



## White Paper: Is it Your Sales Team or Your Sales Culture? Building a True Sales Organization

Many restorers know the importance of having a business development team (even of one) driving the growth of their business so they are not so reliant on programs, weather and good luck.

But historically, such business development efforts have been “relationship building” route marketing consisting largely of donut dropping and other ineffectual marketing efforts.

The reality is that as the restoration industry matures, what used to work in business development now mostly doesn't. The referral sources (agents, plumbers, Property and Facility Managers, realtors, adjusters, etc.) that you are calling on are being called on by scores if not hundreds of competitors.

None of those folks is looking for a new best friend when your rep walks in the door and they may be disinterested, stressed, busy and quite frankly, hostile when your reps show up.

The time is now for the restoration industry to understand that you are not a “sales organization” because you hire Business Development Reps (BDRs) or salespeople! This is critical to understand because hiring true salespeople and plopping them into a company that is not prepared to support them is like dropping seed on rocky ground. The seed may germinate but it won't take root and will simply be blown away.

As the industry matures the pressure is on restorers to run better businesses. Like it or not, the insurance industry does not want to pay for what they perceive as your inefficiencies. They are more than willing to let the free market sort out the winners and losers. Bottom line is that there is a day-to-day over capacity in the industry and that is driving prices and margins down.

So while we can gnash our teeth over the unfairness of it all (and some of what is going on in the industry in highly unfair) remember what your parents told you a million times: “Honey, life isn't fair.”

Smart businesspeople see the world as it is not the way they think it “should” be and deal with that reality. And the way they respond to that reality is a personal business decision.

Some restorers love program work, have figured out how to be profitable doing it, easily meet the service and reporting requirements and knowingly take the risk that a phone call can eliminate a certain percentage of their business.

*Like it or not, the insurance industry does not want to pay for what they perceive as your inefficiencies. They are more than willing to let the free market sort out the winners and losers. Bottom line is that there is a day-to-day over capacity in the industry and that is driving prices and margins down.*



Other restorers are moving in the opposite direction getting off programs altogether and focusing on those areas that they are expert in and have become willing to drive the growth of their business through their own sales and marketing efforts.

Still other contractors are attempting a blend of the two, seeing the value in program business as long as it doesn't become more than about 25% of their overall revenue. This would allow them to take the hit should they lose that work and not be in a catastrophic situation.

It is arguable that every type of restorer needs to understand what a sales organization is and how to create one regardless of the type of work they are focusing on. While this article will focus on the business development efforts of the company, creating a sales organization also supports closing more of the leads the company is getting by production staff in the field as well.

Another way of thinking about a sales organization is to think about the concept of a sales culture. This can be a fundamental and profound shift for most restorers who tend to see the business largely from an operational and technical standpoint.

But the reality is that most restoration businesses will be better served if they were able to think of themselves as marketing and sales organizations whose product or service happens to be restoration.

A sales culture is one that is focused on the sales goals of the company and recognizes a number of important issues that must be successfully embraced. The first of these is that everyone is in sales and everyone has a shared responsibility for sales.

Some team members have a more direct role and others are in a supporting role but all team members must understand that their activities with team mates, customers and the industry at large have an impact on whether the company makes the sale.

This includes whether the company obtains an inspection, whether it closes the recon and/or contents job, whether the referral source ever refers again and so on. Believe me, everyone in your company impacts these issues whether they know it or not! Far better to embrace this reality and work hard to put in place the systems and processes that acknowledge and facilitate this reality for your own best interest!

The next step in building a sales organization is to think about this question: What would you tell a brand new BDR on day one of their employment with you when they asked you for the step-by-step process they need to follow to be successful in sales at your company?

You need to start with the cornerstone of a sales organization, which is the value proposition. Simply put this is what makes your company different and better than the competition and provides compelling reasons for people to do business with your company rather than the hundreds of competitors that are also calling on them.

There are broad strategic elements to your value proposition that speak to the fundamental aspect of who you are as a company and there are tactical components that generally speak to the specific business pains or challenges facing the people that you want to refer or do business with you.

The place where many would be sales organizations run off the rails is a misunderstanding about the strategic and tactical deliverables of your value proposition. In other words, your value proposition will tell referral sources what is different and better about you. By definition, this will not be same old tired attributes like 24/7 emergency service and IICRC certification.

So whatever your value proposition is you must deliver on those promises organizationally. If you fail to do that your business development team is essentially lying to their prospects and clients. Not only will clients completely lose trust in your reps and your company when they realize that you didn't mean what you said but your reps will become completely demotivated, leading to mediocre effort on their part or looking for a "real" sales job where the company is serious about business development.

The next element of a sales organization is sales process. These are the step-by-step activities that your business development reps engage in to move a prospect through your pipeline.

The idea of a sales pipeline is not common in restoration because we are building referral relationships and not selling anything. But if there is no pipeline concept how do you know where a salesperson is in terms of developing their territory and book of business? How do they know where they are?

The answer to this challenge is to require a decision or commitment on the part of your referral partners to respond to and engage with your value proposition. Think of this as a "deal" and this is what your BDRs will attempt to close.

Your sales process therefore, includes the steps you take as you are prospecting for new partners, the "deals" you make and then the value added and value in advance activities that you engage in to develop the relationships of trust that lead to long term referrals and business engagement.



This not only includes the specific steps in your sales process but how to do them. For example, if you require your people to set appointments by phone they should know exactly how to do that. Who do they call? What do they say? How do they get past the Gatekeeper? What issues does this vertical have? How do we address and solve those issues? What do they do when they are blocked? What does the competition say about us? What do we say about the competition? And so on!

The next element of the sales organization that is so often missing in a restoration business—and it is absolutely mandatory for managing salespeople and for running a true sales focused business—is data tracking and reporting.

Ultimately, BDRs will be accountable for revenue. But in our industry, revenue lags sales activity. We aren't selling a product that we can close on the spot. In many ways we are closing a mutually beneficial relationship that takes time to bear fruit. (And sometimes those relationships never bear fruit!)

This means that we have to track activities and transition rates (critical ratios) from one stage in the pipeline to the next as well as both close collected and pipeline revenue. This is so important that I want to expound on this further.

Your sales process indicates specific activities that your BDRs need to engage in. These activities result in a transi-

tion from one stage in the pipeline to the next. A simple example would be prospecting by making phone calls. The transition from the “initial phone call” in your sales process/pipeline would be getting an “At the Desk” meeting. Now, there may be interim steps such as actually speaking with the decision maker which might require additional prospecting activities, but the goal of all prospecting activities should be to find pain that gets you the “At the Desk” meeting.

So, the transition you want to track is how many phone calls does it take to get an “At the Desk” meeting? Once you have a baseline (with BDA clients that baseline is typically 5%) you can now measure a rep’s performance. As you add other key transitions such as “At the Desk” meetings to deals and then you can “back in” to a rep’s required activities each month to achieve a certain goal (typically number of deals).

Now, because revenue lags activity we have to track revenue in a somewhat disconnected way from activity. The two most important revenue numbers to track are “closed collected” revenue (which is self-explanatory) and pipeline revenue, which requires some explanation.

Every restorer has different ways of tracking work in progress or what we think of from a sales perspective as “pipeline”. Different enterprise software looks at these numbers in different ways but here is the definition of pipeline revenue that you need to figure out how to track: Pipeline is every job that is signed but is not closed collected. Do not track “pending sales” because close rates vary too wildly. But you will be looking at jobs that are signed but not started, work in progress, completed without paperwork, jobs in accounts receivable and so on.

This pipeline number is crucial because it is a far better number than closed collected to predict what the BDR’s annual sales will be. The BDA rough formula is pipeline x2 is a reasonably accurate estimate of a rep’s annual sales.

It is not a perfect number but it is close enough for management and as the year progresses you can refine those projections more accurately. Imagine how difficult it would be to have a sales goal and have no idea how close or how far you were away from hitting it!

These foundational concepts are critical for any business trying to transform their business into a sales organization. In the next article in our series we will examine the most common “sales prevention” activities restorers engage in unintentionally that “blow up” all their hard work. ♦



*For more information about how BDA can help you drive the growth of your business without relying on programs, weather or good luck, contact us for a free, no obligation conversation concerning your specific business challenges!*

**info@gobda.com | 847-386-6556**