Growing & Managing The Sales Machine
Administration

Overview:
Growing and managing a sales organization is a pivotal skill for anyone interested in a career focused on revenue generation. B8603: Growing & Managing the Sales Machine is an advanced course paired with B8694: Building the Sales Machine and focuses specifically on growth beyond the basic concepts learned in the introductory class. The focus of this class is on the challenges and key issues associated with the growth and management of a professional sales organization. Our emphasis is managing the selling effort of business-to-business and business-to-consumer companies. There will be no emphasis on basic sales techniques and how to be an individual contributor. Instead, this course will focus on sales management, sales operations, sales productivity, sales metrics, and other advanced concepts associated with growing and managing a selling organization. The course is focused on teaching via the case method with significant in-class discussion on cases as well as post class activities related to the case. In addition, the course will have revenue leaders from various companies speaking to the class throughout the semester. The course will address all topics in the context of primarily later stage, larger enterprises and should be taken only by students with a serious interest in going into sales management, running a growth stage business, or executing turnarounds or other similar strategies. This class may also be appropriate for investment professionals predominantly in a private equity or search fund setting looking to add to their skillset on assessing and valuing businesses.

Students will leave the class with:
- Tools needed to grow and manage a professional sales organization.
- Understanding of how to choose a go-to-market model in sales (e.g. direct sales, resellers/partners, OEMs).
- The ability to grow and structure a sales organization.
- The understanding of how to manage a sales force specifically focused on sales hiring, training, compensation, and other operational components.
- Substantial real-world lessons and advice through case work and guest speakers.

Course Materials:
Canvas will contain everything you need for the course, including class readings and assignment overviews.

Grading:
In short, this class requires only your individual effort. First, you will be asked to participate in the lectures, case discussions, in-class scenarios, exercises, and guest speaker discussions. Second, you will be required to write up answers to questions in preparation for the class discussions. These will be based on the cases you read and in quiz format due prior to class. We will only deliver one question and you only will need to write up a paragraph answering the question provided. Third, you will be asked to complete three assignments based on the lessons. You will be using datasets and completing scenarios as if you were a sales executive.

- Attendance & Class Participation (6 classes) 33.3%
- Individual Assignments – Case Quizzes (6 total) 33.3%
- Individual Assignments – Scenarios (3 total) 33.3%

All students will be required to turn in all assignments on time. THERE ARE NO EXCEPTIONS. To prosper in this class, you must attend every class virtually and complete all assignments before the start of class on the due date.

Class Participation:
We will be spending some amount of time in class focused on the case and discussions within. Everyone should contribute over the course of the semester. Here are some points to keep in mind regarding classroom participation:

- One unexcused absence virtually will result in a grade decrease. You need to attend all classes online.
- You can’t be shy in selling and managing. Ask questions, participate, and most importantly, what you take from this class will be what you put into it. This will allow you to get the maximum amount out of this class and will help you in the future.
- Work together. Students can get together and discuss the best course of action for each class, case, and in class work. However, when you come to class you should come prepared to discuss individually.

**Prerequisites:**

None. However, use your best judgement. Students should have likely completed *B8694: Building the Sales Machine* or *B8613: Entrepreneurial Selling*. If you have not taken a sales class at GSB or do not understand the basic concepts involved in selling this class will not be for you.
Lesson Overview & Details

Lesson 1: Course Introduction, Sales Audits, & Building Your 30, 60, 90 Day Plan

Using the HP case as our guide, we will discuss the initial steps any sales executive should take to assess coming in to a new selling organization. In addition, we will work through the beginning steps of building a 30, 60, and 90 day plan to be successful as a sales executive. In addition, we will go through a high-level overview of the course, the grading, Canvas, and set overall expectations for the course.

Real World Questions Answered In This Lesson: Congrats, you are a Chief Revenue Officer and moving to take a job at a company. How do you assess the selling organization and how well it is doing? What are the key metrics and elements to track? What are leading indicators and what are lagging indicators as it relates to selling success?

Lesson 2: Structuring A Sales Organization, & Developing The Right Sales Model

Using the Asana case as our guide, we will discuss the importance of developing a structured sales model and a formalized sales process map. We will also define the sales learning curve and relate it to Asana’s decision-making and its relevance to other organizations. This lesson will build off of our sales audits and early plans as we begin to gain footing in the organization.

Real World Questions Answered In This Lesson: Now that I am through my sales audit and setting of my 30, 60, and 90 day plan what sales model should I deploy? What structures are the best in certain types of companies? What specifically should my sales model look like? What is the sales learning curve and how can I get more up to speed on it? What are the key variables to worry about in any sales organization? When thinking through creation of a sales organization what are some of the things I need to watch out for and understand?

Lesson 3: Optimizing For Success Through Better Sales Operations & Metrics

Using the OptiGen, New Science, and WSES cases as our guide, we will build on the prior lessons regarding auditing, structuring and go-to market, as well as consider new material such as creating accurate forecasting processes and addressing missed sales targets. We will do this at the executive, the manager, and the individual contributor level to develop a point of view on how the interaction happens and sometimes where there can be friction up and down the chain of command. Understanding the numbers and how to analyze the data is core to success as a sales executive.

Real World Questions Answered In This Lesson: How do I think about major top level metrics like the sales velocity equation? How do I think about granular level KPIs such as account scoring, territory planning, opportunity mix, splitting up account segments, and other matters? What presentation formats and charts are best to use for every situation? What are the best structures for an SLA? How should sales, marketing, and customer success talk to each other correctly from KPI and metric standpoint? How should I present this information to my executives as well as my individual contributors? Where is revenue correctly attributed across the organization (sales, marketing, and customer success)?

Lesson 4: Hiring, Motivating, & Team Development In Sales Organizations

Using the FedEx and Rousch Performance cases as our guide, we will discuss sales commission structure, the general importance of aligning commission structures with company goals, and the variables that need to be considered to ensure that you know how to choose the best structure for any organization. We will also discuss how to interview and evaluate top-performing sales reps, the role of motivation and behavior in sales, how to develop a winning sales culture and that culture’s impact on compensation and promotion decisions,
when to “fix” and when to “fire” an underperforming sales rep, and the proper time to hire a Vice President of Sales.

Real World Questions Answered In This Lesson: How do I compensate people correctly? What is the employee cost associated with the sales organization based on different selling models? Who are my best or worst individual contributors? What KPIs or metrics do I track to know this? How do I position them to optimize growth? How do I think about territory planning and territory forecasting? What are the best ways to train and grow individual contributors? How do I think about positive performance metrics like SPIFs and negative performance metrics like PIPs?

Lesson 5: Mergers & Restructuring Of Sales Organizations
Using the FedEx and Veritas cases as our guide, we will discuss merging and restructuring sales organizations. We will focus on an acquisition of a small company by a large legacy player and next discuss a merger of two companies operating in the same industry. We will learn the dynamics of restructuring an entire sales division or organization and learn the ins and outs of achieving success.

Real World Questions Answered In This Lesson: What works in a merger and restructuring? What data should I look out for to understand when mergers of sales organizations are working or not? How do I think about restructuring away from one selling organization to another? Where has this worked well and where has it not worked well? What are some of the things I need to watch out for and care about as it relates to mergers and restructuring?

Lesson 6: Creating a New Sales Organization & Course Conclusion
Using the Dropbox and Stride cases as our guides, we will discuss the different variables and metrics to be considered when launching a new sales organization and consider how these may change depending on the situation and chosen sales strategy. We will cover and incorporate most of the lessons understood to date and also recap the semester.

Real World Questions Answered In This Lesson: How would the sales learning curve apply to a freemium model and what metrics would you track? How does this differ from a direct sales method? What is the impact on culture? How do you determine customer value and customer acquisition costs, and how can you improve these two values? What factors should you consider when hiring AE’s and your VP of Sales? Should you manage activities or results to improve sales productivity?
Additional Reading Materials

While our course is heavy on cases, below is supplemental text for the class should you want to read more.

Cespedes, Frank Z. *Aligning Strategy and Sales: The Choices, Systems, and Behaviors that Drive Effective Selling* (2014)

