Protean Methods

Tracking the Hunter

The Protean Methods Pipeline Development Process

A White Paper by:
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Abstract: If you are initializing a new sales function within your startup company, .transitioning from the owner/sales rep to a professional sales force or simply opening a new territory you are going to have to hire **Hunters**. In each of the above situations the territories are green-field and will require some investment in time and effort before they begin to pay off by generating revenue. But, in the pre-revenue phase of pipeline development, how will you know if your reps are engaged in the **right activities** to ensure their, and your, success? Even if they are engaged in the right activities how will you know if they are **executing properly**? Finally, if they are doing the right things and doing them in the right way how will you know if they are **doing enough** of them on a daily basis to become successful in the shortest possible timeframe. The ultimate measure of a sales rep is revenue generation. But initially management needs a way of evaluating a rep's efforts to determine if they can be successful in a reasonable timeframe. The Protean Methods Pipeline Development Process gives management the tools to make that determination.

TRACKING THE HUNTER

Introduction

Selling organizations need hunters to penetrate and develop green territories. The goal of the hunter is to bring in the big game and, in the final analysis, that is the ultimate measure of success. But, in the early days, how do you know if the hunter is really performing in a way that will generate the desired results? How do you know if he is doing enough of the right things in the right way to build a pipeline that will generate revenue? In short, how do you track the Hunter?

Over many years I have developed a method that I have used to track my own progress and keep myself honest while starting up a new territory. The method, which I have used since the mid 80's is based strictly on my own personal experience, anecdotal evidence, and admittedly coarse grained measurements. It is experiential and not scientific. However, it has been field tested, by me, and has proven itself time and again to be an effective method of tracking the quantity and quality of my early Pipeline Development Activities (PDA). The advantages of this method are that it is easy to use, adds no reporting burden to the rep's administrative duties, and provides the rep (and management) with immediate feedback on the rep's efforts.

The goal of the Protean Methods Pipeline Development Process (PMPDP) is to build a framework that allows the sales rep and management to know, at a glance, how the rep is performing in the period before the rep begins to generate revenue.[1] The PMPDP will not tell management if the rep can close opportunities only if the rep is on track to open opportunities. It will also let the rep know if he is putting in the right level of effort and making progress through some critical steps toward pipeline development. The PMPDP uses two parameters to measure early pipeline development activities viz. Volume and Progress.

Let me state the problem again so we can decompose it and solve it. The problem is how to know if the hunter is doing enough of the right things in the right way to ensure success. That is:

- The right activities
- The right way
- The right quantity

[1] This paper is focused on how to get a handle on the progress of new reps as they work to fill their pipeline. However, it should be noted that the PMPDP has farther reaching applications. Once the rep starts to build momentum there is a natural tendency for them to take their eye off the ball and begin to focus on the existing sales cycles. The result is that once the current sales cycles have resolved themselves the rep is left with an empty pipeline again. The result is performance spikes and troughs. Continued use of the PMPDP can provide an early warning system to alert management to the development of this trend.

The Right Things, The Right Way

The first step is to define the right things or PDAs the rep should be engaged in. Keep in mind we are not, at this point, talking about how to manage a sales event, a sales call, or a sales cycle. What we are talking about is generating sales events, calls and cycles. All markets are different but in general you have to reach out to suspects, make contact, follow-up, set appointments, make some type of proof statement (demonstration, evaluation, etc.) and close the deal.[2] Also, we are not trying to define each and every PDA that a rep will engage in as he populates the pipeline. We are only going to define those PDAs that we will track to get an understanding of the rep's progress. For the purposes of this illustration, we will define some critical PDAs that we want to track. We call them Transitional Milestones.

Transitional Milestones or TMs are PDAs that help us measure progress toward Pipeline Development. That is to say that, each subsequent step or milestone puts you in a better position than you were in the prior step and strengthens the pipeline. Each step is a progression or transition from the prior step. Further, if the rep is not getting to the next step something is wrong and has to be fixed.

The particular set of PDAs I have chosen as TMs are activities that I noticed I engaged in on a day to day basis to build up a virgin territory. But more importantly they were easily measureable. I also noticed that if I was not doing these things, for whatever reason, I would not generate a strong pipeline. Further, if I was getting stuck at a milestone and not progressing I needed to change something specifically relating to that TM. Thus, I was able to pinpoint where the stumbling blocks were in the process and take corrective action.

The TMs are:

- Dial-ups
- Contacts
- Follow-ups
- Meetings
- Proofs (This could be evaluations, or trials, or samples etc and in some markets may not even exist)

The pipeline development process requires that reps reach out to lots of suspects, engage with them in such a way that they agree to meet, and subsequently engage in a buying process with the rep.

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[2] I didn't forget about Qualify but it isn't an activity it is a "subsystem", a process within the sales process. Since qualification takes place throughout the sales process it is not a milestone. The PMPDP can tell you how many calls a rep should make every day but not how many Qualifications the rep should make. Other sales management tools need to be employed to determine if this sub-process is working properly. Evaluation of Qualification skills is beyond the scope of this paper.

Let's take a minute to better define each of the TMs.

- ***Dial-Ups***: Nothing happens until a sales rep reaches out to a suspect. So, at the outset the rep needs to reach out to lots of suspects and attempt to make contact. Typically this means cold calling by phone. That means that if the rep is not picking up the phone and dialing a lot he will probably not bag any game.
- ***Contact***: But just dialing the phone won't buy the baby new shoes. The rep actually needs to talk to someone. The rep needs to have a conversation with a suspect. Hence, this is a TM and represents progress. If the rep is not able to make this transition from Dial-up to Contact something is wrong and needs to be fixed.[3]
- ***Follow-Up***: What should result from a conversation (Contact) is some type of to-do. If there was any reason to move the process forward with this suspect there is most likely some type of written correspondence that needs to happen as a result of the conversation. If the rep has lots of contacts and no reason to have follow-up correspondence something is wrong and needs to be fixed.
- ***Meetings:*** The result of these prior TMs should be Face-to-Face meetings. The reps have to get out and see the people. They have to build relationships with suspects/prospects if they are going to get to the core issue and truly qualify the opportunity. Again, if this progress is not being made something needs to be fixed.
- ***Proofs*** (Demos, evaluations, etc.): The final step in the pipeline building process is the Proof Statement. When the rep's activities progress to this point the pipeline is filling which is exactly what we are tracking.

These are the five Transitional Milestones in the Protean Methods Pipeline Development Process. The TMs are not the only Pipeline Development Activities the rep will engage in. However, they represent the core set of discrete, observable, and countable activities that are fundamental to filling a pipeline. They also represent progress though the Pipeline Development Process. It is important for management and the rep to be able to evaluate the progression through the Pipeline Development Process, milestone by milestone. If the Right Things (viz. Transitional Milestones) are done the Right Way (progress through the process) suspects will turn into prospects and end up as opportunities in the pipeline. How long it takes to fill the pipeline is a function of ***how many*** right things are done the right way.

The Right Quantity

One value of the TMs is that they are easily measurable. Each TM represents a very discrete, short duration, activity which makes it easy to count the repetitions in a day, week, or month. But, how much of each activity is enough? The answer is clearly;

[3] It is important that one not think that the only fix is changing out sales reps. A failure to transition from one milestone to the next may be caused by any one of a laundry list of possible failures. Analyzing what could possibly be keeping reps from passing TMs is outside the scope of this document.

there is never enough. If sales management could get an infinite amount of these activities we would still want more. Unfortunately we are constrained by physics i.e. there is only so much time in the day. The problem is that in all but a few large and mature organizations there is no hard data to support activity level expectations. Start-ups, clearly, will have no such data. If you really don't know, based on a large quantity of objective; historical data, the percentage of calls that turn into meetings, or the percentage of meetings that turn into demos, or the percentage of demos that turn into evals, or the percentage of evals that turn into sales, my advice is to fight the feeling to pull numbers from where the sun don't shine.

The PMPDP does not focus on an arbitrary or subjective notion of the right activity level but rather it looks at what is possible given the time in a day and adjusts the "possible" to take into account the ware and tare on the rep and develops a "probable" or "most likely" activity level. The PMPDP takes this time-based approach because it simply makes no sense to expect what you can't get. However, it makes lots of sense to expect the "probable".

TIME – A sales rep's only productive resource is time. How he uses his time will be a key determinant of success. Any Pipeline Development Process that is not time based is missing the key structural element in the process and is basically and fundamentally flawed. Therefore, we need to determine the amount of activity the Rep can reasonably accomplish in a day.

The Protean Methods approach starts with the amount of time in a day and the average time it takes to perform each activity we are measuring viz. TMs. In the previous sections we have defined TM activities that we will measure. Now we need to make reasonable estimates of how long it takes to complete each repetition of these activities as well as, expected endurance levels, down time, fatigue level, and maintenance required by the sales rep.

We are going to take the position that the early PDAs can only be done well for a limited time every day. The activities are mind numbing and fatiguing. Given the level of difficulty and mental exertion we simply can not expect reps to engage in this effort continuously for 8, 9, or 10 hours a day? Allow me to rephrase that. You actually can expect it and even demand it but what you can't do is get it. You simply can not defy physics. Reps are people and they need to do natural people things. They need to go to the bathroom, need to have some positive human interaction (cold calling mostly provides negative input), and need to decompress with some office hijinks. To expect them to be able to work like machines is not going to result in a clever, creative, effective rep when they get the chance to engage with a prospect. If we can't expect 8 to 10 hours of heads down cold calling out of a sales rep what should we expect and how much and what type of activity should occur in that time frame?

The first task, and arguably the simplest and most tedious task, is Dial-Ups. How many cold calls can a rep make in a day? Keep in mind that we are not talking about telemarketers who are reading from a script and where the job is more about volume than finesse. Telemarketers are not required nor even encouraged to be creative. The key for them is to stick to the script. Our sales reps have a requirement to be creative when engaging a client or even leaving a voicemail. There is a need to be emotionally invested in every call. The process is complex, emotionally draining, and mentally fatiguing.

A safe bet is that all the down time, the time when the rep is recharging and reenergizing, is 2 hours out of an 8 hour day or 25%. I can just hear you all crabbing about the reps resting and goofing off on your dime. Well, even boxers get a rest between rounds. Indeed, a single round is 3 minutes and at the end of the round there is a 1 minute rest period. That means that the fighter rests for 25% of the fight. If you paid a few hundred dollars for a ticket to a championship fight would you complain that you only got 75% if your money's worth? So, get over it. Besides, you require lots more from your reps than simply dialing-for-dollars. Administrative activities have to be figured into the work day as well. Its physics: You can't put 20 pounds of stuff into a 10 pound bag. The reality is that you are only going to get 6 hours a day when a rep is heads down engaged in the hunt. Six hours multiplied by 60 minutes per hour gives us 360 minutes on the job every day.

Based on my experience I generally allow about 3½ minutes per Dial-Up. Recognize that more than just dialing happens in a Dial-Up. First the rep looks up the number to dial, they dial it, they wait (in most cases) for voice mail to kick in, they leave a message, and they update a contact management system. All this sensibly takes about 3½ minutes. There are (6 X 60) 360 minutes in 6 hours which means that a rep should be able to make about 100 calls per day (100 dial-ups X 3½ min. per dial-up = 350 min. per day).

This 3½ minute unit of time becomes the foundation for activity tracking in the PMPDP. Everything is based on this time unit. Since we use this as the basic unit of measurement we have reduced the time units into a simple point system. That means that in the PMPDP one Dial-Up equals one Point which equals one 3½ minute time unit. It also means that if the rep makes 100 calls per day he will get 100 PMPDP Points per day. Since we showed previously that a rep should be able to do 100 calls over 6 hours and 6 hours is really what we should expect, then it is perfectly reasonable to set a goal of 100 points per day.

But the rep will engage in other TM activities and we need to assign a point value to each of those as well. Again, the point value we assign is based on how long the activity is expected to take and the basic unit of time is 3½ minutes or one Dial-Up which equals one point.

We have set the goal of 100 points per day which translates into 100 Dial-Ups. However, if the reps actually make 100 calls per day, day after day, they are wasting their time and yours. Nobody makes any money by dialing the phone. What is important is that the reps make contact with a prospect. Making "Contact" is a TM. We really want to see that the rep can make the transition from just dialing the phone to actually talking to someone. It stands to reason that if they actually talk to someone it's going to take time. The time on the phone, in conversation, can not be used to dial the phone again or anything else for that matter. Therefore we have to acknowledge that as the numbers of Contacts goes up, numbers of Dial-Ups will go down. But this is a good thing. It shows progress toward a possible sales cycle. So if we are going to build a sensible, time based program we need to allocate some time to the "Contact" TM. For argument's sake we will assume that an initial conversation takes 7 minutes. Naturally, you can assume anything that makes sense in your business. I have always used this number in my plans because I think it represents a reasonable long run average. If the rep dials a number (1 point) and gets someone on the phone (+2 points) they get 3 PMPDP points for the call.

In many markets, and especially those that I have been involved in, the objective of the call is to do some minor qualification that transitions the *suspect* to a *prospect* (not a fully qualified prospect) and then close for a face-to-face meeting. However, between the "Contact" and the "Meeting" there will most likely be a requirement to do some follow-up, in letter form, to either confirm the meeting or to answer some questions prior to the meeting or as a quid pro quo for the meeting. Hence the next TM is "Follow-Up". It may seem odd to call "Follow-Up" emails a TM but it is. If you "Dial-Up" a suspect (get 1 point) and you make "Contact" (get an additional 2 points) but the suspect tells you to get lost, you will not be doing any "Follow-Up". Additionally, if you can't close the meeting on that call but the contact asks questions that require "Follow-Up" then the process is progressing and that means two things: 1) we want to record and track the quantity of this "Follow-Up" activity and 2) we want to acknowledge the time it takes to do it. As with all the TMs "Follow-Up" takes time and if we are to build a rational program we have to account for the time. Typically I allow 3 points (10½ minutes) for follow-up letters. This means that if a rep calls, talks, executes a to-do he gets 6 points total for that encounter. The 6 points translates into 21 minutes. Over the long run I have found this to be reasonably accurate. Any individual encounter can vary considerably from the average but the long run will not.

Before we move on I want to voice a word of caution. This is a one way system. It is intended to be a course grained analysis of the quantity and effectiveness of a rep's pipeline development activities. It is not intended to be used to manage how long a rep talks to a suspect or how long it takes him to dial the phone or produce a letter. We are trying to help the rep and management get a sense of the quantity and quality of a new rep's pre revenue activities. If, over the long run your reps are knocking out 80 points per day and progressing through the TMs you will achieve greater success than 75% of the sales organizations in the market. The system is not so well engineered nor is the world so carefully organized or routine that a manager can look at the raw numbers and determine that a rep is a slow letter writer. The points assigned to each TM are and should be based on a rough feel for how much time a task takes on average. There is real danger in trying to work the process backwards and trying to manage to the times and not the quantities. How much time does it take to have a conversation with a prospect? Who cares? It takes what it takes and you don't want to start worrying about conversations that take longer then the point value. Some conversations will take more time and some less. We are not trying to get people to make 3½ minute calls or write Follow-Up letters in 2 time units we are simply using the times as a gauge to incorporate time into a rational tracking system.

Up to this point we have gone through 3 of the earliest stage TMs viz. “Dial-Up”, “Contact”, and “Follow-Up”. At some point the above activities should result in “Meetings”. This is slightly more complicated to assign a time/point value to. How long it takes to have a meeting has a lot to do with the territory. In Manhattan it is possible to do up to 4 good meetings in a day even if you don’t schedule the meetings according to the shortest travel route. In the Corn Belt this might be more difficult. I usually figure roughly 2 to 2½ hours or 25 to 30 points per meeting. That means that at 30 points per meeting if you have two meetings you still have to make 40 “Dial-Ups” (or equivalent) that day to achieve 100% of the daily PMPDP point goal.

A similar situation exists with “Proofs” (demos and the like). I typically figure that a demo will take half a day when it is all said and done so I assign it 50 points and sometimes as much as 65 points.

The PMPDP sets up some general guidelines to track a reps activities. But a reasonable question is what happens when the reality of a day is much different than the time guidelines? What if we give 50 points for Demos but the Demo takes all day. There are two parts to the answer: First, if the all day demo is a rarity then you just have to live with a bad number for that day. Indeed you really need to think hard about the value of that demo because it cost you so much time and the PMPDP highlighted that for you. Second, if many of the demos, for whatever reason, take a whole day you may want to reconsider the number of points you assign to that TM. Again, the points assigned should reflect some crude measure of reality and we should not be using the points assigned to impose a time limit on TMs. Management’s long run objective across all reps should be to achieve approximately 80% of the total point value. Management should push for 100% but expect 80%.

Reps will necessarily engage in activities other than TMs. Because we only focus on 5 TMs is not an indication that they are the only activities that are important and need to be done. The TMs are in the true sense of the word, Milestones. They mark progress and so they are the activities we track. Other activities, whether they are administrative or actually in support of pipeline development, are not tracked by the PMPDP and no time/points are allotted for these activities. Selling is a complicated process and the rep is required to engage in lots of varying activities to do their job. But, it is the TMs that indicate progress. This is another reason for not expecting that a rep can engage in a full eight hour day of, for example, cold calling The PMPDP stands as a constant reminder of the quantity and quality of the reps efforts directed toward the critical activities (Transitional Milestones) directly related to building a pipeline.

The Activity Sheet

Management's efforts to collect intelligence on the sales process often burdens the rep with unproductive administrivia. All too often these systems are dreamt up by bright boys in marketing or sales support who will never have to sell or complete the paperwork. Because these folks have an unclear understanding of what genuinely indicates progress they try to track every conceivable metric from sales calls per square inch to millimeters of Windsor Knot Dimple. Since I developed this system for myself, so I could see how I was progressing, I kept it simple. The Activity Sheet (for the full PMPDP Activity Sheet see Appendix A) is intended to actually be useful to the rep and not just a conduit of tedious detail for management. The sheet is broken up into two sections. First there are the metrics at the top and bottom of the front page of the form. Second there is the Task List and Activities List on the front and back of the form.

We will look at the metrics first. The way you use this form is to have it out on your desk all day, one form per day. The boxes at the top of the form (see Figure 1) are where the rep captures the number of times he completes a TM.

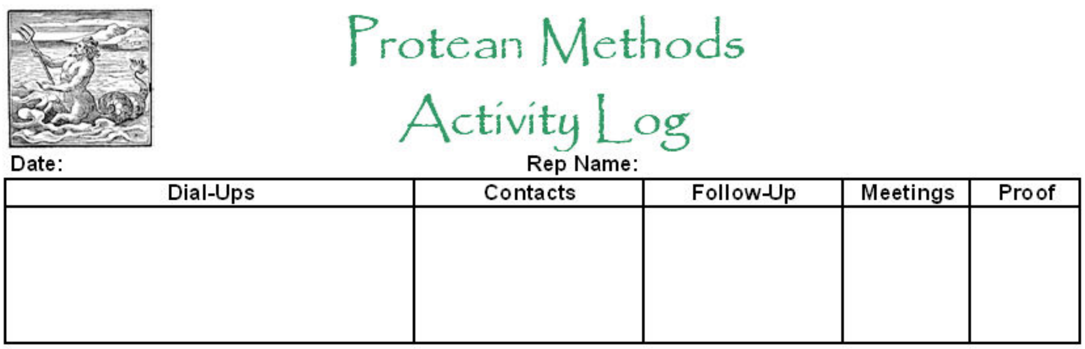

Figure 1: Blank Activity Log

The rep simply adds a tic mark to the appropriate box to indicate quantities of activities (see Figure 2). Dial the phone, make a tic mark. Somebody answers, make a tic mark. Write a letter, make a tic mark. Very simple and takes no time from the day.

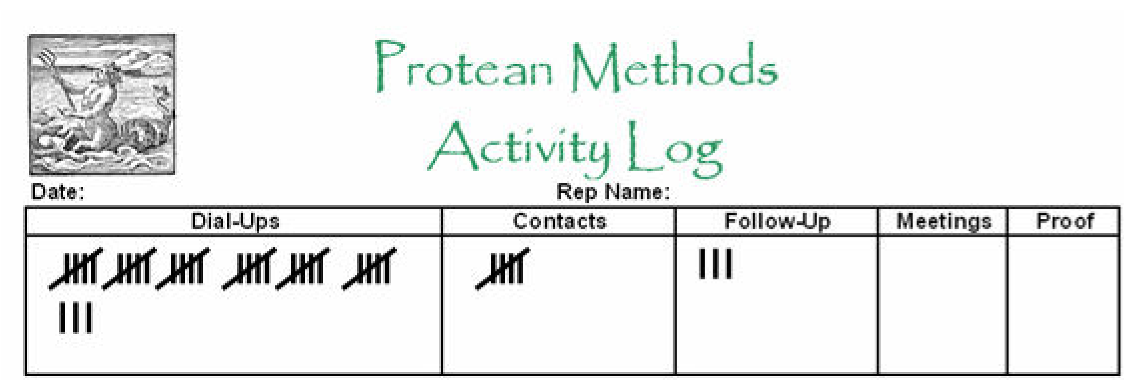

Figure 2: Activity Log after a day's work.

The total points for the day are entered at the bottom of the first page (see Figure 3).

Totals

Dial-Ups	Contacts	Follow-Up	Meetings	Proofs	Total Points
1 Point	2 Points	3 Points	35 Points	65 Points	**100**

Note: 1 Point = 3.5 Minutes

Figure 3: Activity Log Totals Section

At the end of the day the rep counts the tic marks in each box multiplies by the appropriate point value, adds the points to the box at the bottom of the form and sums across to determine the day's total points (see Figure 4).

Totals

Dial-Ups	Contacts	Follow-Up	Meetings	Proofs	Total Points
1 Point	2 Points	3 Points	35 Points	65 Points	**100**
33	10	9			52

Note: 1 Point = 3.5 Minutes

Figure 4: Completed Totals Block

The Task List on the front of the form is a place for the rep to keep a list of the to-dos resulting from cold calling. If the rep has to write a follow-up letter they simply make the note in the Task List. Very often the Task is not as simple as it seems because it is comprised of several Activities. In the case of complex tasks the activities required to complete each task are listed on the back of the form. It helps to note these multiple steps so that the rep does not think they have 10 minutes of work to do and it really turns into 2 hours. You will note that the Tasks on the front page are numbered. The Activities list on the back page is not numbered but has a REF (reference) column which is used to tie Activities back to Tasks.

I think it is important to clear this form each day. That is to say that everything on the task list should be completed that day if possible. Naturally, there are Tasks (compound and simple) that may take longer to complete for whatever reason. These will need to be tracked elsewhere with ticklers etc.

As I said at the outset the system was designed to support the sales rep's efforts to get the green-field territory started and the pipeline developed. There is nothing about this form or process that is any burden at all. The only time this becomes burdensome is if the rep doesn't have the discipline to actually track their work. My experience as a sales manager is that if they don't have the discipline to track their work they probably don't have the discipline to actually do the work. Just an observation.

Out of Scope

Management Review

It is all well and good to have the rep tracking their progress but it is also useful for management to be able to track a rep's progress over time as well as track the progress of the reps as a group, and be able to compare one rep to another and an individual rep to the group as a whole. In its full implementation the PMPDP also supports this requirement. Within the PMPDP there is an indexing algorithm that charts progress metrics and provides management with both numerical and graphical feedback on both a macro and micro basis. A more complete discussion of this aspect of the system is beyond the scope of this document

Fixing the Problems

Again, the purpose of this document is to describe the rational and usage of the basic component of the PMPDP which is the Activity Tracking Sheet. In the course of laying out the rational it was necessary to propose that if a rep does not progress to getting more points from later phase TMs something is wrong. Unfortunately, I have purposely omitted the discussions of what could be wrong at each phase or how to fix it. This is a rather complex topic and well beyond the scope of this document. I will reiterate here that it is dangerous to assume bad sales skills (blame the sales rep) in all cases. To simply assume the rep is ineffective can lead to a Revolving Door by which sales reps enter and leave the company. This is a very expensive process not just from the standpoint of direct costs (salary, fringes, etc) but also from lost opportunities. It is incumbent upon management to conduct a careful Root Cause Analysis that can produce long term solutions.

Fundamental Postulate: Turnover is a management failure – Always!

About Wayne Gillikin: *Mr. Gillikin has held a variety of sales leadership roles throughout his 25 year sales career. During that time he has participated in both emerging and mature markets within the IT sector as well as the Maritime Industry and Homeland Security. Mr. Gillikin can be reached for comment by email at wayne@proteanmethods.com or by phone at 973-633-6837.*

Appendix A

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Activity Log

Date: **Rep Name:**

Dial-Ups	Contacts	Follow-Up	Meetings	Proof

Task List

1		12	
2		13	
3		14	
4		15	
5		16	
6		17	
7		18	
8		19	
9		20	
10		21	
11		22	

Totals

Dial-Ups	Contacts	Follow-Up	Meetings	Proofs	Total Points
1 Point	2 Points	3 Points	35 Points	65 Points	**100**

Note: 1 Point = 3.5 Minutes

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Activity Log: Page 1

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Activities

Ref #	Activity	Ref #	Activity

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