Is That Customer Worth Your Time?

Allocate time with customers based on analytics, not gut instinct.

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"I would buy more from you if I saw my sales rep more often." It's a common lament from buyers in many business-to-business (B2B) markets. And it stems from the fact that many sales representatives are squeezed for time and thus not as available as they once were. Customers badger them for free trials and want them to resolve issues that would be better handled by service staff. From the other side, sales leaders are also asking them to do more—cover more accounts, provide more reporting, hunt for more business.

In a pressure cooker like this, many sales teams lose track of *which* accounts consume most of their time and *how* they spend the time they do have with customers. Failing to understand and guide how reps spend their time leads to overstretched teams, undermining some basic sales principles: increasing the number of interactions with the right customers; making the most of each interaction; and using data to inform all of these decisions and track the relevant activities and outcomes.

A recent survey of 870 B2B executives worldwide by Bain & Company shows the extent of the challenge. Fewer than 20% of respondents said they have a data-driven, quantified understanding of the total market opportunity and untapped customer potential. Even fewer regularly determine required sales capacity and coverage based on this market opportunity. And fewer than one-quarter have an account management process that identifies critical actions, such as cross-sell opportunities, based on understanding how customers make decisions. There's a lot at stake: Companies that consistently do these things well gain more than twice the market share of those that don't, our analysis shows.

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Some B2B companies are now taking a hard look at how their sales staff spend their time, using new analytical software such as Microsoft Workplace Analytics. Armed with this clear view, sales leaders are becoming more selective and deliberate about who reps should interact with, and how, based on answering a series of questions.

Where are the biggest pockets of potential growth? Before delving into account time, it's critical to align coverage levels with future potential rather than last year's revenue. Time and again, sales reps return to the same watering hole, overlooking the untapped pockets they haven't had time to uncover. This can hurt growth and profitability in several respects. Small accounts often require a disproportionate amount of service and may not justify the high-touch model they are receiving. Alternatively, some large accounts might be tapped out for growth and should be moved to a maintenance model that matches sales investment to likely growth. Leading companies are rigorous about calculating share of wallet at their accounts; they're not just taking their sales reps' best estimates but are using hard data sources and analytics.

How do we gain a greater share of wallet? Next, sales leaders must understand what factors affect share of wallet. In some industries, this might be penetration of specific products where the company excels. Elsewhere, it could be the cross-selling of multiple product categories or brands. In some industries where channel partners are making choices on each transaction, it may be important just to stay top of mind by increasing the frequency of interactions with a rep. Sales leaders can use a variety of analytical approaches, such as multivariate regression or cluster analysis, to help identify these insights.

How should people spend their time with customers? The answer here is not always obvious, as there are many ways to steer the conversation—new products or projects, cross-selling other categories, foothold products, consultative offerings or even potential partnerships. Once sales executives understand which type of conversation yields the greatest outcomes for certain segments, they should align and measure account plans accordingly. Leading companies explicitly tie this into their account planning process.

Consider how restructuring time has refocused the salesforce at a large distribution company. The company started from a strong position, with organic revenue growth that outpaced the market, and high salesforce productivity. However, the salesforce was not at full potential because it used the prior year as a baseline for planning, and lacked an account-by-account assessment of the opportunity. This made it hard to underwrite the required investment or to allocate resources to the places where additional interactions with customers could yield the greatest benefit.

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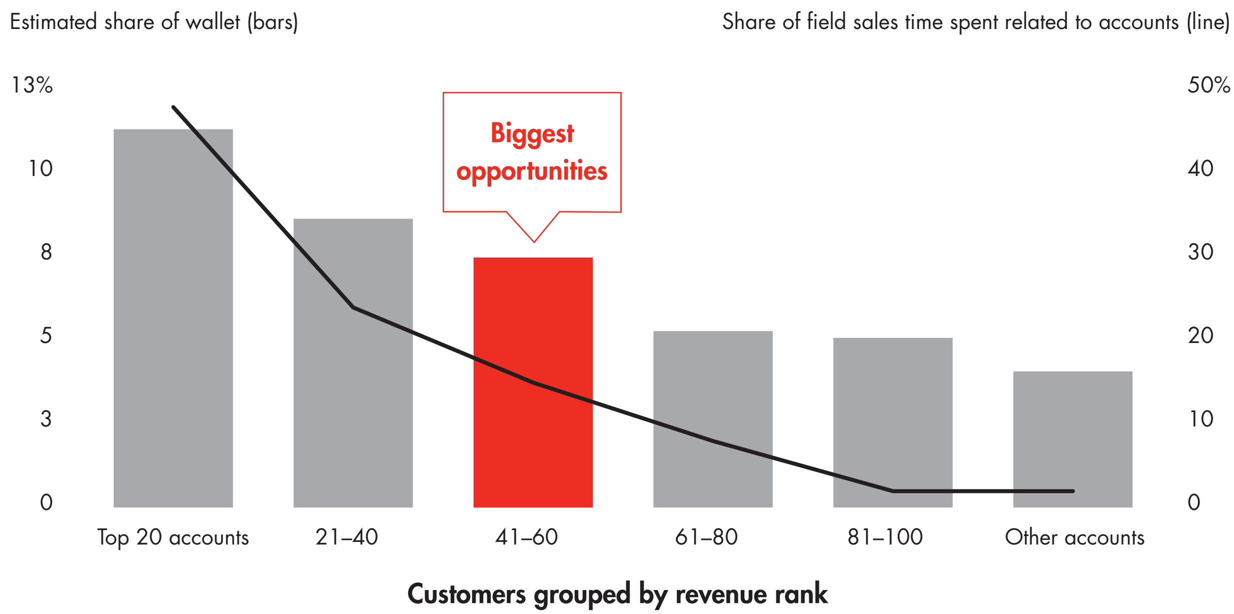
Using trade association data, the company was able to piece together a share-of-wallet view of accounts. It combined this view with an estimate of where reps spent time, based on a flash survey, to form the insight that there was a close correlation between time spent and share of wallet *(see Figure 1)*. A broad customer survey confirmed that customers were acutely aware of how much they saw sales reps, and more than 70% of customers said that increased interaction would lead them to buy more. The company found many opportunities in medium-size accounts with ample growth potential yet little current field sales coverage. These historically had been too small to get field reps' attention, but had the potential to become major accounts.

Figure 1

More time, greater share of wallet



Source: Bain & Company disguised client

Further primary research and analysis yielded several insights. First, customers who are engaging with many vendors and transactions require frequent interactions so that the company stays top of mind. Second, a big factor in growing share of wallet was to successfully cross-sell product categories. For many accounts, reps had been returning to the category they knew best rather than intentionally introducing new categories that would expand the scope of the offering.

Based on these insights, the company increased the number of conversations with target accounts by two to three times, and created an account-planning tool that highlighted the next categories to emphasize.

The dynamics of each industry and market vary, of course, and with new digital tools, more in-person interaction with customers isn't always the largest driver of growth. That said, sales executives will always benefit by frequently revisiting and actively guiding where and how the sales team members are spending their time. They should ensure that the sales team has a good understanding of the following:

- the current share of wallet with accounts and where the growth potential lies;
- what leads to higher share of wallet;

- the right magnitude and frequency of interactions to generate growth; and
- solid data and insights that help guide individual interactions for each rep and each customer.

Time allocation should be informed by hard data and analytics and be linked to actual outcomes, rather than by quotas based on last-year-plus-x and gut instinct. That's how sales executives can turbocharge growth while raising the productivity of their selling resources.

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