Elevating Sales Productivity and Enablement with Phil Aaronson

Introduction

[0:12] Rajiv Parikh: Today, I'm honored to have Phil Aaronson with me. Phil is the Sales Productivity Director at ServiceNow. Phil, welcome to the show.

[0:18] Rajiv: So, Phil, tell us a little bit about what ServiceNow does for those that don't know.

[0:24] Phil Aaronson: The official tagline is, "Making the world of work for you," right?

[0:30] Phil: That can go in a lot of different directions. A lot of people who are in the tech space know ServiceNow as an ITSM company, right? It's really so much more than that.

[0:37] Phil: We definitely describe ourselves as the "platform of platforms." This is about creating workflows that can be used in a variety of ways for a variety of functions across the organization, whether it is in our traditional space of ITSM, whether that's in servicing human resource needs, or whether that's servicing our security organizations.

[0:57] Phil: There is some real pent-up demand to bring this all together under a single CMDB.

[1:02] Phil: So, we've been positioned really well in the market, and the reception has been great. Certainly, since Bill McDermott has come on board, it seems like there's even renewed [unclear] around what we do.

[1:18] Rajiv: Absolutely, absolutely. I'm glad you mentioned that.

Section 1: Bill McDermott's Leadership and ServiceNow's Growth

[1:24] Rajiv: You mentioned that, and so I'm just going to segue right into that before we talk about what you do at ServiceNow. I read recently that you guys had your Q1 earnings, and your subscription growth was up 34%. Your stock is at an all-time high at almost $400 a share, and I believe you signed 37 deals

north of $1 million this last quarter. Congratulations on that amazing success. Maybe you could just tell me, what's happened since Bill arrived? What I mean, it's an insurgency of new energy, but what have you seen from your perspective for this incredible success over a short period of his eight-month duration?

[2:03] Phil: So, I love talking about Bill McDermott. He's actually tied very closely into a lot of the data-driven initiatives that we're focused on.

[2:09] Phil: Before I even get into the story of Bill, I just want to say I'm really proud of our outgoing CEO, John Donahoe. I think he's taken a really brave stance this week. He was always a man of compassion and a man of conviction, so I'm really glad to see what he's doing with—we wish him all the best. I really liked him as a person as well.

[2:36] Phil: Bill's a rock star. He's a guy who's come in from SAP. He's built the roadmap, and from a personal perspective, from the day he's come in, he's talked about—you know, he wears his heart on his sleeve. He's super passionate about what he's doing. He didn't have any financial reason, really, when you get right down to it, to join ServiceNow. This is all passion from him.

[2:55] Phil: It doesn't hurt that he grew up on Long Island, not too far from where I grew up. His first stories were talking about the value of work and the value of being good to your customers and understanding your customers.

[3:16] Phil: We started talking about the stories of when he was young and his father owned a pizza place on Long Island, and how he got to know everybody playing video games in the back room. That's how he would service his customers and would tell them, "If you want to steal anything, you should go to 7-Eleven, because you know all the family here." He just cracked me up. He's a very personable person.

[3:33] Phil: Now, as far as what we've done since he's come on board, I mean, I think the way the market has received him—you know, they looked at his track record, and he has one of unqualified success. I'm sort of amazed at how quickly he came up to speed and how he's leaving his imprint on the organization.

[3:51] Phil: He definitely follows that outside-in, customer-centric model, and he challenges us to do the best that we possibly can do.

[4:02] Phil: ServiceNow is a company that has gone from being a midsize company to becoming a much larger company. I've seen companies like this. You know, I was at VMware for a long time, right? We went through our painful, awkward, gangly teenage phase, right? Some things we did really well, and some

things I think we would have liked to have gotten back.

[4:20] Phil: Bill's really trying to help us avoid a lot of those—[unclear]—and ending siloed thought, and, you know, reorg thoughtfully, and focusing on the elements that can get us to $10 billion.

[4:41] Phil: So, when you have belief, when you have conviction, when you've got the market and strong winds at your back, even in this very strange macroeconomic environment, he's really been amazing. He's been a beacon, and I couldn't be more proud of what ServiceNow is doing. I'm so glad that I'm part of this organization and part at this particular time in history.

Section 2: Sales Productivity and Data-Driven Enablement

[5:05] Rajiv: That's great to hear. That's great to hear, Phil. So, yeah, on that note, tell us a little bit about your role as Sales Productivity Director at ServiceNow.

[5:12] Phil: So, Sales Productivity—that was the first hire that came on board, and that was really the vision of my Senior Director, Giles Giddings, who had been focused on this area. But, you know, in enablement, there's always a million things that you need to do, fires that you need to put out, content that needs to be created, and things that need to be published.

[5:32] Phil: His intent was to bring me on board to focus on our value selling program, administered by Visualize. I've worked with a number of different sales methodologies. I think they do some really unique things. You know, at the end of the day, every methodology is: diagnose, understand how deep the rabbit hole goes, and then prescribe in a way that is meaningful to your customer, right?

[5:54] Phil: And value selling does a great job. I'm going to give another shout-out to Scott [unclear], the CEO of Visualize, who has been an amazing partner on that journey.

[6:06] Phil: Most of what we were doing was making sure that all the elements of value selling were part of the everyday DNA of our sales organization. You know, we wanted to go from one where people were asked to do something—to focus on value prompters and focus on mutual plans—and it kind of felt forced in the organization. We wanted a rethink of it. We wanted this to be about commitment because we understand how it works.

[6:41] Phil: So, to that end, a data-driven analysis of where we've been successful utilizing value selling was definitely in order. So, I came on board, and I'm being very specific to ServiceNow, how we handle Sales Productivity. The first thing we wanted to drive was correlation.

[6:54] Phil: If you have element X in place, then we see Y. How? It's binary, right? Simple things like every opportunity that has a value prompter has an accelerated ACV multiple. Multiple value prompters, it's accelerated even further.

[7:13] Phil: One of the things that I wanted to do was to get away from correlation and get into causation. This is where I'm going to bring Bill back into this conversation. So, when he was at SAP, he was working with a firm called [unclear]. They had a brilliant Chief Learning Officer, Jenny Dearborn. She's amazing. She's a great speaker, and she really had that idea that data should be driving our actions.

[7:32] Phil: You know, we should be taking in a series of insights, and then we should make them actionable in the organization and be able to check on them, right? So, they wrote the book *Data Driven*. Jenny wrote it with the CEO of MPL and Cheetah Ser [unclear], and it really changed the way I thought about enablement.

[7:52] Phil: You know, for me, enablement was, "We need to understand everything that students are expected to know and everything that they're expected to do," and then make sure that we've got all the [unclear] so we know that they know it and that they can do it. And, of course, utilizing the ADDIE process, understanding performance discrepancies.

[8:11] Phil: I have a real passion for education. It's been a dominating part of my career. But when I started to question in my career, you know, how much impact is this happening, and what can we do to further refine our actions?

[8:30] Phil: I was met with a lot of interesting responses. I knew companies like SAP and Google were doing it, but at some of the companies that I was working at, you know, I think there was just a lot of doubt. There was, "It's not possible. It's as good as our CRM system. It's garbage in, garbage out."

[8:47] Phil: And what working with M Play and [unclear] taught me is, if you build the right data warehouse, if you've got the right analytics, if you're bringing in the right engine, if you're cross-referencing any number of factors, the data doesn't have to necessarily be clean every time you're in a CRM to be able to understand what are the biggest value drivers towards close ratios, towards accelerated ACV, towards just the acceleration of deals.

[9:17] Phil: So, I was fascinated by this. The fact that I'm at a company that is focused on some of my core passions, which is helping sellers succeed and building programs to be able to get them to that space. We also have data-driven enablement that focuses on the deal, that focuses on the rep, that focuses on the region.

[9:36] Phil: I can talk about it specifically, but I want to stop right there and see what direction you want to go in, because, man, productivity. There's a million different roads we could go down.

Section 3: Moving from Correlation to Causation

[9:48] Rajiv: That's great. So, correlation, causation—give me an example of where you were able to apply that meaningfully, just a quick example.

[9:54] Phil: Sure, sure. So, I came on board in 2018, right? Late in the year, trying to get my sea legs. It's a big company, it's a big program, it's got a big budget. You know, there was a lot of shaking hands and kissing babies in all the regions, right? You know, there's a political element: "Hey, I don't have a third eye. I've got some decent ideas. We should work together," right?

[10:20] Phil: And a business intelligence study that we did internally, which actually my manager had commissioned—Giles was always interested in this—we just wanted to prove out the efficacy of value selling. And so, we analyzed 5,000 deals over the course of 2018.

[10:38] Phil: What we really wanted to do was to understand how much value selling was accelerating our deals, right? And so, you know, to get people to use value prompters, you have to put yourself in the shoes of any sales rep and follow the WIIFM principle: "What's in it for me?" We wanted to talk about, you know, you're going to make a lot more money if you simply follow this process.

[11:03] Phil: So, from a correlation standpoint, I'll give you one of the stats. We ended up having the head of sales, Kevin [unclear], stand in front of the slide at sales kickoff, in front of our entire organization, where we talked about accelerated ACV.

[11:16] Phil: I'll give you one example. So, we determined that there was a 47% higher ACV—annual contract value—if you had simply used a value prompter. But it was binary, right? We didn't know if it was one value prompter, we didn't know if it was many value prompters. We also had no way to assess value prompter quality and what that was doing for those averages. It also didn't speak to win-loss ratios.

[11:46] Phil: So, there's a whole bunch of data that we really needed to bring together and cross-reference to make that happen.

[11:53] Phil: A hypothesis that we came up with is that we should be able to rate value prompters for quality. And we started a manual process with the chief of staff for all three geos. It's a painstaking process. You start looking at your deals, and we're looking at all these underlying elements around the value

prompter. Is there a qualified business issue? Are we speaking to the power person? Are we quantifying business value back to the organization?

[12:24] Phil: It's a heavy lift. We would do 30 of those a month, and it was hard to find the time to do it. I said, you know, there's got to be a better way. So, I came up with the hypothesis that high-quality value prompters are going to yield a greater result in win-loss ratio than low-quality value prompters. But there's got to be a better way to do this, and we don't even know what our true North Stars are.

[12:48] Phil: So, in working with M Play, I posed the question back to them. We went back and forth, and we came up with a way to analyze all the value prompters attached to opportunities and understand the value drivers—which elements of those value prompters are most equated to win-loss? What is going to guarantee—what's going to bring us closest to a win? What do all of the deals that have happened in a particular period of time have in common?

[13:18] Phil: The new study that we commissioned with M Play was on Q2 and Q3 of last year. We looked at almost 8,000 deals this time, and we did everything from word ingest—you know, every single word on every one of these documents—looking for pattern matching.

[13:30] Phil: We were trying to understand the role of power versus champion, the seniority of the people involved in the deal, and how many value prompters, and which one of those fields was more important.

[13:47] Phil: And we actually came away with five main value drivers that changed depending on the deal size. And so now we've got an automated engine where every month we can look at all of our opportunities globally and assign opportunity scorecards to let us know the health of that particular deal.

[14:08] Phil: And we do it based upon those five drivers. They change for each of those commit levels. You know, obviously, any deal that's in excess of a million dollars is going to have to have a lot more behind it and a higher score than a deal that is $40K to $100K.

[14:20] Phil: So, we've instituted this opportunity scoring program. I was going to speak to the Americas management meeting back in—that was the management QBR back in February. And I started talking to the chief of staff about this idea, and he said, "You know, this could be interesting. Let me see what the managers think."

[14:39] Phil: And I just wanted to put together a [unclear]. So, I'm like, well, let me just sell this. Instead of getting into a long-winded explanation, we did 10 crisp minutes where we talked about

correlation versus causation: to get from descriptive analytics—what's happened—to diagnostic—why it's happened—to repeating that so that we can be predictive in the future.

[15:03] Phil: I thought we would maybe get a group or two. I got a call from the chief of staff at the end of the meeting and said, "We want to run this for the entire Americas right now," which was great.

[15:17] Phil: But, oh my God, trying to get that set up and to get it out the door, you know, we're already into the second month of the quarter, was a heavy lift. And I think M Play did a great job. And, you know, they're using it. We're taking a look at our stack ranks, and we're already seeing the managers who are in the top half of the stack rank—they're closing their deals at a much, much higher rate.

[15:41] Phil: It doesn't even say that they're performing best practices, right? That's the enablement piece. And that's—but we talk about correlation versus causation. It's binary versus what are the predictive analytics that we can follow as our true North Stars.

[15:52] Phil: I apologize if that was a bit long-winded, but, you know, getting from point A to point B to point C, it's been a process here. And I'm super, super excited that people are embracing this more and more.

[16:04] Phil: We're doing a lot of programs around predictive analytics for overall deals, which is external factors. We're doing it on the actual reps themselves and how they operate with partners. We're looking at all of these factors, and we've now got a series of North Stars, and we report on them to managers.

[16:28] Phil: So, that was my late night last night, my early morning, and launching this in APJ and in [unclear].

[16:35] Rajiv: We could be more [unclear]. That's great. I mean, that's fascinating, and a great explanation. When you were explaining this to me, my mind was going, "This is like a forensic analysis that you've done"—a lengthy forensic analysis to come up with the causation and correlation that is now being deployed across [unclear] and the other regions. Did you say [unclear]?

[16:58] Phil: So, we actually did launch it in Latin America. It's in the Americas. We have selected pilots in [unclear], and I have a select pilot in APJ as well.

[17:04] Phil: And just so you know, we're updating our analytics every month, so it's not like we can game the system. You know, we are following live data as our true North.

[17:17] Phil: And this is what brought SAP from $39 billion to $160 billion. I mean, granted, it wasn't the only factor, but, you

know, that's why I'm so excited that Bill's here. You know, in fact, he endorsed the [unclear] on the back, and talked about how important it was to their growth.

[17:28] Rajiv: That's awesome. I mean, and just for those people that are listening, going, "You know what? Value-based selling—tell me what exactly is that?" At a high level, when you say value-based selling, what does that mean?

Section 4: Understanding Value-Based Selling

[17:40] Phil: We're selling outcomes. Okay, that's what it really comes down to.

[17:48] Phil: One of the nice things about Visualize and the value selling program is that it forces sellers to think through a particular lens, right? We talk to a series of personas, and they can have any particular business problem. We can qualify and quantify what that business problem is, come up with a solution that exactly fits their needs, and talk about what it's going to do for them.

[18:17] Phil: But, you know, a lot of selling organizations are focused on features. They're focused on benefits. They'll get into ROI discussions—I mean, that'll be there—but what we really try to do is elevate. Because if you're going to be the platform of platforms, that means you have to think big.

[18:35] Phil: Okay, and to do that, we've got to take our business problems, small B, and relate them up to business issues, large B. So, the way a business issue is felt throughout an organization is going to be different based upon persona and the specific business problem that you're trying to solve for.

[18:52] Phil: You know, for somebody that's trying to do IT services for a customer group, they're going to be worried about missing their SLAs. They're going to be concerned with the level of care that they're giving, what's been our response time, how employees have been satisfied with it, what is the experience like.

[19:11] Phil: But, you know, you go up a level to the SV or [unclear] level. They've got that problem across the organization, and they're trying to figure out how they can digitally transform and what those outcomes would mean to them.

[19:24] Phil: So, while you've got to solve the business problem for the persona, you're trying to solve the outcome for the organization, and you want to express it in a clear business case.

[19:35] Phil: So, in addition to value selling, we have a value management team that focuses on business value assessments. And it forces, once again, our reps—it's like garbage in, garbage out. If you don't have the right inputs, we're

not going to be able to sell the true value of this to the customer.

[19:48] Phil: I mean, we even have a value realization team that goes back and says, "We said you were going to get this outcome; you got this outcome." It's either greater, which is, "Hey, awesome," much easier to get that second sale, or we didn't do as good of a job. And that's super important to us, and it's a concern, and so we're going to bring you up to the level that we said we were going to, right?

[20:06] Phil: So, when you have that level of commitment to your customer and that much skin in the game, it really opens a lot of doors.

[20:12] Phil: We had a saying back in the day at VMware that was, "People who buy VMware buy more VMware," and that was true to a certain point.

[20:24] Phil: It is absolutely true at ServiceNow. The more you buy from us, the more an organization realizes the potential of the platform and gains even greater ROI.

[20:35] Phil: So, when you're seeing all these multimillion-dollar deals, you know, it's really a tribute to the organization and their sales approach, our commitment to our customers, that they realize the outcomes that we're selling to them.

[20:50] Phil: I'm not going to say that we're perfect across the board. You know, like anyone else, we could be better, unfortunately. The data told us that.

[21:03] Phil: Absolutely.

[21:03] Rajiv: There are two things you mentioned there that I want to just double-click on. One is platform.

Section 5: The Now Platform and ServiceNow's Growth

[21:08] Rajiv: So, tell me very, very briefly, what is the Now Platform?

[21:15] Phil: Okay, so the Now Platform is a way for our customers to unify under a single set of IDs and a single database, right? All cloud-driven, where all of our workflows across an organization, as I was trying to mention before, you know, we keep expanding out into a number of different areas.

[21:37] Phil: Anything that runs in a company can be fully documented, can be updated, can be acknowledged, right? We deal with organizations today that have done a lot of piecemeal buying of systems.

[21:55] Phil: And, you know, there's always companies that say, "Hey, go with us. We are the single platform." I mean, I've had a tremendous amount of respect

for what Salesforce has done in the last 20 years. Tremendous platform.

[22:14] Phil: You know, and for a long time, when I was working in sales, SFDC seemed to be the de facto choice of CRM systems. I will say we are not using Salesforce—that's another interview for another day—but, you know, nothing against them. They're just really fantastic at what they do.

[22:31] Phil: Because what they have set up is a dynamic where anything that happens in the sales process, the sales cycle, sales operations, you know, is all connected on a single platform, and it all happens on a single pane of glass.

[22:49] Phil: And it just makes it incredibly intuitive and easy for end users to be able to run their business off of that. That's super powerful.

[22:55] Phil: You know, so I look at a competitor like Workday. They have attempted to create sort of the same dynamic. We are growing more and more into that space.

[23:10] Phil: And today, the reason that we're experiencing this growth is it's been that perfect storm of the market is ready for us and the platform is ready for the market.

[23:21] Phil: So, it doesn't matter if you've got HR functions, security functions, customer success functions, ITSM functions. Once you invest in us and implement us, it becomes easy to implement across an entire organization. And that's what has made ServiceNow so sticky.

[23:35] Rajiv: Got it, got it.

Section 6: Career Lessons from a Technology Sales Journey

[23:42] Rajiv: Makes a lot of sense. So, Phil, you've had quite a career. You've been at Cloud [unclear], you've been at Oracle, you've been at Juniper, you've been at Palo Alto Networks—some very well-known companies. Now you're at ServiceNow. How has your journey been, and maybe tell us some of the key learnings and takeaways you can share?

[24:01] Phil: Sure. Would love to. First off, I feel very lucky to have been part of some world-class organizations. I've learned something different at every one of these stops.

[24:07] Phil: I think if you could draw a single thread through all of these, I was somebody that was always very interested in technology and how do you translate between the technical outcomes to the business outcomes.

[24:20] Phil: You know, I had a career in sales, selling for Microsoft partners. One of the things that I realized is when you're in a smaller firm, you're not always going to get the technical resources you need

on every deal. So, you have to be able to uplevel your technical game.

[24:38] Phil: I thought the technology was so cool at [unclear]. They were doing some amazing things. I mean, they really changed the way people looked at security firewalls and the technology behind it.

[24:49] Phil: So, outside of the technology, VMware was an amazing experience from the fact that I joined when there were 1,700 employees. They had just gone public, and when I left, they were 10,000 employees and had become almost a completely different company.

[25:02] Phil: And what I learned from them was how a modern software business operates. You know, I think when you're selling for Microsoft partners, you kind of have your blinders on. You're focused on your immediate customer, but at VMware it was about your customers, your partner, the channel, understanding the ecosystem, understanding the part that marketing is going to play in this, how you connect with sales leadership.

[25:29] Phil: You know, very proud of the work that we have done there.

[25:35] Phil: Working at Palo Alto, I then went from a company that was 10,000 people—I was Employee 485 at Palo Alto Networks. I know I should be retired at this point. I was a little bit earlier in my career.

[25:48] Phil: But they were doing amazing things from a technology perspective, and they were all about the ethos of the startup. You know, just, "Break and make it happen," right? Can I say that? Is that going to get it out?

[26:06] Phil: But, you know, they really had that startup ethos of just, you know, push it hard, put it out, don't let the perfect be the enemy of the very good. And so there were a ton of programs that we pushed out very quickly.

[26:13] Phil: I also saw a lot of healthy tension at Palo Alto Networks between what the technical group was trying to accomplish, how marketing was positioning it, and how sales was going to market. And I think they made a series of fantastic moves, but I certainly got my startup fix there.

[26:37] Phil: And then, you know, I went to a couple of technology stalwarts. I really hadn't had that experience of working at a company that was as established as Juniper and Oracle. Two completely different companies.

[26:51] Phil: You know, I learned a lot of lessons—things that you should do, things that can hold the company back. I think Juniper made some interesting technology bets, but really suffered from an execution standpoint. And that

happens to companies that are very engineering-focused, as Juniper is, and still have their original founders—the Chief Technology Officer.

[27:12] Phil: Oracle is a totally different animal. People ask me my experience, and I tell them, "There's a right way, there's a wrong way, there's the Oracle way. Guess which way you're going to do it?" Right?

[27:24] Phil: And, you know, I don't want to say that necessarily is a bad thing because this has worked for Larry for a long time. And so, you know, I really learned the importance of making sure you were flying in formation, making sure that people understood where the swim lanes were.

[27:43] Phil: We were lucky in that we were—I was a director as part of their Marketing Cloud, which was an interesting space that Oracle hadn't been in, so they gave us a lot of leeway. You know, and I learned a tremendous amount.

[27:58] Phil: All along the way, you know, I had been making that transition from being an individual contributor to managing small teams to managing larger teams, and realizing, you know, what is most important. The things that you needed in your career earlier on aren't necessarily the things that you need later on.

[28:16] Phil: I think finding a mentor is really, really important. And I'm happy to say that in each organization I've been in, I still have friends and mentors in the industry. As I said, I'm incredibly thankful and grateful for the time that they've spent with me in bringing me to this space.

[28:28] Phil: Cloud [unclear] is another great company. Deep technology. Love those guys. I'm a big believer, a big supporter in JDRF, Juvenile Diabetes Research Foundation. My son is a type 1 diabetic, and the former CEO of Cloudera is also type 1. We did a lot of work together with companies in that space.

[28:59] Phil: So, here at ServiceNow, what does that progression mean to me in my career? I've learned that my default way to communicate with folks, which is really based in the ADDIE process and how we do instructional design, is, "Hey, I need to give you some baseline information. We need to build on that so that we have a complete, concise mutual understanding of topics."

[29:31] Phil: Now that we are doing things that are impacting the sales organization at the highest level, I've actually learned something new, which is, you know, when you're communicating at the executive level, they're going to assume that you're competent. You don't have to get into all the details. It's really about: can you produce crisp communication? Just a series of bullet points.

[29:51] Phil: You know, there's two ways to describe it. Whenever I'm putting a presentation together at the executive level, I always keep in my mind, "Don't bore us, get to the chorus," right? Get to the main point.

[30:03] Phil: And I also use this as an analogy. Let's say your house was on fire, right? A fireman comes to your front door. Do you want your fireman to explain to you how the hose is going to work and how the pressure is going to work throughout the house? It's like, "Nope. Please put out the fire."

[30:22] Phil: So, when you get to a certain point in your career and you develop trust, you know, just through what you've accomplished and your own experience level, you really have to uplevel it. And as an educator, we want to explain everything to everyone, so you have to reel that piece in.

[30:34] Phil: It's been a great journey, and I'm thankful to ServiceNow that not only do I get to focus on enablement, but the data-driven productivity teams that we've put together and the progress that we're making—I mean, that's what gets me excited to get up every morning.

Section 7: Sales Enablement vs. Sales Productivity

[30:53] Phil: Get up every morning. Got it.

[30:53] Rajiv: Okay. Phil, let me ask you—you've been in sales enablement for many, many years. What is your interpretation of sales enablement?

[31:05] Phil: Sales enablement is the right tools at the right time in the right hands to advance a deal. It's a very simple explanation.

[31:14] Phil: Okay, it's actually—there's a lot of complex processes that support that. Sales productivity is a bit of a different animal.

[31:25] Rajiv: Yeah. Tell me about that.

[31:31] Phil: Sales productivity—there isn't any one group in an organization that owns sales productivity. If there was anybody that I would put in the bullseye, right in the center, it would have to be the Head of Sales. They're the person that's ultimately going to live and die by the number.

[31:43] Phil: But, you know, when you talk about the elements of sales productivity, it's impacted by so many different groups. You've got Sales Operations that's focused on your customer base, lookalike analysis, where we've been, and who are parent companies. It's all about the addressable marketplace.

[32:02] Phil: And then you have Marketing, which is creating a lot of the "what." They are coming up with the

messaging, but it's usually focused on an external audience.

[32:13] Phil: Whereas Sales Enablement will then interpret what's happening in Marketing and give the "how." How do you position all of this? How do you advance deals?

[32:25] Phil: And then you've got sales leadership and sales management. They're all about coaching and mentoring and making sure that they're sticking close to the numbers. They are the heart and soul of every organization, and they're going to either enforce good sales hygiene or they're not.

[32:43] Phil: And then the last piece is HR and the overall corporate function, so that you've got a model of what a successful rep looks like based on a series of metrics, and you're able to recruit the best and the brightest in the industry.

[32:58] Phil: Now, here's where it gets a little bit funky. When you have a sales productivity issue—a defined problem—the Head of Sales traditionally will say to their trusted lieutenants, "Hey, here's this issue. I need you to solve it." And everybody goes back to their little groups and says, "I've got an answer for that."

[33:11] Phil: And we start to try and answer it out of Operations or out of Marketing. You know, I've seen sales plays that were disconnected from methodology and from a way to make them scale across an organization. [Unclear] in the Operations organizations and sales leadership isn't bought in, it's because you have all these disparate groups that are responding to a series of different KPIs.

[33:33] Phil: A good sales productivity function recognizes that you've got an initiative. It's the flag that you fly. You've got to get executive leaders to salute it, get everybody in line, and respond to a series of shared KPIs. And that is how you can get all of those groups marching in lockstep.

[33:54] Phil: So, you know, enablement needs to happen at every organization, but the mark of a truly mature organization is understanding how to use enablement within the context of greater sales productivity initiatives.

[34:05] Rajiv: Got it, got it.

Section 8: Measuring Sales Productivity and Performance

[34:12] Rajiv: Great. And you might—you may have touched on this already, but I just want to touch on it because you mentioned it. What KPIs matter most to you?

[34:18] Phil: You know, honestly, because I'm doing so much data-driven productivity, for me it's about: what does the data tell us that we can use in a

predictive fashion that allows us to coach to those North Stars?

[34:39] Phil: So, from a pure deal perspective, it can be any number of factors. You want the data to drive what you're going to focus on.

[34:54] Phil: When it becomes about the rep, you know, there's a lot of things that you can teach. You can't teach the will. The will shows up. It shows up in the data. It's unavoidable, right?

[35:08] Phil: So, when I start looking at a rep, you know, I didn't give a very tight answer around particular deals, and that's because that is a moving target when we get into predictive analytics.

[35:20] Phil: But for reps, it's a little bit more concrete. You know, how are we working with our partners? How are we working with the business value team? How are we bringing in our product line experts? At what level are we engaging our customers?

[35:33] Phil: How well are we executing on our executive briefings? Do we have a series of reps that focus on technical validation? Do they understand the importance of that?

[35:45] Phil: You know, and then for me personally, it's not about the number of courses that I produce, or the number of tech talks that I've done, or how many classes I'm writing. For me, it shows up in performance.

[35:59] Phil: And that's the journey that I was talking about before. When I first started talking about data-driven productivity, I had leaders in enablement tell me that you could not draw a line between the outcomes of sales reps and what you were doing.

[36:16] Phil: There wasn't, like, a garbage-in, garbage-out. So, if reps are doing well, it's because they're just super amazing, awesome rockstar salespeople, and if they do poorly, it's because enablement sucks. And I didn't want to live in that world.

[36:27] Phil: I knew that there was correlation and causation. So, those are some of the KPIs that are really important to me.

[36:40] Phil: But, at the end of the day, it's about how well are we executing as an organization.

Section 9: Work-Life Balance

[36:51] Rajiv: Sure, I'm gonna switch here and ask you some other questions. So, let's start with work-life balance. What's your philosophy on that, and how do you manage that?

[36:57] Phil: It's different than when I answered this question a couple of years ago. I didn't have a crazy six-year-old son

who I love dearly. He's just so in love with the world.

[37:10] Phil: I've got to make time for him every day. You know, that's—no matter how excited I am about anything that I do in sales productivity, he's kind of my North Star and keeps me rolling.

[37:22] Phil: You know, trying to make sure that you're attentive to the needs of your significant other, not ignoring yourself in the process.

[37:34] Phil: I will say this year has been a challenge. Between our macro, between COVID-19, between our switch to all-online virtual curriculum, it's been tough. There's been a lot of really long days.

[37:46] Phil: What I would say to anyone—I'm not going to give them, you know, rockstar advice of, "This is how you can only work 20 hours a week." I will say, take time for yourself and be able to say no.

[37:57] Phil: Because if you're good at what you do, people will want to work with you, and you will—you have to draw the line, right? You have to. And you've got to be able to do it from a perspective of, you know, the work will go on the next day. Make the time for yourself.

[38:13] Phil: And hopefully at some point this year I'll do a better job of following that advice. I see things starting to slow down, so I would say before everything got so crazy, I was a little bit better at it.

[38:25] Phil: And I always enjoyed my hobbies as well, and I'm trying to indulge that again.

[38:31] Rajiv: Yeah, it makes a lot of sense.

Section 10: Three Sales Books to Read

[38:38] Rajiv: What are the top three sales books you would recommend others to read?

[38:46] Phil: Oh, first one is *Data Driven*, because it's the power of analytics at your fingertips. You know, let's stop selling like it's 1999. I know, bad Prince quote, right? But it's true. A lot of organizations still work by gut feel, and I think it's time to elevate the science and art of sales and to understand how those predictive measures can give us coaching points in how we operate deals.

[39:07] Phil: *The Coaching Conversation*, which has been a New York Times bestseller for a long time. What I love about that book is that it's great advice for sales managers: don't try and solve your sales folks' problems for them or their issues. Make sure that you're asking the right kind of questions so they can think through it. It's all about their development.

[39:38] Phil: You know, resist the temptation to say, "Well, I've been there, I've done that." It's the quickest way from point A to point B, right? Because as much as we're judged on the numbers, our people are the most valuable resource, and we've got to take time to develop them.

[39:53] Phil: You know, I think the last one is a little bit more old school, and I really, really like it. It's the original *Solution Selling* book by SPI, Keith Eades. He's sort of the godfather of modern sales methodologies.

[40:14] Phil: And *The New Solution Selling*—that book, I was lucky enough to meet some of the authors, people who were involved in its development. And it was really about getting into that "diagnose before you prescribe," as opposed to trying to push sales.

[40:34] Phil: You know, the days of trying to close big deals on the golf course and, you know, what your Rolodex looks like—I mean, look, all those things play into it. People want to work with people they want to work with, right? And you want to be seen as somebody that's easy to work with.

[40:45] Phil: But at the same time, you've got to take a much more disciplined approach to understanding the problems of your customers, the depth and breadth of those problems, and how you can solve for them and provide business value.

[41:03] Phil: I think those three would be a great place.

[41:09] Rajiv: Thank you for that, and we'll provide those in the show notes as well. Phil, that's all the questions I had. I know we're out of time, and there's so much more I want to talk to you about. Maybe we can do part two. But is there anything else you'd like to share with us before we sign off?

[41:21] Phil: Sure. If anybody's considering a career in sales productivity and sales enablement, the biggest thing I would say is, you know, adhere to the strength of your convictions. I had a lot of people tell me over the course of my career that I was flat wrong, that I didn't know what I was talking about, that what I was suggesting is just something that cannot be achieved.

[41:46] Phil: If you can believe in it, no one else is going to believe in it unless you believe. And also, you know, over the course of your career, find good mentors. That has been huge in the course of my career.

[42:05] Phil: You know, for all the places that I've been and the number of people I've worked with, I can count those mentors on one hand, but, you know, I wouldn't trade them for the world.

[42:11] Rajiv: Great advice. Great advice. Thanks so much, Phil. I really appreciate our conversation. Stay safe in COVID-19, and keep rocking at ServiceNow.

[42:23] Phil: Thanks. I appreciate it.

[42:23] Rajiv: And thanks, everyone, for watching. We'll catch you next time. See you later.

[42:30] Phil: Thanks again for having me.

[END]