

Never allow bluebirds to trick you into complacency

Category: Analysis

A bluebird is an unexpected sale...that huge piece of business that comes in and makes your year. It is a beautiful and unexpected thing, and often has more to do with luck than with repeatable process. Unfortunately, the fact that it happens doesn't necessarily mean that you have suddenly unlocked the secrets of the sales universe.

When a Bluebird flies in and graces you with its gift on your desk, enjoy it but don't expect another one anytime soon. It may not be repeatable, so the trick is to celebrate it, and then continue your sales process as before. Whatever you do, don't base your plans on another one coming or let it cloud your analysis of your underlying performance.

What I have seen all too often is that a big sale comes in early in the year and suddenly the annual sales targets look easy. The sales team relaxes and before you know it the urgency has left the building and you're in a slump. The best way to avoid this is to increase the targets by an appropriate percentage of the sale to remove its impact from performance against target.

I learned this when I was running my Computer Service company. Our goal in one of the early years was to add \$2mm of recurring service revenue, a target that was a 45% increase over the prior year. In February of the year in question we unexpectedly landed a 'Bluebird' – an account worth \$1mm in recurring revenue that made our target look way too easy.

We went out and celebrated this huge win and I paid out commission and a bonus to all involved....but during my celebration speech when I announced the bonus, I explained the "Bluebird" philosophy. I told them that we were treating this as a Bluebird and that we would be increasing the target by \$800,00 – from \$2mm to \$2.8mm – and that commissions and quota bonuses for the remainder of the year would be driven off this number.

I believe this is the best way to handle a Bluebird - treat it as a normal sale for commission, but reset the targets. By doing so you are effectively eliminating the Bluebird from the measurement of quotas or the underlying growth rate you want to achieve and it shouldn't slow down your sales effort in any way.