Gradient Works

Rules of engagement for a more effective sales team

A complete guide to sales rules of engagement, with discussion prompts, ROE templates and more

Who owns which accounts when? It matters. A lot.

Efficiency, productivity, pipeline, focus. These are the words that will define how sales and revenue teams operate in 2024.

That includes deciding exactly what your team needs to focus on, and providing them the tools they need to focus on those things. One of the key areas to focus on to improve productivity and increase pipeline is account coverage. Are your reps working the right accounts at the right time?

Pipeline generation starts with account coverage. After all, you can't book a meeting with an account you never talk to. How sales teams deploy their quota capacity is an untapped source of rep productivity. Instead of spraying and praying in large territories, reps should be laser-focused on the highest potential accounts in their market at all times. That approach to sales is what we call dynamic books, and it's a flexible alternative to traditional static sales territories.

Account books should never be static. But it can be hard to know exactly how and when you should distribute accounts, and to whom. Every sales rep wants a better book of business - they want the best leads and the hottest inbounds. They want access to new accounts and the ability to hold on to the accounts they're working hard on closing.

At the same time, every sales leader wants higher attainment and better rep efficiency. They want balanced books and focused sellers.

Here's where rules of engagement come in. To build efficient, dynamic books for reps, you need well-defined rules about who owns which accounts when, and what the conditions of that ownership are. What does it mean to "work" an account? How can you communicate and track that?

Rules of engagement (which we'll often refer to as ROE) can be challenging to define. And we know that the fallout of unclear rules of engagement is conflict that impacts attainment. So how can you improve your ROE and increase attainment? This toolkit will guide you through creating new or updating existing rules of engagement.

Table of Contents

This toolkit can be used piecemeal or all together. To keep things simple, here are a few quick links to this kit's contents to help you navigate.

Rules of Engagement Overview

Rules of engagement define everything about who ownership on your customer-facing teams — from routing new leads, assigning opportunities, allocating customer accounts, and everything in between. It's partially about ensuring a smooth experience for your customers throughout their lifecycle with your company. It's also about making sure your reps have clear guidelines about who owns which accounts when, so that everyone is working together to close new business, retain existing customers, and make a good living in the process. Finally, it's about making sure it's clear how and when reps will be compensated for working an account, and ensuring you don't end up having to double-comp new deals.

Rules of engagement can be complex and will constantly change; it's best to assume that from the beginning. But they're also vitally important - because they dictate who has ownership over accounts, who gets credit for deals, and how sales teams work together. When done well, effective ROE makes productive, happier teams, smoother customer interactions, and improved close rates. But bad ROE will destroy your team's morale and efficiency. It will slow down your revenue velocity, confuse customers, and generate internal conflict.

So how do you manage your ROE? It might be a dusty old Word doc, or an unwieldy shared Google doc. Maybe you have rules codified in Salesforce. You might even have some flowcharts. No matter what, you likely have something written down, but it's probably not in as good shape as it could be. If you don't have something written down, knowledge about ROE is probably shared across key members of your team (usually the ones who've been there a while).

And that's okay, for now. Literally every sales team on the planet struggles with rules of engagement. So we're here to help.

This toolkit contains a few things to help you straighten out your rules of engagement. If you're just starting out with your team's ROE, this kit will walk you through all the different areas you should consider documenting. If you have existing ROE and they need some cleaning up, this document will help you figure out what to update and what to add.

Ultimately, rules of engagement address issues of ownership and accountability. Who owns which accounts when? Who's responsible for doing what? It sounds simple, but it's not.

So let's get started. Grab a pen.

ROE Planning Exercise

The goal of this exercise is to get you thinking through everything — all the sales scenarios and workflows and potential issues your team may encounter. We're going to ask you a bunch of questions, which will probably lead to even more questions. Take detailed notes. It's going to start off messy, but we'll clean up that mess shortly.

WHO

Determine the criteria for **which reps** own **which accounts**.

Reps. Who can own what kind of account (or opportunity or lead)?

1. *Inbound vs outbound*. Where do your new leads come from? Which reps are responsible for inbound lead follow-up and which are responsible for outbound prospecting? Are some reps responsible for both? How do you ensure reps don't work the same accounts? For example, if you have outbound reps and an inbound marketing program, what rules and matching have you set up to ensure outbound reps aren't working inbound leads or vice versa?

2. *Quota coverage*. Do all your reps have an opportunity to hit quota? Do you need to think about rebalancing rep books or changing distribution rules? Do your outbound reps have the right number of accounts under their ownership and do you have a plan on how to cycle through those accounts?

3. *Leads vs opportunities vs accounts*. Do different reps own different stages of the customer lifecycle? How do you define each stage? When does account ownership change hands?

Customers. How will you segment your customers and prospects?

1. *Target books*. How do you define the ideal book for different types of reps? Connect bottoms-up capacity with quota expectations using a book productivity analysis to understand your ideal book size. A book should be sized based on the number of concurrent accounts a rep can be tasked with working at any given point in time. How many accounts does a rep

need in their name to hit quota in a given time period? Do you have different target books for different customer segments?

2. *Sales cycle stages/customer lifecycle*. Where is the customer in your sales cycle, and how does this relate to ownership? You'll likely need rules for net new business (a prospect or new logo), customer expansion (through upsell or cross-sell), customer renewal, winbacks (recently churned former customers), referrals. You may have other prospect or customer types, depending on your business. What are the stages that matter to how your team is structured?

3. *Multiple entities*. Think through how you'll handle accounts with parent and child hierarchies, mergers and acquisitions, geographically distributed HQs, holding companies, etc… How do you decide ownership for accounts that may have multiple distinct entities?

4. *Named accounts*. Are there certain named accounts that will never change ownership? How do you define those?

5. *Partners, referrals*. How do you handle referrals? Do you have partners or channels that bring in leads? How are those handled? How do you ensure externally-sourced leads don't conflict with internally-sourced leads?

WHAT

Decide **who sells what**.

Products and packaging. What can your reps sell?

1. *Pricing*. What are your guidelines for pricing and packaging? How about discounts? Are there different pricing tiers for different customer segments or products? What about add-ons? All of these can impact rep compensation, and may come up in ROE discussions.

2. *Product lines, cross-sells*. Who sells which product? Do some reps sell one product and other reps sell another? How do you handle cross-sells when one customer or prospect wants multiple product lines? What about when an existing account inbounds about a new product?

Sales stages. How do you define each stage of your sales cycle?

1. *Qualification criteria*. What are your rules for qualifying leads or accounts? What makes something a qualified lead or opportunity? Are there different rules for marketing qualified leads vs sales qualified? What about PQLs (product qualified leads)? Be sure it's clear what criteria are required for qualification at every stage, and which rep is eligible for ownership at each stage.

2. *Opportunity stages*. What are the rules for moving an opportunity from one stage to the next? Are there certain criteria that must be met to move to the next stage? What impact does opp stage have on ownership?

3. *Customer lifecycle*. What are your customer lifecycle stages? Does ownership change as a customer moves from one stage to another? For example, when a prospect comes a paying customer, what happens to ownership? How do you handle handoffs?

4. *Account types*. Do you have certain types of accounts that need to be handled differently from others? This may be based on firmographics like revenue or employee size.

WHEN

Think carefully about issues of ***timing***, and when accounts change ownership.

1. *Working definition*. What counts as "working" an account? If a rep is responsible for working X accounts per month, you need to be clear about what exactly is included in working that account. This may be number of activities, contacts engaged or account penetration, length of time since last contact, responses, and more. Be thorough here, especially if you use a dynamic model, where unworked or inactive accounts may be eligible to be transferred to another seller.

2. *Length of ownership*. How long does someone own an account? Does ownership ever expire? If so, under what circumstances? When do inactive accounts become eligible for new ownership? This is important for unowned accounts, winbacks after churn, closed/lost opportunities, and more. When does ownership expire?

3. *Ownership changes*. What would cause an account to change ownership? When do you rebalance or audit books? And how do you rebalance books?

Are there extenuating circumstances you may need to account for? For example, what if a customer account changes tiers based on spend after a successful upsell?

4. *Rep transitions.* What happens when a rep leaves or is promoted? This is especially important in static territory models when you have to handle an empty territory for some period. Who owns something temporarily? How does that process work?

5. *Timing signals.* Are there certain signals or triggers that result in a change of ownership? For example, if an SDR documented a get-back-to-me date on an account, does that account come back into their name as that date approaches? Think about other timing signals like contract renewals, changes to a prospect's business, intent signals, POC changes, marketing activities, and more.

WHY

Think about **what contributes** to the need to document ROE to begin with.

1. *Credit.* How do you want to handle deal attribution? How will these changes impact rep compensation? In what circumstances do you allow splits, if any?

2. *Past conflicts.* What issues have come up in the past that you should address now? Are there wrongs you need to right?

3. *Growth and complexity.* What specific organizational factors are contributing to your need to think about ROE right now? What's coming up in the next few years? How complex is your organization? Why?

4. *Stakeholders.* Who will be impacted by these rules? Who needs to be involved in planning?

HOW

Determine how you'll **distribute and update** ROE moving forward.

1. *Sales enablement.* What kinds of enablement will you need to roll out? How will you train your team on the new rules? What other stakeholders will you need to involve?

2. *Sales engagement tools*. Do you need to make any changes to your sales tech stack as a result of these changes? What additional enablement will you need to support those changes?

3. *Automation*. What parts of these ROE can you automate? Do you already use a tool to route leads or manage assignments? If so, is that working effectively? What about the other assignments and handoffs - can/should you automate anything else?

4. *Conflict*. What happens in case of conflict? Where do reps go to resolve disputes? This is extremely important. Who will be the final decision maker? What are the expectations for how a case is made and resolved?

5. *Changes*. How do you change the rules later? What's the process for deciding when a change needs to be made? Who needs to be involved? Is there a regular review process?

WHERE

Decide **where you document** your rules of engagement.

1. *CRM guidelines, requirements*. What do you codify in your CRM? What fields and workflows do you need to update?

2. *Visualizations*. Do you create visualizations of your ROE? For example, do you have flowcharts to show how an account moves through the customer lifecycle and ownership stages?

3. *Accessibility*. Is there a central document anyone can access? How do you share it? How do you ensure it's kept up-to-date?

LAST THINGS

Tie up any loose ends.

1. *Outliers*. What other edge cases should you document? Have you missed any outliers or unusual situations?

2. *Objectives*. Do you have any overarching guidelines or objectives that can guide teams when something is unclear?

3. *What else?* Is there anything else to discuss? Should you bring anyone else into this discussion?

At the end of this exercise, you should be able to clearly — though probably not concisely yet — explain what criteria you use to assign account ownership. Next, you need to start to clean them up, and start revising. Help on that in the next sections.

Potential Challenges

There are a few areas that could make your ROE more complex. Be sure you've thought through these potential challenges.

Inbound and outbound motions

If you're like most companies, you probably have some kind of inbound deal flow, along with an outbound prospecting motion. Some companies split this up and BDRs handle inbound lead qualification while SDRs are responsible for outbound prospect identification. Other companies use a hybrid model where a BDR or SDR is responsible for inbounds and outbounds. If you split these motions up, you're more likely to run into ownership and handoff conflicts. How do you ensure that new inbound leads aren't associated with accounts in an outbound rep's book. How do you keep your inbound and outbound efforts in sync?

Deal complexity

If your company has complex deal parameters, like channel partners, accounts with parents and/or subsidiaries, or multiple product lines, it inevitably leads to more ROE conflict. Who takes ownership of a parent company if one of their subsidiaries is already a customer? What happens when a rep who is tasked with selling Product A learns a prospect is talking to another rep about Product B? How do you handle inbound prospects from partners? The more complex your deal profile is, the more likely you are to run into ROE issues.

Data, or lack thereof

Effective ROE relies on clean data and a tidy CRM. It means you need enough information about a prospect to know how to assign it — things like company industry, revenue, employee count, location, and more. It also means your CRM really has to be the single source of truth in your organization, and that everyone keeps opportunity data up-to-date. A lot of ROE challenges begin as data quality

issues before turning into a full-blown conflict. You'll never have perfectly clean data, so think about how you defend against disputes caused by bad data.

Attribution

Attribution requires accurate lead-to-account matching to be sure inbound leads are always matched to existing accounts when appropriate. It also means you need clear rules about who gets credit for a deal, especially when compensation is involved. Do you use a first-touch or last-touch attribution model? Do you attempt to try something more complex and look at multiple touches? How do you track and report on that?

Dishonest rep behavior

It's not common, but it happens, especially in larger organizations; sometimes reps will deliberately break the rules to get to the better deals. That includes things like:

- Reps hoarding lost or quiet opportunities, or changing opp dates to hold onto them longer than the normal ownership time. These are the Rick Astleys of your sales team (because they're never gonna give a deal up).

- "Salesforce surfers," which is what one revenue leader calls reps who try to attach themselves to a deal in progress for partial credit. You may also recognize these reps as fairweather fans, low-hanging fruit pickers, and the like.

- Reps changing account names or other data to hide an account or make it look like an account should be in their territory even when it's not.

- Reps who work a deal through to close, and then discover a "mistake" in the data that meant that deal never should have been theirs. They should get credit since they worked it though, right? Right?!

These challenges are compounded if reps perceive scarcity in deal flow, if there are issues of trust on your sales team, if your company is growing quickly, if you have a highly competitive environment, if there's rep turnover. So many factors can contribute to ROE conflict that it's no wonder it's so complicated.

ROE Template

Use this template to start a clean version of your rules of engagement. Keep them as clear and simple as you can. Any ambiguity could be an issue later.

Here is a basic outline for some of the more common ROE components. You can fill it in with your specific guidelines, edit as you need, and share with your team. We've provided some examples throughout in [brackets] to clarify.

Section 1: Definitions

[Use this section to clearly define your parameters. Be clear about how you calculate or operationalize things. For example, what criteria does a lead need to have to be considered an MQL or SQL? When should an opportunity that has gone cold be marked as closed lost? Be as specific as possible.]

1. Target Book Composition: [You may have different target books by customer segment or rep type.]

2. Customer Lifecycle Stages and Account Types

    a. Leads:

        i. Inbound:

        ii. Outbound:

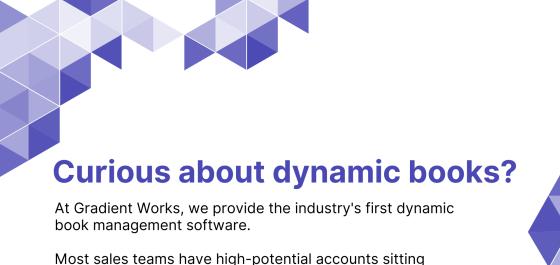   iii. MQLs:

        iv. SQLs:

    b. Opportunities:

        i. Opp Stages: [What criteria have to be present or completed for an opp to move to the next stage?]

        ii. Won Opps:

        iii. Lost Opps:

    c. Accounts:

        i. Active:

        ii. Inactive:

3. Reps

    a. New Business:

        i.   Sales Development Rep (SDR):

        ii.   Account Executive (AE):

        iii.   Enterprise Account Executive (EAE):

        iv.   Sales Engineer (SE):

    b. Customer Success:

        i.   Onboarding/Implementation Specialist:

        ii.   Customer Success Manager:

        iii.   Account Manager:

Section 2: Rules of Engagement

1. General Guidelines

    a. [Example: We're all on the same team.]

    b. [Example: Put the customer first.]

2. Lead Assignment

    a. Inbound:

    b. Outbound:

    c. Qualification Criteria:

    d. Distribution Rules:

3. Account Ownership Rules

    a. By Type:

        i.   Prospects:

        ii.   Existing Customers:

        iii.   Returning Customers:

        iv.   Referrals:

        v.   Other:

        vi.   Lost Opportunities:

b. By Rep:

                i. SDRs:

                ii. AEs:

                iii. AMs:

        c. During Rep Transitions

                i. Departure or Promotion:

        d. Ownership Duration

                i. Working Definition: [What counts as "working" an account in your org?]

                ii. Ownership Expiration: [After 60 days of inactivity, a lead will be considered "expired" and move out of a rep's ownership.]

    4. Conflict Resolution

        a. Dispute Guidelines:

Curious about dynamic books?

At Gradient Works, we provide the industry's first dynamic book management software.

Most sales teams have high-potential accounts sitting unworked in their CRM. You probably do. Want to see how your reps are covering your market? Let's start with a free account coverage analysis, no strings attached.

Learn more at www.gradient.works

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