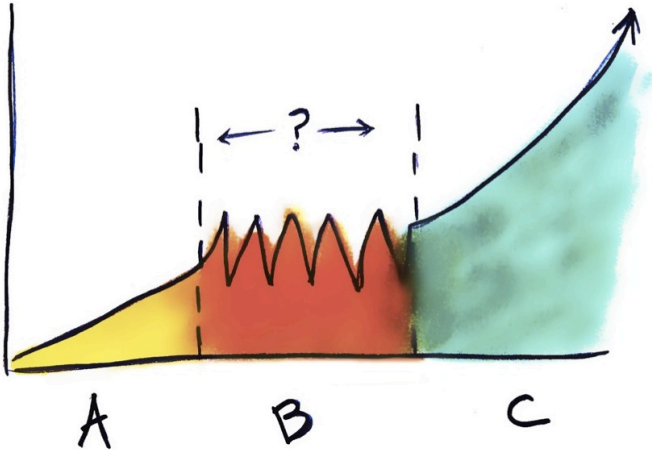


*Enjoy Your
Free Sample Of:*

PREDICTABLE REVENUE

Turn Your Business Into A Sales Machine With
The \$100 Million Best Practices Of Salesforce.com



AARON ROSS & MARYLOU TYLER

*"Alexander Graham Bell discovered the telephone, Thomas Edison discovered electricity
and Aaron Ross discovered the Enterprise Market for Salesforce.com."*

SHELLY DAVENPORT - VP Worldwide Sales at Replicon & ex-VP Corporate Sales at Salesforce.com

www.PredictableRevenue.com/book

How To Design Self-Managing Teams And Processes

Ready to start shifting your teams toward more self-management?

Let's assume you have gone through at least the "Vision" portion of V2MOM or your own planning process, and your team has created a vision that includes a full or partial method of turning your employees into mini-CEOs with more self-managing systems.

The employees buy in because they want more control over their work, and they desire to become self-managing – even to the level of the janitor picking his own hours to come in and clean.

I recommend doing the following process with a single team first – such as a sales team – to find out what works for your culture, before moving on to other teams. Patiently and persistently keep at the goal of shifting the culture and team toward the common vision. Be prepared for it to take longer than you think, because you are dealing with changing habits – and habits don't like to change. Start by asking these two questions:

1. How would the team operate if the manager disappeared tomorrow?
2. What would have to happen for the team not to just continue operating at its current level, but actually to improve its results?

For example, here are some common key responsibilities of a VP Sales:

- Goal setting and achievement
- Personal involvement in big deals
- Culture
- Compensation – designing, calculating, reporting
- Talent – structuring roles, hiring, firing
- Coaching
- Analysis and reporting
- Budgeting / expenditures
- Process design and improvement

Take your list, starting at the top, and brainstorm your way down, point by point. For example, how would "Goal Setting and Achievement" work if the VP Sales disappeared tomorrow and wasn't replaced?

If you get stuck or feel like you want to cheat and pretend only one person can be the owner of that point, remember what Charles de Gaulle said: “The graveyards are full of indispensable men.”

As you finish going through the list, a vision will shape as to how the team can self-manage itself. Don’t try to implement every point on your list at once. Select a few (two or three) of the points that are the most important and easiest to implement, before moving on to the other points. Build some momentum with initial successes.

What’s In It For The VP Sales (Or Any Manager)?

If you start giving away all the responsibilities and power of a manager, won’t they feel threatened that you won’t need them? No!

The more a sales team can manage itself, the more the VP Sales can focus on developing the “important, not urgent” aspects of the team, such as talent, culture and vision, rather than fighting fires or spending time on daily, “unimportant but urgent” tasks.

Even better, by freeing up their own time and energy, the VP Sales (and other executives) can take on more of your (the CEO’s) responsibilities, and this allows you freedom and energy for even bigger things yourself!

See how this works? You get what you give. Create more freedom and upside for your people, and you’ll get it in turn.

When Distributing Responsibilities, Begin With Elimination

As you work through your list of responsibilities and tasks, it’s a perfect opportunity to use the 80/20 rule to clear out non-essential tasks. Rather than distributing 100% of the work of the manager, divide the work into two parts: 1) the 20% that is the most important to keep within the team or company, and 2) the 80% that can be eliminated, automated, or outsourced.

You can do this with two columns on a whiteboard: “Important 20%” and “Other 80%.” In the 80% column, how can you first eliminate as much as possible?

Work through the responsibilities this way:

1. What can you Eliminate?
2. What can be Automated?
3. What can you Outsource?
4. Finally, Delegate or Distribute what is left.

For functions that can't be eliminated, how can you use the core CEOFlow values of Transparency and Trust to eliminate 80% of the reporting, monitoring, checking and auditing? (You can see more examples in my book *CEOFlow: How to Turn Your Employees Into Mini-CEO's* in the chapter on "The Power Of Transparency.")

For example, rather than having a process to pre-approve expenditures, try eliminating the approval process entirely, and transparently publish everyone's expense reports or team expenditures against budgets.

In that kind of expenditures system, create a process in which individuals must seek advice from others before spending money. It could be a process in which a peer, not a manager, must approve the expenditure. Peer review and transparency are a much more powerful and productive combination than administrative rules and regulations.

Then after eliminating and reducing as much as possible, go through and map out what you can automate or outsource, in ways that will both free your time and improve results.

After you've created plans for eliminating, automating, and outsourcing as much as possible, move on to delegating.

Distributing Management Through Sub-Teams And Team Leads

I will use a couple of terms here: (1) "Team Lead" and (2) "[Specific Function]" Lead, like "Training Program Lead."

When a group grows past 8-10 people, it is easy to begin losing that intimate, small team feel. People start feeling lost in a crowd – or worse, that they can hide.

When my sales team grew to 15 direct reports, well past my ability to give each person the amount of attention they deserved, I divided the team into three sub-teams of 5 people.

Each sub-team then selected their own “team lead,” like a squad leader, who would best support them in their personal sales success.

These team leads were not managers but salespeople with extra responsibilities, there to ensure their sub-team functioned smoothly. They were my mini-CEOs that took over my daily and (to me) lower-value tasks like compensation reports (which were high-value to them, because they were learning and developing). While I often didn’t have people on my team for more than 8 months (because we were growing so fast, and I kept promoting people), I would recommend you make team lead roles rotating positions, say every three-to-six months, so different people can develop and practice leadership skills.

Creating Sub-Teams Without Single Team Leads

Another way to create self-managing teams – rather than having any sort of team leads at all – is to spread responsibilities across the team by creating functional leads: “Goals Setting Lead,” “New Hires Lead,” “Education Lead,” “Coaching System Lead,” “Recruiting Lead,” etc. You can rotate these roles every few months. Part of the responsibilities of an outgoing Lead is always to train the incoming Lead.

A functional lead doesn’t have to be the one doing all the work. They are only responsible for it getting done, whether or not they do it.

A “Research Lead” could be responsible for managing an outsourced firm that is doing the actual research. A “Sales Hiring Lead” could be responsible for organizing the hiring process and making sure the interviews get done, without actually doing any interviews themselves.

A Team Leads Example

When you have a function that does need internal ownership by someone (like coaching of new hires), select a single person to be responsible for it – no committees. Make them a mini-CEO of that function.

Whether or not that person does the actual work isn’t important. What is important is they are responsible for it getting done – and better than before.

For example, before I created my team leads and sub-teams system, I spent at least half of my time coaching and training new hires. As the team grew,

I wasn't able to give them and the veteran sales reps the time and attention they all deserved. When we moved to a team leads and sub-teams system, my sales team leads assumed 80%+ of the first few weeks of training and coaching for any new hire that entered their own sub-team. Each team lead ensured that the new hire ramped up on time over the first six weeks. I was free to coach the veterans on even more advanced sales skills.

Everybody won: new hires got more training and attention, veterans got more attention from me, and I could spend my own time on higher value work (such as coaching veterans on their career path instead of teaching new hires how to use Salesforce.com).

The team leads didn't do all of the coaching themselves; they were responsible for ensuring a new hire on their sub-team was trained and coached. After that I would then come in and spend more time with them, when they were ready for more advanced one-on-one coaching.

To align their goals with the goals of their sub-team, 20% of a team lead's goals and compensation depended on the whole sub-team's results. This 20% was extra compensation for taking on the responsibility of being a team lead.

The other 80% of a team lead's compensation depended on their individual sales performance.

Some of the other functions that the sub-teams and team leads owned included:

- Quality control of the work produced (we had an audit process to verify sales results and deals before approving them as commissionable).
- Small incentive/marketing budgets for their sub-team.
- Fun activities for their sub-team.
- Interviewing and training of new hires in their sub-team.
- Peer reviews of each other.
- Monthly achievement of sub-team sales goals.

I focused much of my time on coaching the team leads – training the trainers. As part of that, I still walked around and talked and sat with everyone, including new hires. Staying connected to the trenches gave me more insight into how to better help the team leads and improve our systems.

How To Distribute Responsibilities

You need to distribute responsibilities throughout the team (or to outside the team) in ways that don't add a lot of extra work; hence the importance of elimination, automation and outsourcing before delegation.

By distributing responsibilities to the employees touching customers, the ones closest to the action, you can get better quality work and results. They will also learn much more about the business and what it takes to succeed as mini-CEOs.

Here are some examples of distributing some common VP Sales responsibilities:

Goal Setting:

What conditions would have to exist for the team to be able to set and achieve its own goals better than before?

- 80/20 rule: How much of the goals-setting process isn't that important? Do you really need to set and track 15 goals? What are the 20% of the goals that matter the most?
- What if you have a "Goals Setting Lead" on the team to be the point person to manage the process, both within the team and with the CEO?
- Do you need a separate "Quota Beating Lead" to monitor and report on the teams overall progress each month, and flag areas of concern?

Senior Help On Big Deals:

If you have to throw your VP Sales (or yourself) at every big deal, you don't have a scalable sales process, and that one person will always be a bottleneck. In fact, any time a single person is a bottleneck to any process, your growth is capped. What conditions would have to exist for 80% of your current big deals to close without help from the VP Sales or CEO?

- Can you enhance your sales process or product to reduce the need for VP Sales involvement? To make deals easier to win without as much help?
- Which other senior executives can be placed "on call" to step into big deals?

- Could customers who love you contribute some of their time to helping you? (Yes, this can happen, especially if you have a special privileges program for them.)

Sales Reporting And Analysis:

What conditions would have to exist for the team and executives to get all the reports and analysis they need with the click of a button?

- By publishing the sales results in real-time, such as with an application like Salesforce.com, can you eliminate the need for someone to do reporting altogether?
- Be aware of data-addiction: Which reports are nice-to-have versus need-to-have? It is common for executives and board members who ask for reports to forget that many take considerable time and energy to produce, and that time isn't free because it takes people away from the business. Rather than blindly producing reports, ask them their business goal for the report. Maybe they need something other than what they want. Help executives understand the cost of the reports they want, so they can prioritize their requests.
- How can you redesign your reports to be more useful? Reports are often created just because someone wants it without a clear idea of its purpose. Ask, "What decision will this report help you make better? What is the goal of this report?" If a report doesn't help you prioritize your energies or make better decisions, something's wrong with it.

Culture:

A lot of companies like to talk about culture, but then actually do little about it. Often it's little more than another coercion tool foisted on employees to "Get your head in the game" and "Be a part of the team." How much do you do to encourage and develop a positive culture that attracts and supports great people? What conditions would have to exist for the culture to identify and practice its key values? Example:

- If having fun is important to your culture (and it better be!), the team could have a Fun Lead who would be accountable

for the team having fun each week. No, “accountable fun” is not an oxymoron. When people are busy, it’s easy to forget to have fun.

- Again, that person may or may not be the person organizing events, instigating practical jokes, or starting impromptu office karaoke sessions – they only need to make sure it happens regularly.

Never Give Up

Why can it feel hard to develop self-managing people and teams? Assuming you have hired good people (which is frequently not the case), a main cause of failure is giving up too soon. This requires patience and practice.

For some of you, it might take six weeks to make a team self-managing. For others, it could be six years. But if you give up along the way, you for sure will never make it happen. Stay committed to it and never give up!

For more about "turning your employees into mini-CEOs", visit: www.CEOFlow.com.

Engage The Whole Team In Designing Their Compensation

Even though I retained some core responsibilities – comp plan design, V2MOM/vision planning, annual planning – I still gave everyone the option of getting involved in those functions, if they wanted to. Involving employees (or giving them the option of involvement) in the creation of everything is vital to inspiring them to care about the business as much as you do.

For example, at one point several sales team members were expressing frustration about the design of the compensation plan, which had three components:

- A fixed base salary,
- A variable commission based on how many qualified (and audited/confirmed) opportunities that person generated in a month, and
- A variable commission based on how much revenue had been sourced by that person.

The complaints were a little varied but ultimately came down to the fact that I hadn't taken enough time to educate some of the newer sales reps on why we had that system.

Rather than even telling them why it was designed that way, I instead set up a process to get the team's help to revisit and redesign the comp plan. Out of about 15 people at the time, 5 opted-in to help.

We had one main session to dig into the issue, to review the team's priorities and goals (identified through the V2MOM process), and to create a forum for them to share their ideas on how to better shape the comp plan to support the goals.

After a couple hours of discussion, which included revisiting even the basic assumptions surrounding how we measured performance and success, and if we should use different metrics, the team came to the conclusion that the current comp plan was the best one.

Rather than just telling them why the comp plan evolved into its current form, I led them through their own discovery process. They "got it" and

the complaints stopped. Even better, they could be much more effective in teaching other team members or new hires about the comp plan so these frustrations didn't pop up again with the next generation of new team members. We ended up in the same place we began: the comp plan didn't change. One could feel like we wasted time, but I felt it was a fantastic use of time as a coaching exercise and as a way to increase trust and transparency in the team. The reps felt more connected to the team and the systems because they now understood more intimately where everything came from and why – they owned it.

My only disappointment was that I had hoped they would come up with something I had missed so we could improve the plan!

Transparent Compensation And Reporting

I had a convenient advantage that helped me transparently publish everyone's compensation on the team: they all were on the same basic plan structure (same base salary, same bonus and commission rates). No one had special deals even though some people had much more experience than others. Those with more experience or expectations could earn the extra compensation through higher results.

With transparency compensation, the whole team could see who earned the most and why – how their higher results translated directly into more money.

Publishing compensation also eliminated compensation and payroll errors, and reduced by 80% the amount of time I had to spend on tracking and reporting compensation. If you haven't tracked and reported on compensation, it's a pain. For a long time, we used spreadsheets at Salesforce.com to report commissionable results.

The secrecy model:

- Run the reports: What were each person's results?
- Prepare the report and calculate commissions.
- Cut the report into private reports for each person.
- Email or sit with each person to share results and ensure correctness.
- Fix the report as necessary.

- Combine all the results into one spreadsheet.
- Send to finance.

And that is when it works! If there is some issue in the report or with finance, the process gets into a painful circle of “fix-resend-check-fix-resend-check...” When the team grew past a handful of people, I started using transparency to eliminate 80% of this work and streamline the process.

I put all the sales results into a single spreadsheet, with the calculated commissions.

I then emailed the entire sheet to the whole team. Everyone could see everyone’s results, and how they personally ranked.

Yes, everyone could see on our Salesforce.com dashboards how they ranked in numbers of opportunities or deals, but in the spreadsheet they could rank themselves by total compensation.

They could see exactly who was doing the best and thus whom they could model or go to for advice (we had a culture of helping each other succeed).

They could see if there were any problems with the report. They felt confident that they would get the right paycheck from finance, which is not true for many organizations – compensation payment issues are all-too common.

They could trust in the process and not worry about it, because we were open and transparent with it.

Ultimately, switching to this transparent process made comp reporting a snap for me and for them!

I never took it to the next level, which would have been to have someone volunteer to be the Comp Lead, to manage the reporting and processing for me. But that would have been an easy next step.

About The Authors

Aaron Ross

Aaron Ross is the founder of PebbleStorm, and is helping 100 million people “make money through enjoyment” by combining money and happiness.

A keystone program of PebbleStorm is the Unique Genius programs, which help people discover their purpose, values and passions and then turn them into fulfilling, fun, freeing work.

You can download a free Unique Genius ebook, “You Can Make As Much Money As You Want, Doing What You Love,” at: www.PebbleStorm.com/manifesto

Aaron is the author of *CEOFlow: Turn Your Employees Into Mini-CEOs*, which teaches leaders to free up their own time and energy by creating a culture of self-managing systems in which employees help run the business like high-level executives.

Aaron Ross and Marylou Tyler co-founded Predictable Revenue, Inc. which helps companies generate as many highly qualified sales opportunities as they want, creating a very predictable source of revenue.

Before PebbleStorm, Aaron Ross was EIR (Entrepreneur-in-Residence) at Alloy Ventures, a \$1 billion venture capital firm. Prior to Alloy, Aaron created a revolutionary sales lead generation process at Salesforce.com that helped increase recurring revenues by \$100 million.

Aaron was CEO of LeaseExchange (now eLease.com), an online equipment leasing marketplace.

He has been featured in *Time*, *Business Week* and *The Red Herring*.

Aaron graduated from Stanford University with a degree in Environmental Civil Engineering. He is an Ironman triathlete, graduate of the Boulder Outdoor Survival School and an avid motorcycle rider (www.MotoCEOs.com).

Marylou Tyler

Marylou Tyler, CEO of Predictable Revenue, Inc., is a serial entrepreneur and “Chief Conversation Starter.” She loves to help companies find effective, repeatable ways to sell products and services in the digital age.

Marylou’s sales passion is teaching sales professionals how to eliminate fear and rejection by using simple, friendly and predictable techniques at the most critical point in the sales cycle – finding and having the initial conversation.

Before cofounding Predictable Revenue, Inc., Marylou founded Telegenik Communications, a consultancy firm that helped clients grow sales and specialized in surveying customer and market needs for more than a decade.

While at Telegenik, Marylou discovered Aaron Ross’ Predictable Revenue processes and implemented them for an enterprise software client, tripling their pipeline results in 90 days. Her efforts caught the attention of Aaron Ross (*She is a superstar, and is better at this than me!* - Aaron) and together they formed Predictable Revenue, Inc.

In addition to being a teacher, coach and author, Marylou is a mother of two, triathlete, philanthropist and volunteers at a non-profit that helps foster shelter dogs. Marylou is a Californian currently residing in Des Moines, IA.

About The Authors

Aaron Ross

Aaron Ross is the founder of PebbleStorm, and is helping 100 million people “Make Money Through Enjoyment” by aligning their purpose, values, and passions with their work.

A keystone program of PebbleStorm is the Unique Genius programs, which help people discover their purpose, values and passions and then turn them into fulfilling, fun, freeing work.

You can download a free Unique Genius ebook, “You Can Make As Much Money As You Want, Doing What You Love,” at: www.PebbleStorm.com/manifesto

Aaron is the author of *CEOFlow: Turn Your Employees Into Mini-CEOs*, which teaches leaders to free up their own time and energy by creating a culture of self-managing systems in which employees help run the business like high-level executives.

Aaron Ross and Marylou Tyler co-founded Predictable Revenue, Inc. which helps companies generate as many highly qualified sales opportunities as they want, creating a very predictable source of revenue.

Before PebbleStorm, Aaron Ross was EIR (Entrepreneur-in-Residence) at Alloy Ventures, a \$1 billion venture capital firm. Prior to Alloy, Aaron created a revolutionary sales lead generation process at Salesforce.com that helped increase recurring revenues by \$100 million.

Aaron was CEO of LeaseExchange (now eLease.com), an online equipment leasing marketplace.

He has been featured in *Time*, *Business Week* and *The Red Herring*.

Aaron is a cofounder of DataSalad (“Fresh B2B Marketing Data”), and is on the advisory boards of numerous Silicon Valley companies, including SalesCrunch, Clickability, 4INFO, ConnectAndSell, Playboox, AfterCollege, ExpertCEO, Wrike and Flywheel Ventures.

He graduated from Stanford University with a degree in Environmental Civil Engineering. He is an Ironman triathlete, graduate of the Boulder Outdoor Survival School and an avid motorcycle rider (www.MotoCEOs.com).

Marylou Tyler

Marylou Tyler, CEO of Predictable Revenue, Inc., is a serial entrepreneur and “Chief Conversation Starter.” She loves to help companies find effective, repeatable ways to sell products and services in the digital age.

Marylou’s sales passion is teaching sales professionals how to eliminate fear and rejection by using simple, friendly and predictable techniques at the most critical point in the sales cycle – finding and having the initial conversation.

Before cofounding Predictable Revenue, Inc., Marylou founded Telegenik Communications, a consultancy firm that helped clients grow sales and specialized in surveying customer and market needs for more than a decade.

While at Telegenik, Marylou discovered Aaron Ross’ Predictable Revenue processes and implemented them for an enterprise software client, tripling their pipeline results in 90 days. Her efforts caught the attention of Aaron Ross (*She is a superstar, and is better at this than me!* - Aaron) and together they formed Predictable Revenue, Inc.

In addition to being a teacher, coach and author, Marylou is a mother of two, triathlete, philanthropist and volunteers at a non-profit that helps foster shelter dogs. Marylou is a Californian currently residing in Des Moines, IA.

To Learn More & Buy The Book, Go To:

www.PredictableRevenue.com/book

Predictable Revenue

Grow New Business Sales By 300%

[HOME](#) [BLOG](#) [FREE](#) [ABOUT](#) [TESTIMONIALS](#) [CONTACT US](#)



What Are Our Readers Saying?

Get a book and invaluable **BONUS TRAINING!**

Order on Amazon.com via the button below, then **forward your Amazon receipt to this email:**

marylou@predictablerevenue.com

When you email your receipt to that email, you will also receive these **FREE GIFTS:**

1) 3 in-depth and invaluable training videos on how to **implement the Predictable**