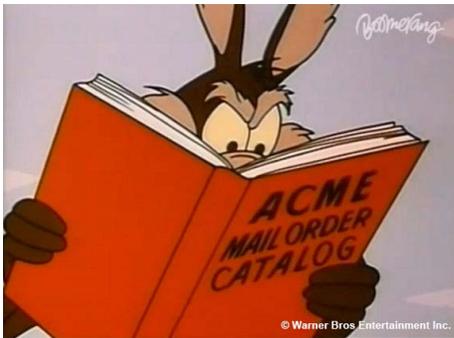# Progress Scoring System – for B2B Sales Managers

A SmartFunnel® Whitepaper

Forecasting Foundations – an Opportunity "Progress Scoring System"

"But…we don't forecast that way!"

Like Wile E. Coyote, many companies use an archaic management approach, forecasting B2B order capture by using a "% Probability (sales opinion)" foundation. To top it off, many senior managers ask sales people for a "Confidence level (% probability, again). Does this work? No it doesn't, as most companies find it produces forecast accuracy below 50%. Just like the coyote, using lame contraptions that arrived by parcel delivery (straight from ACME, you'll recall…) these sales teams find a way to head toward a cliff, with justification statements like:

- We have always done it this way, or
- We did it that way with my previous employer, or
- The boss (CEO, Board, VP, etc) wants it that way

Danger zones are plentiful in Sales Management, and Forecasting based on gross Deal value is one of them – with "% Probability" merely creating an illusion of thoughtful weighting. Without ranting any further, let me propose that a "Progress scoring system" is part of the answer. We'll talk about how to design a custom scoring system for your B2B sales team, which provides a better tracking and planning foundation. This is something you can do in 4 steps:

1. Analysis – yes, you need to analyze current and past success/failure
2. Tool design
3. Process design
4. Scoring system design

Let's get started.

Part 1 – Analysis

Analyzing success/failure has two purposes – making plans for a better selling approach, and gaining acceptance of sales professionals that a change is necessary. The changes will involve new sales behaviors, something that some people will resist. Typically, we start with sales people who may be skeptical or downright suspicious, so ask about "stalled deals" – do you have any? How long have they been stalled? What do the customers say about why your

proposal was not approved? Take notes and look for patterns, perhaps there are common reasons why the customer could not prove the payback, or the urgency was not felt at the approver level.

Now the acid test for Sales people – to win those deals, and earn those commissions, are you willing to sell differently? Are you willing to try something new?

Analyze both "how we lose" and "how we win", and summarize it in two lists (…these can usually fit on one page). For each line item identify actions as ways to

- Avoid the loss reasons
- Achieve the win reasons

In my own experience, "avoiding the loss reasons" is the one most often omitted by sales teams, or not given enough attention in win/lose analysis. As one of my colleagues once said, "So, selling is about avoiding loss!" Indeed it is, or better stated, your own sales operation has typical failure patterns to consider – and these are harder to identify clearly.

Then, list the conditions for success that you have decided will need to be created for each opportunity. These are the End Game winning conditions – and may look something like:

- Strong definition of an important problem to be solved, using specific customer terminology and cases (…to get multiple decision-makers on board)
- Strong metrics of payback, or payback potential, for customer's investment (…to get the budget approved)
- Early acceptance by customer of a proposal to collaborate on defining our solution (…to get leadership of the conversation, while the buyer is receptive)
- Written communication to buyer on salient points of buyer's business drivers (…to enable pass-along communication within the buyer's decision team)
- Identification of specific reasons for urgency, and urgency confirmed by users, managers, and technical support (….to avoid stalled deals, and late-stage pestering of buyers)

Next, for each winning condition, recognize that specific actions by sales are needed to achieve each one – in some cases it is just necessary to ask a few questions.

In other cases a convincing written sales tool will be needed, either a generic business case, for example, or a specific customized business case for each prospect. In the next section, we'll move on to sales tool design.

Part 2 – Sales Tool Design

Sales tools can be of several types:

- **Product focus** – General product spec sheets, webpages, PDFs, and brochures
- **Business focus** – Application notes, testimonials, generic payback analysis
- **Specific Project focus – Customized** – User Problem description, Application/solution description, Payback analysis – Opportunity approval focus (these are far and away the

best type of sales tools, yet take a bit more time to create)

Resistance to new B2B sales tools and techniques is common – Why?

Customized sales tools are the best, so the next question is "Why doesn't everybody in B2B sales use them?" Resistance is common in all businesses. Sales individuals have several things standing in their way. First the customer does not ask for these things. Second the customer asks for standard "Product" info, which invites you into an "activity trap". Lastly the sales person may feel a bit lazy, and just agree to provide only the standard Product info.

Designing the first few versions of a custom sales tool is hard work. Sales management has to strongly support the idea of creating these new tools, and give it management focus. My recommendation is to select a sales or marketing person to do it, and just get it done, using current active opportunities as test cases.

Problem statements are a good place to start, with standard "Application notes" as a starting point to identify typical needs and typical metrics. Then customize. Clarity and relevance can be added by laying out a document that enables selection of key points that arise for a particular buyer company. The tool should also allow tailoring the prose to fit the terms used at that company. The buyer needs to feel at home reading it. Otherwise it is just boilerplate, and they won't read it!

The best proof points to build into your proposals are business case proofs. The "proof" does not have to be a hard ROI calculation, but must include measurable items – e.g. systems for an engineering group need to be set in a context of scope, with facts like:

- Customer organization has XX engineers employed – thus rough cost/year is $CC
- Annual projects impacted by engineering is = $YY millions (= $RR/month of revenue)
- Annual turnover of talent is TT% - and goal is to reduce that to tt%

Sales Tools clarify insights about customer Pain, Payback, and Urgency

In general, sales tools should cover the three areas on which successful proposals are scrutinized before winning senior management approval (ref our webinar "Speeding up Sales"):

- Does it solve important problems for this business? (…not just nice to have)
- Does it show a financial or strategic payback that starts in the short term after implementation?
- Urgency? – Is the champion well prepared to argue why this year's business plan needs the purchase you are proposing, and needs it now?

Present samples of your custom sales tools to the sales team in a mini training session, and get their critiques and inputs. Then the sales manager needs to be sure they are used for at least 3 opportunities. This gives the sales professional a chance to experience customer reactions, and increased deal-closing success.

In the next section we will move on to cover sales process design – as a foundations for sales progress scoring.

Part 3 – Sales Process Design – to build Progress

First, a sales process is something to howl about, since your customers will complement you for it, and the boost to your sales will be a pleasure to behold. Yes, for multiple reasons a structured sales process needs to be in place, based on your ongoing success and failure analysis, and the resulting sales process needs to be implemented by first level sales management. This is easy to say, yet may be hard to do in your company.

Difficulty can arise from

- Customers who say "We have the budget, and the procurement should be easy"
- Sales people who believe it
- Sales managers who don't act paranoid, assume there will be decision resistance, and ask the tough questions of their sales team, about "How can we win the end game?" and also "How could we lose?"

The sales process will be tailored to your business and products, taking account of the maturity of your product category – and the sales tools you have found to be leading indicators of success. Let's start with sales tool usage, since the tools should be visible as they are used for each prospect. Scoring systems are easier to design and more accurate with tangible things to score. Here are some examples.

A simple "Sales Process" – the elements

First, we'll describe a really simple sales process. This one assumes there is a Qualification, then six active elements of success. If you are starting from scratch, get the team around a table for 2 hours and tailor this to your business.

Although this is only one page, it needs open debate until the central ideas and words are agreed – for your unique business. These are the actions that can be noted as tangible things done to create progress, with a plan to do them on every sales opportunity:

0. "Qualified" – A strong champion is engaged, with a problem to solve, and money to spend.
1. "Pain Points" – Customer needs are discussed in detail, finding several pain points that we can solve – write them down as "Discussion of Critical Issues" (or similar) and send them to the customer, for follow up comment and confirmation.
2. "Payback / Business Case" – Based on account research and prospect/customer discussions, summarize the measurable info about how your solution can contribute a payback or acceleration of the buyer's business. Write it down and send it to the customer for comment. Follow up.
3. "Time Drivers" – You will also have gathered info on what scheduled events, like quarter ends, product/project release dates, and production targets are driving the annual rhythm of the customer's overall business. Ensure your proposal supports multiple time driver events.

4. "Proposal – Framing the offer" With all the above defined info, you can usually tell if you have a winner or not – if "no" don't make a proposal. If "yes" frame a proposal as a customer Project that fits all the circumstances. Present it.

5. "Verbal" closing – i.e. the unique work you do in each case to get all the customer's internal support in place and signed off as needed. Declare Verbal Order only when there is no work or persuasion to be done by the customer's internal team, other than procurement paperwork.

6. "Closed/Won" – The last step gains the remaining portion of the 100% available score.

In the next section, we allocate a scoring value to each stage of Progress or Partial Progress.

Part 4 – Scoring System Design – to track Progress

With a "sales process" defined in Part 3, we can add a scoring value to each stage. If you see a "%" sign here, remember it is % Progress, NOT % Probability, to avoid the dangers we discussed in Part 1. Also, it works well to have multiple levels of value for each stage, so "Partial Progress" can be scored.

Here is a simple example. Use this as a starter for setting up your own Progress Scoring system:

Stage 0 – Qualified – No or Yes – Score max 5% progress when Yes, 0% when No.

Stages 1, 2, 3, 4 – Pain Points/ Payback/ Time Drivers/ Proposal – and identify sub-stages for tangible evaluation of Progress:

- Score max 15% for each Stage
  - o Sub-stages could be: Off 0%/ Discussed 5%/ Written 10%/ Co-authored 15%

Stage 5 – Verbal order? – No or Yes – Score max 15% when Yes

Stage 6 – Closed and Won – Score the balance. My recommendation is to always leave 20% or more left available for this transition to a written purchase order. Surprises will happen, and every Deal/Opportunity has its risks.

The Opportunity list – where Progress within Process drives Scoring

With a Sales Process designed, and a scoring plan to keep track of earned value on each opportunity, we can set up a Deal list table to roll up the numbers. As simple as this sounds, it takes a computer app to keep track of these numbers, and present useful reports. It also takes discipline and regular management reviews to see the trends. Here are some examples of the need for disciplined recording of progress:

- Keeping the sales team honest about whether the completion of a stage was in writing to the buyer(s)
- Staying open to the fact that these things do not have to proceed in series – there are multiple things happening in parallel in our B2B universe, and the customer preferences will often drive the sequence of stage accomplishment

- Score down-grading is a real possibility (e.g. if your champion leaves the customer business, or a demo/prototype/trial fails to deliver). Use management judgement to take the Deal back a few notches on the Progress score

On the computer side, we have done this before with spreadsheets and CRM systems, and found them to be awkward or incomplete for sales process design. Hence a process and scoring system is better designed in a Funnel Management System.

Scoring in SmartFunnel 2.0 as example – and Figures-of-Merit trending

Taking SmartFunnel 2.0 as an example, it provides a scoring system that lets you quickly implement the above process, with tailored Sales Processes for several different Deal Types (for different Product Lines). It also lets you break your key selling elements (Stages) down into three levels of depth as sub-stages. The "depth" metric can be used in a simple way such as:

- "Lo" = Talk – Topic discussed with customer, and there is interest to proceed further
- "Med" = Write – Topic written and send to customer for comment /confirmation
- "Hi" = Collaborate – Topic has received customer response and correction/collaboration

So, for each stage 1/3 of the score is allocated for each level of increasing depth of engagement. Both score (in %) and the weighted Deal value are shown beside a set of visual progress indicators. A "mouse-over" on the stage progress indicator reveals a pop-up summary of your company's descriptor – for that Stage and depth within stage.

Sign Date	Tot$	Stage ↓F	0	1	2	3	4	5	Score	Prg$
	80,600				Progress				43%	34,870
2016 Oct 21	14,200	4	✓	●	●	●	●		55%	7,810
2016 Nov 25	52,000	3	✓	●	●	●	•		45%	23,400

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The net effect is a score that allows you to gain new insights:

- For the total funnel the "Score %" (43% in this visual example) is a good figure-of-merit for the work being done by the sales team – trending up is a good sign, and trending down should only happen when new opportunities have been added
- For the total funnel the weighted value sum ("Progress $") is a good proxy for forecasting sales bookings over a certain period
- For each Deal line item the Score, combined with visible stage progress, guides you to the next sales action – and guides the Sales Manager to coaching actions with the team

This workflow is implemented in SmartFunnel 2.0 in a way that is easy to customize, enabling multiple different Opportunity Types, to suit each of your product lines. In addition, as compared to CRM systems, SmartFunnel enriches sales coaching, by enabling frequent refinements of your process and scoring systems, without the tedium and delays of CRM re-programming.

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