

Sales Presentation Excellence

How three powerful events are converging and are requiring companies to employ a systematic sales presentation process to achieve Sales Presentation Excellence.

Three seemingly disconnected events are converging in the business world that are profoundly impacting the efficacy of sales presentations given today. These events are not fleeting trends but represent significant and long lasting changes in both personal behavior and how business commerce is conducted. This paper details these events and their impact on the traditional sales presentation process. This paper also provides insight into how a sales organization can effectively adapt to this changing landscape, and leverage these events to achieve optimum sales effectiveness through the implementation of a systematic sales presentation process. It is through this systematic process that companies can achieve true Sales Presentation Excellence.

Three Events that Have Changed the Nature of Sales Presentations

1. The Internet and the Way We Process Information

In order to fully understand the effects of the Internet on the traditional sales presentation process, it is important to examine the basics of human information consumption and how it has changed and accelerated in recent times. This new way of processing information is the result of two primary factors. The first is the well-researched and documented nature of human learning referred to as “chunking”. Originally identified by Harvard Professor George Miller in the mid 1950’s, chunking is the neurological process by which individual pieces of information are bound together into a meaningful whole. A chunk is defined as a familiar collec-

tion of more elementary units that have been inter-associated and stored in memory repeatedly and act as a coherent, integrated group when retrieved (Tulving & Craik, 2000). The second factor effecting this changed and accelerated means of information processing is the virtually unlimited amount of information now available through the Internet. This second factor—the rapid access to vast amounts of information—serves as a powerful fuel to the first factor, our inherent human nature to break information into small relevant parts and group them into useful

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chunks. This dramatic convergence has changed the way we process information and more importantly, the way we expect information to be “presented” to us. Studies are showing that individuals who routinely use the Internet to find

information relevant to their specific needs have been self-trained to rapidly filter through vast amounts of content, and ignore any and all items they deem irrelevant.

The ramification of this behavioral shift on the sales presentation process is profound. Many companies are realizing their live face-to-face presentations have lost the impact they once had. Take for example the change in audience attention spans where studies have shown that more than 50% of people surfing the Internet will move on if a web page does not load in 2.8 seconds or less. This decreased attention span coupled with the fact that smart phones have become a staple at every meeting means that any sales presentation that does not show relevant information quickly will find their audiences’ attention has turned to their emails, texts, or other information feeds. Losing their attention means losing the effectiveness of the presentation or possibly losing the meeting entirely. Finally, this new behavior has trained audiences to expect custom tailored content, not generic information, that is focused and specifically relevant to their immediate needs. Failure to deliver truly relevant information also results in almost immediate dismissal of attention.

In summary, the information contained and displayed within a sales presentation must conform to the organization, speed, and flow of this new information processing behavior.

2. Dramatic Growth in the Use of Digital Content and Big Data

Digital Content: In order to capture and retain audience attention companies are expanding their customized and focused content exponentially. Slide presentations, social media, YouTube channels, interactive websites and the like are forcing marketing departments to create massive amounts of content to satiate the needs of these channels. With this wave of content comes the unpleasant but necessary task of organizing and storing the output effectively. Unfortunately, many companies do a very poor job of content management which creates a chaotic environment for the sales people. A study by the CMO Council found that as much as 40% of a typical sales person's time can be spent creating presentations and customizing prospect messaging. Further, RO Innovation CEO and Sales Enablement Expert Jim Mooney cites having to hunt for the latest and most up-to-date versions of marketing materials as a top three distraction for sales people.

Assuming if only 20% of your sales person's time is spent searching for content or developing his or her own presentations, the following equation can be used to estimate the hidden cost to your company:

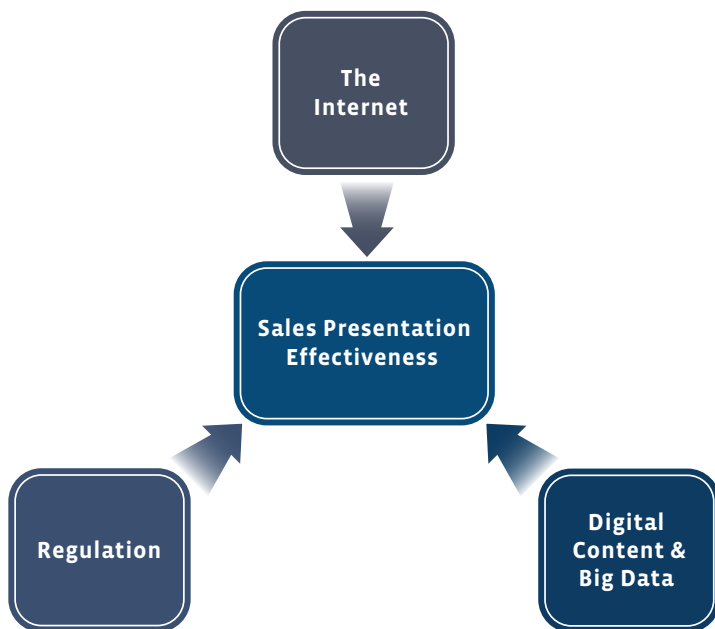
$$\text{(No. of Sales People)} \times \text{(Annual Cost of Sales)} \times 20\% = \text{Cost of Searching}$$

An organization with 10 sales people, at an average cost of \$125,000 per year, are losing \$250,000 per year just developing presentations and content alone. This does not take into consideration lost opportunity costs due to the wasted selling time. Sales people want, and need, immediate access to content that will help them perform their jobs of selling more. But with the prolific growth in both the quantity and complexity of digital sales content, sales teams are often left managing content by themselves. Every company agrees that organizing their digital assets is a good thing, but few, if any, truly implement any form of Digital Asset Management (DAM). There are good reasons not to tackle this difficult issue. The complexity of most applications, the time required to implement and finally the cost can be prohibitive. And the task is formidable. According to Google CEO Eric Schmidt, every two days we create as much information as we did from the dawn of civilization up until 2013. By 2020 there will be 5,200 GB of data for every person on earth (Digital Universe Study, 2012).

Implementing a structured system of digital content management that conforms to an organizations sales process is critical to maximizing sales personnel effectiveness. This also enables sales people to utilize the full spectrum of their digital content library.

Big Data: The volume of data being generated by human activity is staggering. Estimates are that over 2.5 quintillion bytes of data are created annually and that 90% of the world's data today has been created in the last 2 years alone. Estimates are that by 2018 over 50,000 GB of data will be created every second. "Big Data" as it is called, is the collection of complex and large data sets allowing for qualitative and quantitative insights into almost every activity today. Peter Drucker's old adage "You can't manage what you don't measure" has even more significance today than ever and explains why the recent explosion of digital data is so important. Simply put, managers can now measure and know radically more about their businesses which translates into better decision making and performance. A study conducted by McKinsey, Harvard and the MIT Center for Digital Business produced an extensive analysis of data utilization and corporate performance of 330 public North American companies and concluded that data-driven companies overall out-

performed their non-data driven peers in terms of profitability, operational efficiency and stock market valuations. While these performance results have led to significant growth in the use of big data, or Business Intelligence Applications (BI), in order to understand complex macro problems, few direct this powerful tool back at themselves and even fewer apply this solution to the sales presentation process. Rare is the company that does a postmortem on every presentation made by their sales personnel to insure they are using the most effective content in the most effective presentation format. Usually this process is



ad-hoc and is mostly done following a large successful sale. It should be noted that while it is important to uncover the successful presentation factors, it is equally important to uncover what is not working and eliminate the use of that content or presentation. The process of systematically identifying, capturing and analyzing vast presentation related data points is an essential part of optimizing every sales presentation a company makes. The use of business intelligence focused specifically on sales content and presentation performance will enable any sales organization to easily identify the key factors of both performance and non-performance.

3. Continued Increases in Regulatory Burdens

There is virtually no industry or business that is immune from the ever increasing effects of federal, state, local and agency regulation. Recent studies conducted by both the Small Business Administration and the National Association of Manufacturers place the annual cost of regulation borne by US business at \$1.88 trillion,

or a staggering \$9,991 per employee. This represents approximately 11% of US GDP, and if measured in terms of the world's largest economies, the cost of regulation would be the 9th largest economy in the world (World Bank GDP Data report). Further, it should be noted that the SBA and NAM studies accounted for the cost of complying with the

various regulation and not the fines, penalties, and liabilities of non-compliance.

While it is clear that much of these regulatory matters fall outside of the traditional sales presentation spectrum, a number of industries have significant regulatory costs associated directly with the client sales presentation process. Consider, for example, the financial services industry which is subject to multiple regulatory agencies and Federal acts including FINRA, SEC, DOL, Dodd Frank, Sarbanes Oxley, and all 50 individual State Securities Commissions and Departments of Insurance. These agencies impose a high degree of regulation on the communications by sales personnel with clients and prospective clients and impose significant fines and penalties for non-compliance. One recent example that underscores the ramification of such regulation was the sanctions

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imposed on MetLife Securities for misrepresentations made in conjunction with certain annuity sales practices. In this case, while the firm was ordered to repay \$5 million to certain customers, it was also fined \$20 million in penalties. This type of enforcement action has become an almost routine occurrence affecting virtually every company within this industry sector.

Even seemingly benign industries such as the retail energy sector are not immune from the effects of sales related regulations as noted by the recent record \$6.9 million fine imposed by the Pennsylvania Office of Consumer Advocate on a local energy supplier for sales misrepresentations. Specifically, the Office of the Consumer Advocate simply objected to how the supplier's use of the phrase "introductory rate" or "trial period" was utilized.

These and countless other examples are not only setting precedents for future actions but are necessitating sales organizations to better understand the implications of an errant sales presentation and to assess the true potential cost of a "non-compliant sales presentation" as that may be defined by a specific industry or business. In accessing the true potential cost, an organization should consider the following four components:

- 1. Cost of the lost sale revenue or long term client revenues**
- 2. Cost of potential client litigation or settlement**
- 3. Cost of any potential regulatory fines and penalties**
- 4. Cost of future lost sales or existing clients due to reputational implications**

The impact of these costs can be significant in terms of financial penalties and lost revenues. It should be clear that using approved, compliant presentation content will mitigate these potential costs. It is also clear that the regulatory environment is continuing to impose greater restrictions and implications on how an organization markets and sells its products. Companies of all sizes and in all industries face the challenge of maximizing their sales effectiveness while minimizing the exposures and costs associated with an errant sales process. The sales process, therefore, should be thoroughly and systematically vetted in such areas as content, controls, documentation, disclosure and record keeping.

Convergence

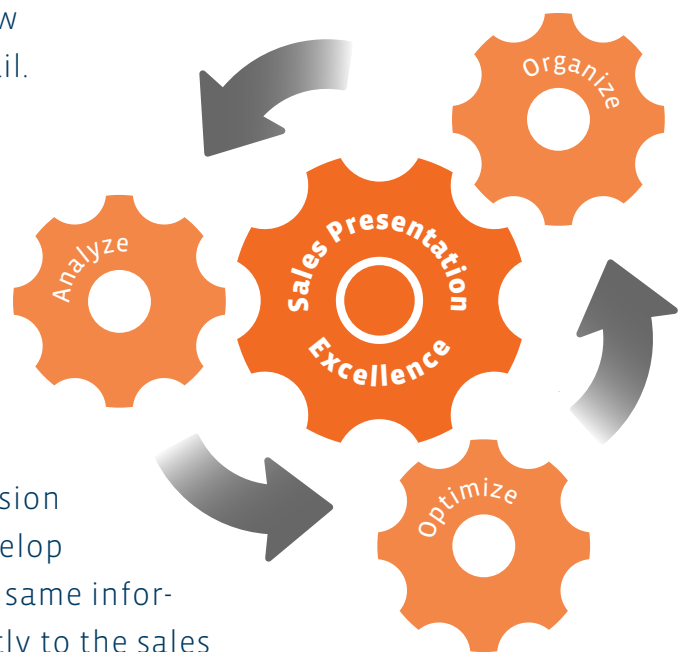
Viewed independently, these three areas do not seem to be influential over the sales presentation process, but in fact are, and increasingly so. Companies that do not recognize and understand this convergence and do not react to it will continue making presentations that are less effective and will lose business to companies that embrace the realities of this new environment. Companies that implement a Sales Presentation Excellence process will increase their sales productivity faster than companies that don't.

So how can a company place themselves on the track to achieving Sales Presentation Excellence?

The Three Pillars of Sales Presentation Excellence

Borrowing from the military insights of noted US Colonel John Boyd, the decision cycle of observe, orient, decide, and act (the OODA loop) was critical in battle planning and victory. Boyd argued that success often resulted from the way decisions are made; the side that reacts to situations quicker and processes new information more accurately will prevail. This decision process is therefore a loop or cycle, or more accurately a continuing series of cycles whereby information is gathered, analyzed, and an optimized action taken.

Many successful companies such as Apple and Google have adopted this ongoing cycle of consumer driven data collection, analysis and optimized decision making to rapidly and consistently develop industry changing products. This exact same information cycle or loop also applies directly to the sales presentation process. There are three specific activities within this cycle that a company needs to employ to attain Sales Presentation Excellence. These are 1.) Organize, 2.) Analyze, and 3.) Optimize.



Organize

The first step in achieving Sales Presentation Excellence is to organize all sales presentation content and manage it completely. This can be accomplished in a variety of ways from using a structured folder system in a local company network to using a commercial cloud based storage service such as Dropbox. A company can also employ a Digital Asset Management system (DAMs) to assist in the organization. No matter which system is used, it is essential to insure that

“This system of organization and control virtually eliminates the time wasted by sales personnel . . . ”

each sales person has immediate access to the most useful, accurate and effective content. Keeping the content consistent and globally accurate requires tight supervision over what is created and stored in the organizing system. Only per-

mitted sources of content should be included in the library and all unapproved or unauthorized content should be banned. This system of organization and control virtually eliminates the time wasted by sales personnel searching for or creating their own content. Lastly, a well-organized content management protocol allows for greater control of how presentations are assembled and distributed. Without this oversight, the next step is not possible.

Analyze

To achieve Sales Presentation Excellence, attention must be paid to the results of every presentation given. The use of business intelligence applications for capturing a wide range of internal presentation effectiveness metrics is essential. With these metrics, it is then possible to understand exactly what factors are contributing to the effectiveness and replicating them, as well as what factors are contributing negatively, and eliminating them. Although many of these presentation metrics are complex, some are surprisingly simple such as capturing and measuring the intended outcome of a presentation with the actual result. As intended outcomes can range from identifying a specific buying opportunity to closing a sale, this outcome analysis gives invaluable insight into both a salespersons abilities and expectations, but also into the value of the content relative to its specific intended outcome. It is the analysis of these and other presentation metrics that allows for the next step to be possible.

Optimize

With the Analysis step completed, a company can begin to optimize the presentation process. A company can now very accurately assess which presentations, including which components of the presentation, are working in specific situations and which are not. Additional metrics also provide insight into who is giving effective presentations and who is not. Specific elements of content can also be measured for effectiveness and optimized within other presentations. A/B testing can be used to ensure that the most effective content is being used in the most efficient way. Best practices can be developed and used as a baseline for any subsequent sales presentation. As ongoing presentations are made and analyzed throughout an organization, the process of optimization is accelerated.

Conclusion and Implementation

It may come as no surprise that the solution to addressing the three convergent events and achieving Sales Presentation Excellence will come from the use of technology. This only seems fitting given that the events are almost entirely the result of technology. Fortunately, technology exists today that can be utilized to effectively organize, analyze, and optimize the content delivery process. Further, given the relatively low implementation costs of these technologies in light of the potential revenue increases and reduced marketing costs, the ROI prospect of implementing a solution is extremely compelling.

There are several paths a company can follow in implementing a solution. Each of the three areas or pillars, as noted above, can be implemented independently of each other through separate applications. However, the highest value is realized by complete integration of all three. Finding a single application that can provide all steps and processes will reduce the time and costs of implementation and allow for greater efficiencies.

About PPT LLC: *Predictive Presentation Technologies LLC is a technology company and thought leader in the areas of sales presentation technologies, digital sales content management, sales presentation strategies, and sales performance analytics. For more information visit our website at www.predictiveprestech.com or contact national sales at 888-733-9835.*