looking to go online and why e-tailers are looking at various options to establish a physical presence (lately AMAZON acquired a supermarket chain called



**Figure 2.**  
Traditional sales/marketing mental model [8].



**Figure 3.**  
New-age sales/marketing mental model [8].





**Figure 4.**  
*What influences the shopper's ultimate decision [9].*

WHOLE FOODS and established pilots for physical stores called AMAZON GO). The challenge is to find a seamless solution for both the customer experience and internal sales management processes.

The omni-channel sales environment integrates both online and offline sales outlets including elements such as (1) online catalogs, (2) point of sale (POS) and payment systems, (3) mobile applications, (4) social media, (5) websites, (6) physical store, (7) near-field communication (NFC) devices, (8) touch screen and tablets, and (9) digital screens. Those nine elements might see more options added to them in the future, so what we consider as complex sales environment today will be more and more complex in the future. That brings both opportunities and threats that sales management teams need to be aware of and ready for. This can be managed by adopting an integrated online to offline and offline to online (O2O) that meets the expectations and needs of the digital-age consumer [10].

Cummins et al. define omni-channel marketing in a sales context as the synergistic integration of customer touch points and communication opportunities for the purpose of creating a unified brand experience regardless of channel, platform, or stage in the selling process. They developed a framework for the impact of omni-channel marketing on six sales dimensions [11]:

- Sales contexts (B2C vs. B2B)
- Impact of technology
- Stages in the sales process
- Impact on relationships
- Impact on firm performance
- The role of communication tools and platforms

## 5. The digital-age B2B buyers

Compared with buyers in the business-to-consumer (B2C) sector, business-to-business (B2B) buyers have been largely predictable in how they make buying decisions. But increasingly, that is no longer the case. Today, B2B buyers are behaving like consumers. They use online resources to collect information about the products, different suppliers, other buyers, and many more. This behavior reshapes the business buyers purchasing process, roles, and decision-making. This “consum-erization” of B2B buying has made business customers more and more powerful. To maintain their balance of power in the process, sales professionals need to change their approach and become as digital as their customers [12].

One major driver is the dramatic increase in the level of competition and disruption in the marketplace. The advent of more transparent marketplaces and the proliferation of online content and digital communities, combined with social media, allow buyers to increasingly self-educate and to process their purchases directly without dealing with a salesperson. According to the International Data Corporation (IDC), the majority of buying decisions (between 50 and 80%) are made prior to the engagement of the salesperson. Also 90% of B2B buying, decision-makers never respond to cold sales calls.

A recent study by McKinsey & Company reported that the type of buying situation will have a big impact on the how B2B buyers value the involvement of the sales professional. In new-B=buy situations (where the buyer is researching a new product or service), 76% reported that it is helpful to engage with a salesperson. In the case of modified re-buy, the figure dropped to 52%. Finally, in the case of straight re-buy of the same product/service, only 15% of buyers saw value of dealing with the salesperson [13].

The above reviewed studies clearly indicate that traditional sales organizations face the risk of obsolescence as buyers become more self-sufficient and more digital savvy. Basic sales interactions can be easily handled using online resources/portals such as Alibaba. Sales organizations need to focus more on managing complex purchasing situations where their value can be appreciated.

Managing the digital-age B2B buyers requires the adaption of digital selling approach that integrates new skills, tools, and processes. Companies like SAP and XEROX adopted a methodology that called for the establishment of a digital sales center of excellence (CoE) that provides leadership, best practices, skills, processes, technologies, and other kinds of support to their sales teams.

The digital sales CoE develops the following six competencies [12]:

1. **Digital performance management** links sales activities tracking and content management to financial outcomes.
2. **Digital sales confidence** integrates digital skills and capabilities into sales activities and understand customer’s agenda to position the offered solutions.
3. **Cross-channel coverage management** delivers consistent, seamless experiences to maximize revenue potential and cost efficiency across channels.
4. **Social networking** enables sales to identify leads and the right decision-makers.
5. **Relationship intelligence automation** leverages internal data and external data to understand relationships and relationship strength.

6. **High-value marketing content** engages with content aligned to the customers' agenda, while reinforcing company brand and key marketing messages.

With a digital selling CoE in place, a company's sales operations can become much more efficient and effective and substantially improve the return sales delivered to the enterprise, while meeting the expectations and needs of the digital-age B2B buyers. The digital selling CoE uses sales enablement process and tools to deliver on its promise.

## 6. Putting modern sales enablement to work

There is no question that technology in the digital age has rapidly advanced the way we approach, negotiate, and close new opportunities. Sales enablement which is the process of providing the sales organization with *the information, content, and tools that help sales people sell more effectively and successfully engage the buyer throughout the buying process* is a great example of the impact of digitization. Once there is an information technology (IT) solution for better content management and basic performance feedback, sales enablement is now central to how business gets done at companies of all sizes and varieties.

Emerging technologies have made it possible to see what, when, and how the sales process, sales/marketing content, and customer interactions/feedback are working. This provides a solid foundation for digital sales transformation.

Analytics are at the core of sales enablement tools and are key to sales teams' performance improvement. When the sales leaders use analytical insights, they can link what the marketing team is pushing (e.g., content) out and what the sales team is pulling in (e.g., conversions/sales).

Digital sales organizations need to develop an effective content strategy that is based on solid understanding on how the offered content is being used both by the sales team members and the customers. Tracking and analyzing what content is being accessed, how often, at what time, and at what stage in the sales process can provide the needed insights for sales management.

Following are the major advantages that the sales enablement tools offer and the importance of analytics to each [14]:

1. **Content management:** Sales teams deal with different customer segments that need different types of content; hence, offering dynamic, flexible ways to organize content that is enriched by performance data, and best practices are of great value to today's digital sales organization.
2. **User experience (UX):** Sales teams need to focus their time and efforts on customer engagement and not on navigating complex software menus and clicking on endless number of buttons. Providing a user experience that integrates with the way sales teams work is a must for adaption.
3. **Machine learning:** Using data collected on searches, content recommendations, and sales enablement tools performance, machine learning can provide smart, efficient, and customized use of tips to the sales team members to get the best out of the tool.
4. **Customer engagement:** Delivering the right content at the right time through the right channel for each customer ensures higher levels of engagement and ultimately better conversion rates.

5. **Performance analytics:** Advanced analytics for content utilization and customer engagement can support the development of best practices.
6. **Modification tracking:** As sales people modify the content to customize their customers' interactions, it is important to track those changes to be able to continuously improve the content quality.
7. **Technology integration:** It is important to integrate the sales enablement tools with existing enterprise resources planning (ERP) and Customer Relationship Management (CRM) systems or other advanced tools such as business intelligence (BI) software to ensure data exchange and integrity in the developed insights.
8. **Onboarding and training:** Using the insights drawn from the analytics, sales teams can shorten onboarding time for new salespeople and improve overall sales team efficiency and effectiveness.
9. **Usage Rates:** Managers can monitor the sales enablement tool usage for the whole team or for individual salespeople to provide feedback to improve performance and highlight accomplishments.
10. **Proven ROI:** Sales enablement tools has proven track record in achieving higher levels of customer conversion. This is the real objective that sales teams have for the use of the tools.

## 7. Sales management in the digital age

Sales management is at the forefront of management systems development due to its direct link to the customer—the ultimate prize of sales. As new business models evolve, sales management needs to add new dimensions to the sales process and needs to embrace new ways to manage its traditional ones. So sales management has to work in a broader and newer environment, in coexistence with the traditional lines.

Traditionally, there are four basic elements of sales management [15]. All of them can be enhanced when augmented by digitization as indicated below:

1. **Planning:** Sales plans must be based on extensive market research, and the facts must be verified at every stage. The plan should also be subject to continued review. The details of the plan should be discussed, with the different stakeholders to gain alignment and commitment. The ease of access to market information and availability of analytical tools can help the sales teams develop better plans to guide their efforts.
2. **Coordination:** Coordination is all pervasive and permeates every step of the sales management process. It should be done both at the interdepartmental and interpersonnel levels. Utilization of digital sales management tools can ensure free flow of information that is selective to the objectives of the business.
3. **Controlling:** Sales managers need to check regularly that the sales activities are moving in the right direction. The management system should capture the lessons learnt (based on the analytics and insights) and take corrective actions while instilling new ways to prevent future deviations. The management needs to make sure that targets, budgets, and schedules are achieved or followed in letter and spirit.



But gaining control over the sales team is not a simple task. Studies have shown that sales force has opportunism tendencies to gain short-term personal advantages over the long-term firm or team gains. This opportunism takes two main forms: shirking and influence activities. In their article on regaining control of the sales force, Kim and Jung studied 304 Korean automobile dealers and found that outcome controls and behavioral controls have different effects depending on the type of sales opportunism.

Output controls (preset goals to reward or penalize the sales force) mitigate sales control loss when it is matched with shirking behavior (evasion of obligation and withholding efforts), while it aggravates control loss when matched with salespeople influence activities (intentional acts to persuade the employer to take actions that that will be in their own advantage). On the other hand, behavior control (rules and procedures to reward and penalize sales force) mitigates control loss when matched with salesperson's influence activities and aggravates control loss when matched with shirking activities [16].

4. **Motivating:** Only motivated salespeople can achieve company's strategic sales goals (not only sales targets). Hence, motivating the sales teams is crucial for the long-term sustainability of results. It is a complex process that involves many tools and techniques since different people are motivated by different things. Hence, sales managers need to pay a lot of attention to this element of the sales management process.

In 2017, Reid et al. studied the use of 68 sales management practices (SMPs)—such as forecasting, training, incentive pay, evaluations, etc.—covering seven key managerial areas building on the seminal work done by Dubinsky and Barry in 1982. Those sales management areas are (1) sales planning, (2) organization and selection, (3) training, (4) sales compensation, (5) supervision and evaluation, (6) control of sales force performance, and (7) sales technology. They identified a list of 21 challenges that sales managers face today and concluded that the low level of technology use by sales organizations amplifies the impact of those challenges [17].

Technology today is being used in the field by sales people for data collection and automation of sales tasks but is not as prevalent when it comes to managing and supporting the sales management practices (SMPs).

Hence, there is need for higher level of adoption to meet the need of the new breed of digital-age sales managers that is emerging. They are data hungry and technology savvy. This new breed also behaves more like a modern-day sports coach, craving sales performance insight. Digital-age sales managers live by a new mantra: *motivate, engage, and coach*.

With the integration of people and technology, sales managers need to continually develop their skills, process, and tools to achieve results in the VUCA world. This can be can only be achieved when they develop systems that fully integrate the seven sales management areas and not to deal with them as discrete or sequential steps. For example, this means using the control system (KPIs) to motivate the team and the coordination system to optimize the planning process.

In 2018, Panagopoulos et al. discussed the importance of boosting sales force morale in highly dynamic complex markets. They used the job demand-resource (JD-R) theory as the basis for their model. They studied the impact of market demands (customer purchase complexity and market dynamism) on sales force morale that drives key outcomes (sales force turnover and sales force productivity). Three job resources (sales capabilities training, firms product portfolio depth, and sales units' cross-functional cooperation) were used as moderating variables for the relationship between market demands and sales force morale [18].



In the longitudinal study they conducted over 2 years, they found that an increase of morale by one point on a five-point scale improves sales force productivity by €226,834 of operating revenues per salesperson, while it lowers turnover rate by 5%.

Finally, since the driver of any sales management process and the target is the efficient and effective sales team, the following section will demonstrate how can we **encourage, engage, and coach** the digital-age sales team [19].

**ENCOURAGE:** Sales people are target driven. Achieving the annual revenue target is of course vital but not enough to provide the needed encouragement for the sales team. It is the approach to achieving the set of targets that needs to be redefined in today's VUCA sales environment.

The problem with the sales revenue metric is that it is rearview facing. It is often referred to as a "**lagging metric**." Digital sales managers need to use an integrated set of metrics that combines lagging and "**leading metrics**" to manage not only the sales results/outcomes but the sales process inputs and steps. This will allow sales managers to improve the process control as well as timely actions to ensure the desired results achievement. This provides a real proactive approach to sales teams' encouragement.

For example, this can be achieved by having the sales teams:

- Qualify leads within 24 hours of creation
- Create a certain number of pre-pipe opportunities each week
- Meet a target of "meaningful" sales calls each week
- Book more meetings or demos with the right level of contact each week
- Build a regular monthly or quarterly cadence of deal closure

These leading sales metrics need to be combined into a regular cadence of daily, weekly, monthly, or even quarterly targets. This would allow the sales manager to drive the sales behaviors right across the sales process that delivers sustained success.

Sales metrics also need to follow different time intervals. This allows for balancing the short-term and long-term monitoring of the performance. This approach is called metrics pacing. There are four pacing methods:

1. **Constant**—equal split of the target value across the whole time period
2. **Front loaded**—starts with a high percentage of the target value then reduce it gradually over the time period
3. **Back loaded**—starts with a low percentage of the target value then increase it gradually over the time period
4. **Late push**—accelerated rate of target achievement toward the end of the time period

This pacing approach for sales target setting allows for the flexibility in adapting the targets for different sales teams' capabilities and different client buying situations. This customized approach to target setting provides a more personalized approach that is more fit with today's sales people mentality that does not approach the one-size-fits-all traditional approach.

Building on the need to use a combination of leading and lagging metrics, calculating the Salesperson Future Value (SFV) to the firm can add a whole new dimension

that supports today's sales managers challenging task of encouraging their teams while managing their investment in the team members to maximize the sales team performance and the firm return. Kumar, Sunder, and Leone proposed a system to measure the Salesperson Future Value and its drivers. They defined SFV as the net present value (NPV) of future cash flows from the salesperson's customers after accounting for appropriate costs associated with the salesperson. The study identified the drivers of SFV as training interventions (both for growth-related and task-related key skill areas) and incentives (both monetary and non-monetary). They used the salesperson tenure, region, market size, and competition level as control variables. They found that using current revenue generated by the sales person can lead to the wrong decision about the SFV in 27% of the cases and that the correlation between revenue generated and SFV is only 0.64. Effective management of the drivers of SFV for different segments of salespeople based on this leading indicator can help the organization optimize its resources and achieve its strategic sales objectives [20].

Finally, encouragement is reinforced with celebrating success. The digital-age sales manager knows that publicly recognizing achievement will not only encourage the winners to do more to stay at the top but will motivate the rest of the team to join the winner ranks.

The traditional once-a-year sales competitions that uses only sales target achievement (lagging indicator) does provide the foundation to develop a culture of continuous improvement. Hence using multiple year-round competitions using leading indicators is a better tool to maintain a highly motivated sales team.

**ENGAGE:** Most studies on salespeople behavior indicate that they are independent and individualistic personalities that did not follow instructions easily and value their freedom, unlike production workers or accountants. Engaging sales team to strictly follow the sales process developed by the organization is a challenging task for the management.

One of the approaches used to improve salespeople compliance with the sales process is to incorporate a set of "sales behaviors" metrics (leading indicators) as part of the sales management dashboard. This addition of key behavioral indicators (KBIs) to the traditional business oriented key performance indicators (KPIs) such as revenues and linking them to have a new definition of winners and losers is a critical part of the digital-age sales management approach.

The correlation between achievement of behavioral targets and revenue targets generates four profiles/segments of sales performers that not only focus on target achievements but in sustainability of delivering results while balancing the short-term and long-term outcomes.

**Winners:** The group that overachieved on both the "sales behavior" target and revenue target. These are the top performers that should be closely monitored in order to learn from their best practices.

**Growers:** This group overachieved on their "sales behavior" target but did not meet their revenue target. They need coaching to improve their performance on specific parts of the sales process such as handling customer objections and closing. If we used only the traditional revenue targets as the metric for success, those sales people would be treated as Strugglers.

**Strugglers:** The sales people that did not achieved neither their "sales behavior" nor their revenue target. This group needs to receive sales training with active coaching or need to leave the sales organization.

**Mavericks:** The sales people that achieve the revenue target, but not the "sales behavior" target. They most probably do not follow the sales process and potentially close unhealthy deals that can hurt the organization down the road. If we used only the traditional revenue targets as the metric for success, those sales people would be treated as inners.

This approach of tailored support to sales team will provide higher levels of engagement and more user adoption of the sales management tools. Digital-age sales managers transform the Customer Relationship Management (CRM) system from a passive data repository that is otherwise easily mistaken for a management reporting tool. They turn the CRM system into a real-time sales engagement tool.

**COACH:** Proactive, deal-specific coaching to the sales team is the real driver for future success. The active use of the Digital Sales Management System (DSMS) by the sales managers ensures that achieving results today while coaching the team build the capabilities for tomorrow.

The data savvy sales manager knows they can utilize the achievement of leading sales behaviors mapped against a deal to determine its true health. Utilizing machine learning, they drive the Digital Sales Management System to provide a real-time deal health prediction for every single deal.

Finally, coaching to improve sales force performance beyond deal closing can be achieved by incorporating innovation implementation into the sales organization. Wang and Miao proved that sales force creativity impact on performance is fully mediated by innovation implementation. The relationship between creativity and innovation is moderated by innovative organization culture and behavior-based supervision. This is where proactive coaching that is guided by real-time data and analytics can lead to higher levels of sales force performance. The coaching should focus on market orientation (MO) (customer orientation, competitor orientation, and inter-functional coordination) to spur sales force creativity [21].

## 8. Conclusion

The VUCA world is dramatically changing the face of sales management. The digital-age consumer and B2B buyers need digital-age sales managers and organizations that continuously and actively map out and manage their sales process. Sales management today needs to be insight-driven, agile, experimentation based, and flexible.

New tools that collect, integrate, and analyze customer data from internal and external sources provide the foundation for the insight-driven sales management. This includes technologies such as analytics (Web, social, and mobile), Artificial Intelligence, machine learning, dynamic content management, and user experience (UX).

Those tools might represent a risk for some basic sales jobs that is focused on order taking for simple products but represent a great opportunity to augment salespeople that manage complex and high-margin sales to improve their efficiency and effectiveness.

New sales management practices need to manage the omni-channel approach to customer touch points because customers today expect to engage with the company sales team Any-Where, Any-Time, Any-Device (AWATAD). They continuously move between the online and offline worlds (O2O) during the buying decision-making process. This represents a major opportunity for data collection to develop real-time insights beyond the traditional consumer market research studies.

The modern-day sales managers need to use leading indicators (not only traditional sales revenue lagging indicators) to measure progress along the sales process end-to-end path, to make these steps transparent to the whole team and motivate them to overachieve. They make success transparent and build a culture of winning based on creativity and innovation. They use the data insights and technology to provide intelligent coaching in real time.

The digital-age sales manager thinks and behaves like a modern sports coach and brings science into the art of selling.

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