BLUEPRINT

Metric-Based Leadership

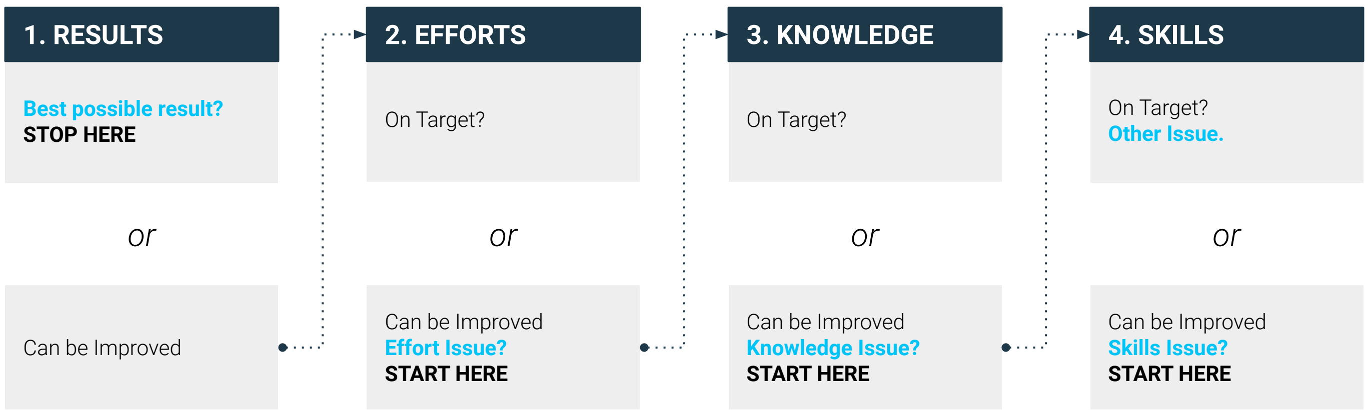


Figure 1. REKS

One of the foundational elements of being a leader is having the data to back up the goals you set for your team. Good managers understand what the data is telling them. Great managers know how to influence that data. It's one thing to know the numbers—it's another thing to know how to improve them.

The better you understand the math behind metrics and revenue, the more you can leverage that data to hit your targets. Utilizing metrics will help your reps visualize how these numbers work together, aid in coaching conversations, and help you avoid micromanaging.

How to Manage with Metrics

Lots of managers say they need “more meetings” or “more revenue,” but there’s no real target there. “More” is not a number. You must speak in terms of metrics. To do that, you have to understand the “why” and “how” behind the results you’re seeking.

Remember, you can’t change results—you can only change what is causing them. Results will not change if a metric doesn’t change first. To understand how your team can improve their metrics to drive the results you want, use the REKS framework:

- **Results** → Identify the **results** you want your team to achieve—increased revenue, increased qualified pipeline, increased adoption, etc.
- **Efforts** → Look at the **efforts** within your reps’ control that lead to those results—more calls, better quality proposals, more touches with customers, co-creating a mutual action plan, etc.
- **Knowledge** → Review the things your reps need to **know** in order to improve that result. These are things you can teach them—the appropriate number of touches or calls, what a good proposal looks like, what a good mutual action plan looks like, etc.
- **Skills** → Make sure you’re coaching the **skills** reps need to accomplish those efforts—how to connect with executive stakeholders, how to have great qualification conversations, how to run a session on product adoption with a customer, etc.

Sales is a numbers game, but those numbers are driven by skill. You can't manage or improve results, but you can manage and improve metrics. To improve a metric, you must first identify it, and then you can improve the behavior, process, or skills behind it.

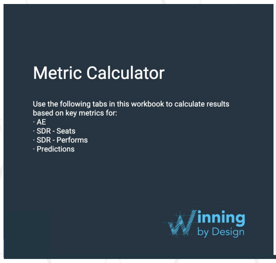
How to Use Metrics to Drive Rep Productivity

Identify the right metric to improve

- **Pick one metric per rep to focus on.** Your job as a manager is to make your people better. What is that number one metric per individual rep that, if improved, will get them closer to your desired goal or result? Be patient. Change one at a time. To help you decide, consider:
  - For each rep, which metric is furthest from “good”?
  - What can be done the fastest?
  - Where can you make the biggest potential percentage increase? (For example, going from 2% to 4% is a 100% increase whereas going from 25% to 30% is only a 20% increase)

- **Avoid striving for “average.”** When reviewing your number one metrics, make sure that averages are not the only thing you're looking at. Don’t apply averages to the team. Make it your goal to bring the average up! To do that, study the greatness you see within your team:
  - Who is far and beyond in a certain metric?
  - How do they work? What do they target?
  - Study all of the positive outliers you find

- **Look out for any potential 2X levers.** If your org is closing deals at a rate of 25%, you probably can’t get that up to 50%. But maybe you *could* double the number of contacts added per month. Identify which metrics you can change that will cause the biggest impact, and then test your assumptions.



To help you and your reps understand how these metrics work together and make it more visual for your team, use the Metrics Calculator.

Use data to set clear goals and avoid micromanaging

As the manager, play around with the Metrics Calculator yourself first to determine which metrics make the most impact on the results you're trying to drive. This will help you know whether you're focusing on the right metric and prioritize what's most important.

Using the Metrics Calculator, enter the key metrics you're trying to improve or adjust—like revenue or close rate—and it will display what it takes to achieve that outcome—like the number of deals you need to close or dials you need to make. There are metrics for AEs as well as SDRs.

- **Having the data to back up your conversations with reps will eliminate unrealistic goal-setting and help you avoid micromanaging.** Conversations with reps shouldn't be about results—they should be about the metrics behind them. Discuss "what" you want and the "how" is up to them.

  Example: If your rep needs to call 30 people per week to get their 10 opps per month because metrics show they have a 10% conversion rate, then they need to block off three hours each week to make those calls. Let them decide how and when to make that happen.

- **Data will set up the coaching conversations for you.** Generally, the number that reps care about most is revenue. Showing them the metrics behind revenue helps them understand which levers they can pull to get there. It makes the numbers real for them. Even better if you can use their personal "why" to explain it.

  Example: You can use the data to say, "*See, John, if we can get your close rate up to 35%, you only need to run 52 demos across the quarter to hit your quota.*" Or "*Based on 50 calls per day, if we can bring your close rate up from 20% to 30%, look what happens to your revenue. This is how you'll get the money you need to buy that new car.*"

- **Use metrics to motivate your reps.** Show each team member how they can do better based on their unique talents and skills. You won't feel like you're micromanaging because you're using numbers specific to each individual, and they can visualize the efforts required to achieve those results.

Use REKS to create a coaching game plan to improve that metric

Determine the result you want, the efforts within the rep's control that will drive it, the knowledge it takes to exercise those efforts, and the skills they need to get it done. Those are the makings of a powerful coaching conversation that drives productivity.

If you improve the metric, you improve the result. That is the key.

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