

Technology Company Benchmarking Drives Coverage Alignment and Creates New Selling Opportunities

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The Situation



The software division of a high tech company was struggling to

attract new accounts and expand existing accounts. The head of sales was concerned that the sales force was well behind market in productivity per representative. Sales managers felt the organization was lacking the right support resources and seller enablement, which was directly inhibiting net new sales growth.

The Challenge

The company hired the Alexander Group (AGI) to assess its salesforce against peers in the software industry. The company wanted to see where they stood on productivity, costs and deployment, with the end goal of informing structural changes for the sales organization.

The Solution

AGI collected productivity and expenses by region and platform role and benchmarked the data against peers. Expense to net new bookings ratios across geographies were much higher than benchmark and highlighted productivity issues. Below-market bookings per seller was the main driver of the high expense to bookings ratio.

Because of these discrepancies, AGI chose to analyze the job and sales compensation designs. The results were revealing. The model was constrained by a conflicting hunter/farmer role design, where sellers were responsible for selling both new business and handling renewals. Furthermore, quotas for core sellers were not differentiated between net new business and renewals. These factors created an environment in which it was easier and more productive for sellers to focus on renewing current business rather than winning net new business.

AGI recommended a three-year roadmap to bring the company's net new business growth up to industry standards. The plan involved increasing support levels to offload non net-new-selling activities from core sellers and retooling the coverage model to drive separate emphases on new account acquisition and existing account expansion.

The Benefit

AGI's recommendations outlined a split of the core hybrid seller role into distinct hunter/farmer roles, with the goal of clarifying priorities and emphasizing new customer acquisition and account expansion. The head of sales approved an increase in rep headcount in some regions and developed a plan to implement an updated coverage model in the next fiscal year. Comparing their sales organization structure and performance against peers helped the company pinpoint a sales support/compensation issue and gave them much-needed direction on formalizing new customer acquisition and account expansion plans.