



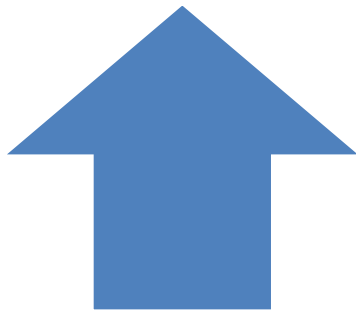
THE GOOD PEANUT

“BEST IN CLASS –STRATEGIES TO BUILD A HIGH PERFORMANCE SALES ORGANISATION”

A report on professional selling by Julian Griffith

Since companies started assembling teams of salespeople to sell their products, they have been shadowed by the sales development and training industries.

Yet after all these years only 1 in 4 salespeople consistently perform at a high enough level, including the just 6% who stand out as the elite ones we all want.



**26% Asset to
Sales Team**



**74% Liability
to Sales Team**

As long as so many people out there trying to make a career from sales are in fact in the wrong job, there will inevitably be a gulf between a business's expectations of its salespeople and what they actually are capable of delivering.

Too often we hire weak salespeople or the wrong kind of salesperson for the role we have to fill. They are then set up to fail through not addressing their weaknesses and having sales managers in place who have never been taught how to coach and mentor their people properly, fail to hold them accountable and keep on making the same hiring mistakes based on their “experience and gut feel.”

Isn't it time we questioned the validity of traditional sales hiring and training methods? Surely if they worked they would have fixed the problem by now.

It is clear to me that businesses can choose one of two paths.

Sadly, many will continue to do what they've always done. Whilst they once would have expected this to give them what they always got, this is no longer the case. In today's business climate they will get less.

Fortunately more and more organisations are genuinely looking to build high performing sales teams. They understand the future growth of their business lies with the ability of their salespeople to add value and differentiate them and what they offer from their competition.

So, with this positive challenge in mind I was drawn to a report from Aberdeen Group¹ titled "*Sales Training: Translating Tribal Selling Knowledge into Bottom-Line Productivity*" written by Peter Ostrow.

It looks into how top performing sales organisations are growing sales by evaluating their sales staff to determine who is trainable and then continuing to invest in the right kind ongoing sales development and training. It notes that whether or not the GFC is really behind us, buyers continue to show caution, resulting in longer sell cycles and tighter budgets.

Determine who is trainable? Isn't everyone?

Sadly not, findings point to many salespeople and sales managers who quite simply will not benefit from training and coaching. Yet many organisations, who whilst they should be commended for making the effort to develop their team are mispending their dollars on traditional "sheep dip" training approaches. Everyone, whatever their level of competency, (not the same as number of years doing it), is put through a day or two in the classroom. When speaking with salespeople they report this "one size fits all" approach usually leaves them on a high for a short while but can be followed by them feeling low shortly after, once they're back in the real world.

A first key step is to find out which of our salespeople will embrace the opportunity to learn and those that won't.

Having assessed close to 500,000 salespeople, research from Objective Management Group² (OMG) highlights four crucial elements that determine an individual's *Incentive to Change*. They are identified as *desire, taking responsibility, having a positive outlook and being fully committed to the role*. What does this mean? With the right training, coaching and development this person will improve and has the potential for growth in your business.

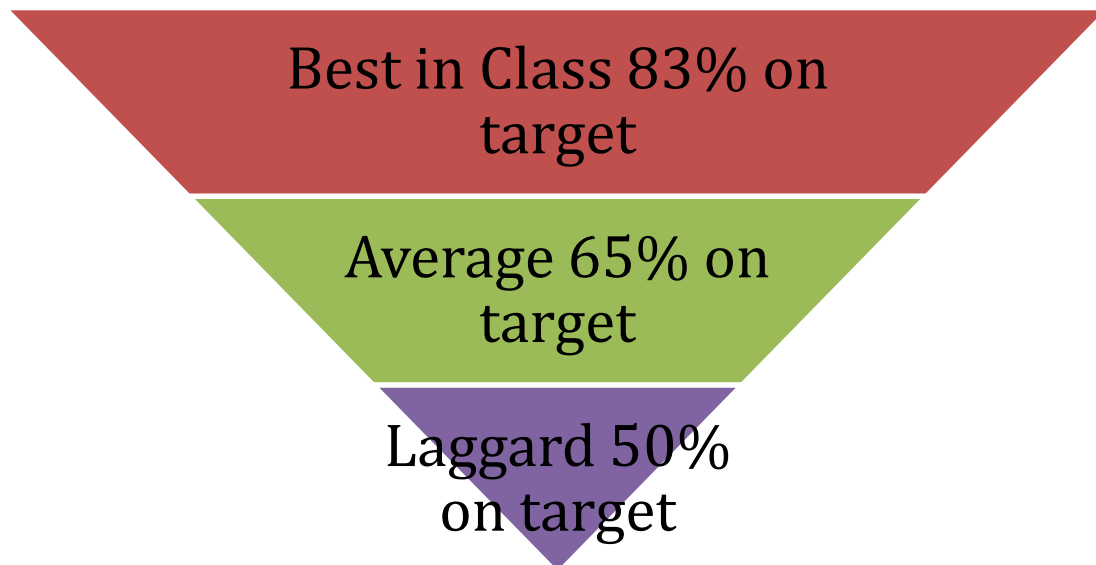
On the other hand, the person who has no desire to change is not trainable. Let's face it they probably know it all already. Do you recognise any of them in your team?

In his report Peter Ostrow sets one of the criteria for "Best in Class Performance" organisations as having 83% of their sales reps achieve quota. Is this a lenient measure? My first reaction is to say yes, however their measurement method is to apply this accolade to the top 20% of the 517 organisations surveyed. (*Maybe they*

¹ **Aberdeen Group** is a provider of business-related, fact-based research services. It has its headquarters in Boston, Massachusetts and belongs to Harte-Hanks. Founded in 1988, Aberdeen's research is used by over 2.5 million readers in more than 40 countries; this includes 90% of the Fortune 1000 and 93% of the Software 500 (citation needed). Aberdeen's research is based in fact derived from the primary research practices of survey analysis and live interviews. (*Wikipedia*).

² Objective Management Group (OMG) has developed a complete suite of Sales Force Development products over the past 20 years. Today they are the market leaders in the Sales Assessment field. The entire focus of OMG is to provide crucial, timely, insightful and unique information that helps companies make more intelligent decisions to improve their sales organisations.

should have set the target at say 90% achieving quota and those companies that reached that made up the best in class category and so on for the three levels). The “Industry Average” describes the middle 50% of respondents and has the bar set at 65% of sales reps making their targets, whilst the “Laggard” companies, who represent 30% of respondents reported just 50% of their salespeople hitting their numbers.



Let's pause for a moment and take these findings on board.

The 50% “Average” companies surveyed reported that two thirds of their salespeople achieved annual quota. That means one third of their salespeople failed to make their numbers.

It gets worse, the bottom 30%, nearly 1 in 3 of organisations surveyed had only half of their salespeople making their numbers and paying their way with the other half liabilities to the business.

The combined 4 out of 5 respondents representing the average and laggard companies reported that just 59% of their sales people achieved annual quota.

This alarming summary prompts me to again ask the question: Isn't it time we questioned the validity of traditional sales hiring and training methods? Surely if they worked they would have fixed the problem by now.

Okay, let's concentrate on the “Best in Class” and look at what they're doing.

In the opening *Executive Summary* it identifies three key actions we can take now to improve sales performance in line with Best in Class organisations as:

- ***Assess the strengths and weaknesses of each sales member, in context of matching them with the most appropriate selling job role***
- ***Identify the top-performing sales reps or “A” players, and incorporate their best practices into the entire teams' training environment***
- ***Adopt a mix of externally provided sales training service and technology enablers, rather than relying on any single source of guidance***

It goes on to confirm what we all know, namely that *“prospects and customers demand more than a product from their sales rep; they seek added value through consultative and problem solving skills, with need based conversations instead of sales pitches”*.

This is a very real challenge for most of our salespeople as we move away from a transactional approach to consultative conceptual selling and I believe lies at the heart of why the majority of sales organisations continue to underperform. I will usually ask a prospective client to rate their sales team on a scale of 1 to 6, with 1 being novice level, through to 6 being the best they could be. The most common reply given is a 3.

Our salespeople are running at about half the level we need them to. We can agree this is a big obstacle that's bound to be blocking our growth plans.

So what are the key pressures driving the need to spend time and money on developing our people? Not surprisingly topping the list is *to increase or sustain revenue*, and at number two is the need to *align sales activity with business objectives*.

The report covers Best in Class strategies and cites the top two as:

1. Enhance sales prospecting, nurturing and closing skills

It's worrying just how many salespeople do not pick up the phone anymore to prospect for new business, or even ask for referrals from happy customers. To further understand the real reasons why acquiring new business is usually so much harder than we would wish, Objective Management Group recently surveyed 5000 salespeople and reported that 24% either could not, or would not prospect for new business, even though it was part of their job description. The same data demonstrated that over half of this group could not close a sale.

2. Create more meaningful sales conversations

This is an area where ongoing coaching, training and sales processes are called for. Many companies are lacking in all three, with less than 20% of Australian businesses having a sales process which is adhered to.

The respondents were asked the question *“In your opinion, what are the two most influential aspects on your sales team's winning or losing deals?”*

The number one answer, more than double any other, was the *“relationship between sales reps and prospect/customer”*.

This dovetails with conclusions detailed in my research paper *“Taking the lid off your sales organisation”* in which I discuss the four key reasons why customers decide to buy a product or service from us, and what percentage each of them play in the process. The message received is loud and clear.

- Product & Service Delivery 19%
- Value to Price Ratio 9%
- Company Brand & Impact 19%
- Field Interactions 53%

Without doubt, the effectiveness of our sales people client facing in the field is far and away the most vital part of the sales jigsaw.

Making changes is hard work and can be disruptive, that's why we often avoid doing it, instead settling for the status quo. Let's see what we can achieve by putting changes in place within our sales organisation. According to the Aberdeen report:

- Best in Class companies enjoyed a year over year increase in average order size of +6.8%. Whilst Average and Laggard companies reported reductions of -0.4% and -10.7% respectively
- Companies that achieved the top accolade saw their salespeople's revenue grow by +10.7% whilst the others lost out again, with the Laggards decreasing by -11.5%
- Business is won in less time with the sales cycle for Best in Class about 20% shorter than the others

Compared with average and laggard organisations, those doing best put more emphasis on these 5 key areas:

- 1. Process for a) collaborative collection and sharing of knowledge and b) post sales training reinforcement.**
- 2. Organisation through a) 'Train the Trainer' methodologies and b) assessing the salespeople and defining competencies for their role such as inside sales, hunting for new business, account management etc.**
- 3. Knowledge, identified as capturing best practice, storing it centrally and then sharing it throughout the sales team.**
- 4. Enabling services and technologies including training for telephone selling skills, measurement and role playing books, and finally**
- 5. Providing sales training at least quarterly and embed processes for post training reinforcement.**

Best in Class organisations also lead the way in their commitment to *"increase spend on sales training initiatives over the next 12 months"*.

But it is important to tailor specific training to different sales roles. Again Best in Class organisations, having evaluated their people deploy a number of well defined but highly distinct profiles, such as inside versus outside, hunter versus farmer, and national versus global accounts. A common theme revealed by the research is that they are much more likely to formally separate out sales job role competencies.

What is apparent is that organisations that are genuine in their intent to improve their sales teams and grow business can do so.

In writing this I set out to firstly highlight how, by and large, our sales organisations fall short of where we need them to be. Whilst we would never tolerate our production, delivery and accounts teams performing at such levels, all too often it's acceptable with our sales teams.

However, there is a positive shift taking place out there with many companies taking the steps needed and succeeding in their ambition to build a high performing sales organisation.

If you would like a copy of the full "Aberdeen Group" report, please email your request to me at julian@thegoodpeanut.com.au

About

The

Author



Julian is the Managing Director of The Good Peanut and is committed to helping businesses build elite sales teams, made up from only top performers who will drive growth for their companies.

He has witnessed both as a client and then advisor the remarkable transformations that can take place once a business commits to and implements change within their sales organisations.

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