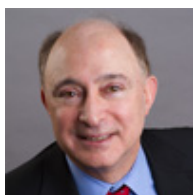




## Looking Forward—To Better Strategy-Sales Coordination



Business decisions are about tomorrow, not yesterday. A key to looking forward in most firms is the annual strategy meeting, where linking sales efforts with strategy is vital for implementation and profitable growth. But there is often a big disconnect between the relevant groups.

**S**trategy Priests. I once attended a presentation by a corporate executive about a proposed cross-selling strategy. At one point, one of the veteran Line-of-Business heads sitting next to me whispered in my ear: “This guy is one of our strategy priests: he operates where the rubber meets the sky.” It was not a compliment about ‘thinking outside the box’ and the proposal went nowhere.

In my career, I have been part of many strategy meetings, and few articulate the implications of the

strategy for customer-contact behaviors in the field. Moreover, the process for introducing and reviewing these plans often exacerbates the problem. The typical process is a kick-off sales meeting followed by a string of emails from headquarters with periodic reports back to headquarters on sales results. Each communication is mainly one way and there is too little of it. One result is that the root causes of underperformance are often hidden from both groups.

According to surveys, less than half of employees say they understand their firm's strategy, and the percentage decreases in responses from customer-facing employees in sales and service. One result is that, every few years, someone publishes a study which finds that relatively few strategies carry through to successful execution, and that most companies deliver only a fraction of the financial performance that their strategies and sales forecasts promise.

Given this situation, you can see why a simple statement—"I'm from Corporate and I'm here to help you"—is one of the oldest jokes in most firms. Many field managers relate to corporate strategy pronouncements as a nice chart, a presentation, a vision that has little to say about how Sales should allocate money, time, and people. Someone once defined a critic as a person who knows the way but can't drive the car. Many top managers, removed from the realities of customer contact, are unaware of the strategic choices and resource allocations that daily sales activities represent. Yet, understanding those activities deserves at least as much effort as strategy formulation.

**Sales Sinners.** If the strategic shepherds often issue pronouncements severed from realities in the field, then admittedly many in Sales are a wayward flock focused on the ground immediately in front of them. This tendency to focus on tactics, while failing to think or act strategically, is not unique to Sales, but is exacerbated there for a few reasons.

Sales management involves decisions in market time, not company time. Life inside any sales organization is filled with deadlines, calls, periodic crises, and short-term performance metrics. As a sales manager once said to me, "In this job, if you don't survive the short term, you don't need to worry about the long term." Another reason is the gap between planning processes and the requirements of sales decision making. Most companies treat strategic planning as a periodic event, typically once per year as part of the annual budgeting process.

Companies tend to do plans by business unit, irrespective of the firm's go-to-market approach, which often spans product lines and P&L units.

Strategy is not the same thing as a financial plan or capital budget. "The numbers" in financial models should express plans and their resource-allocation implications in quantitative terms. If not, they're basically important-sounding decoration on a pitch—something good venture capitalists recognize when they evaluate entrepreneurs' business plans. Also, according to research, corporate planning processes now often take 4-6 months from developing a plan to review and approval by the C-Suite. While this is going on, the market is doing what the market will do. Customers have no responsibility or interest in accommodating your planning process, and Sales must respond account by account. In other words, even if the output of planning is a great strategy (a big If), the process itself often makes it irrelevant to sales executives, who must make decisions throughout the year in accord with external buying rhythms and selling cycles at multiple accounts.

Strategy priests and sales sinners: my terminology may be fanciful, but the gap is real and costly. Virtually every discussion of effective organizations stresses the importance of alignment. This is especially true when it comes to linking strategic intent and sales action: strategic direction is essential for sales effectiveness, and sales knowledge of diverse buying behaviors is essential for ongoing strategic relevance. But the current situation between Strategy and Sales at many companies brings to mind Gandhi's quip when asked his opinion about western civilization: "I think it would be a good idea." ■

**Frank Cespedes teaches at Harvard Business School and is the author of *Aligning Strategy and Sales* and *Sales Management That Works* (both published by Harvard Business Review Press). Find out more [here](#)**