



4 problems with revenue goals

Set revenue goals, then focus on systems to foster sustainable success across your sales team

In sales, we are often hyper-focussed on our revenue goals. However, these are a lagging indicator of our daily activity.

Good selling habits are hard to adopt because, in the short term, they appear to make no difference. It's only after you persevere long enough that you unlock a new level of performance. When building out a new territory, or a new product, it often feels like you're going nowhere but this is a hallmark of any compounding process: the most powerful outcomes are delayed.

This is why it's so hard to instil habits across your team. People make a few small changes, like reaching out to new contacts, or potential partners, fail to see a tangible result and decide to stop. They think, "*I've been prospecting every day for a month and have no new pipeline*". Once this thinking takes over, it's easy to let good habits fall by the wayside. But to make a meaningful difference, habits need to persist long enough to break through this plateau.

Whilst revenue quotas are of course essential, we set out 4 problems with having these as your sole focus, and thinking little about the systems that will deliver consistent success.

PROBLEMS WITH QUOTAS



01

SAME GOALS, DIFFERENT RESULTS

Focussing only on the end goal leads to survivorship bias. We concentrate on those who hit quota in spite of bad daily habits and assume their goals led to success whilst ignoring all the people with the same targets that didn't reach them.

Everyone wants to hit quota, but only consistent small improvements lead to success across the team.

HITTING QUOTA IS ONLY A MOMENTARY CHANGE

You have a messy room, and decide to clean it. If you keep the same habits, you'll soon be starting at a pile of clutter again. You never changed your system, so you need to change the outcome again. You've addressed the symptom, not the root cause.

Similarly, a rep can hit quota with an inbound lead they didn't see coming. Consistent performance requires effective daily habits.

02

03

REVENUE GOALS RESTRICT HAPPINESS IN YOUR TEAM

The thinking behind goals is this: 'Once I reach my goal, I'll be happy'. People are stressed until they close a key deal, or hit quarterly targets. There is an 'either-or' conflict: either people hit quota and are successful or fail and are a disappointment.

A systems-first mindset allows reps to love the daily process, and consistently enjoy their jobs. If they do the right things each day, they can be happy.

REVENUE GOALS ARE AT ODDS WITH LONG TERM PROGRESS

Goals can cause a 'yo-yo' effect. A rep with a sparse pipeline might frantically prospect, find some opp's, then relax and stop the effort. Human nature is to return to bad habits once a goal is achieved.

The purpose of goals is to win the game. Systems are based on playing the game. Long-term thinking isn't goal-focussed. It's about following a process for steady improvements leading to positive results.

04



Systems over goals

If a portion of your team are consistently missing quota, the problem may not be them. The problem is the system that's in place. Bad sales habits repeat themselves again and again not because rep's don't want to change but because they have the wrong system for change.

You don't rise to the level of your goals. You fall to the level of your systems.

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