



BYINGTON DEVELOPMENT GROUP
Changing the world of corporate sales.

An Executive Report on Improving Sales Effectiveness

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Improving Sales Effectiveness

1. Introduction – The Purpose of this White Paper

The topic of this white paper is improving the performance of your sales force. A sales force, as defined here, means everyone in an organization who gets involved in sales. Most specifically that includes the sales people and their sales managers. Typically, these sales people and sales managers would be employed by the company, but, in some cases, may be independent, third party representatives. In addition, in your company, several other people may go on sales calls and/or talk to customers and prospects on the phone or by fax or email as a part of the execution of a selling opportunity. These other people may include pre-sales consultants, engineers, various technical personnel, manufacturing, quality, distribution or financial personnel, company management, and others. All of these other people will be collectively referred to in this paper as non-selling professionals.

It is assumed that anyone taking the time to read this document has some level of interest in the subject of improving the performance of the company's sales force. Your level of concern about this issue may vary greatly from a rather casual interest to serious concern about current problems that need immediate attention. Wherever you may be on that spectrum, the purpose of this document is to help you answer the following questions:

1. Is there a concern about either the current or future performance of the sales force that merits further investigation and analysis?
2. If yes to question number one, how should you proceed?

2. Does This Hurt?

The world is full of very well meaning companies who are anxious to prescribe sales training as a solution to any sales performance problems that you may have. While that may produce some results, the approach advocated in this white paper will be the same as if you go to the doctor when you're not feeling well. First the doctor will ask you to describe your symptoms. Next, the doctor will perform an examination and diagnose the problem. After all that, and only after all that, will the doctor prescribe a course of treatment. On the other hand, if nothing hurts, you probably didn't call the doctor to begin with and everything else is academic. A detailed and comprehensive diagnosis of sales problems before any recommendations for sales training is a theme of this document.

If you're taking the time to read this document, my assumption is that either something hurts in the sales department (maybe a little, maybe a lot) or you're concerned that if you don't do something now, it will hurt in the future. To continue our medical analogy, this is like proper diet and exercise. You're doing it today because you'll not only realize short-term benefits but you'll also avoid complications down the road.

We would suggest categorizing the hurts into one or more of nine areas as listed below under the three categories of sales people, sales managers and sales recruiting:

The Sales Performance Grid

<i><u>Sales People</u></i>	<i><u>Sales Managers</u></i>	<i><u>Sales Recruiting</u></i>
<i>Current Problems</i>	<i>Current Problems</i>	<i>Current Problems</i>
<i>Not Reaching Full Potential</i>	<i>Not Reaching Full Potential</i>	<i>Not Reaching Full Potential</i>
<i>Future Capabilities</i>	<i>Future Capabilities</i>	<i>Future Capabilities</i>

- Level one is for those who feel they are currently having performance problems with their sales force.
- Level two is for those who feel they are getting by today but are frustrated that they are not reaching their full sales potential.
- Level three is for those who are concerned that their current sales capabilities will not be sufficient to achieve the future objectives of the company.

A more detailed analysis of what's behind each of the nine areas above is provided at our web site: www.salesproblems.com. If you haven't visited this web site you may wish to do so. You will be best served with this document if you have taken a look at the web site and have some sales performance issues, concerns, frustrations and problems in mind as you read the rest of this paper.

3. The Typical Sales Force

If you could hold a mirror up to your sales force, you might be able to find out some very interesting things. But it couldn't be just any mirror. An ordinary mirror would only give you a reflection of the surface image and wouldn't tell you much of anything you didn't already know. But if you had a special mirror, the kind of mirror you might find in the currently wildly popular Harry Potter stories, a Wizard's Mirror, you would be able to look below the surface image of the sales force. This view below the surface would find some strengths that you didn't realize were there. It would also uncover other things you hadn't seen before - hidden weaknesses that get in the way of better sales performance. If you could look below the surface at a detailed and comprehensive analysis of the strengths and hidden weaknesses of your sales force, you could distribute the members of your sales team into one of the following four quadrants:

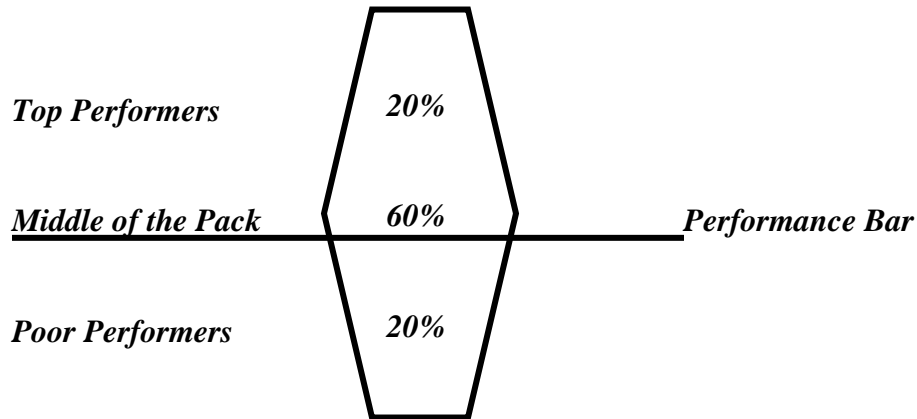
Distribution of Sales Organization Strength

<p><i>I</i> <i>Weaker With Potential</i></p>	<p><i>II</i> <i>Stronger Need a Challenge</i></p>
<p><i>III</i> <i>Consider a Different Role</i></p>	<p><i>IV</i> <i>Maintain if Results are Acceptable</i></p>

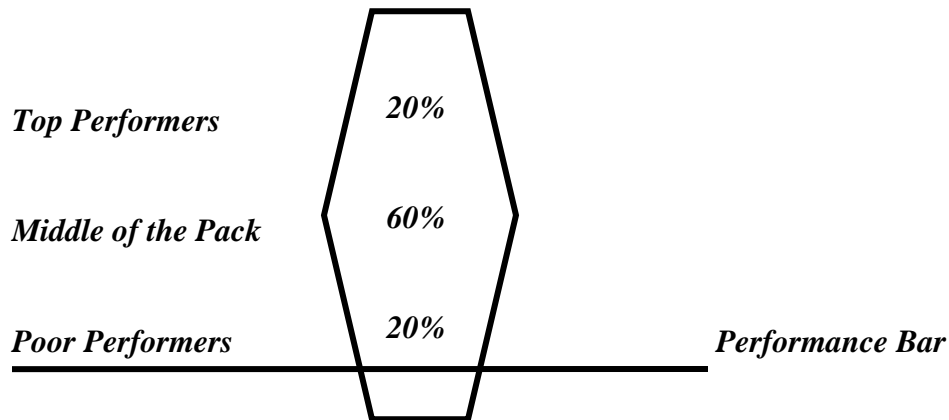
The typical sales force has something close to a 20/60/20 performance distribution. The top 20% are your "A" performers. They go into quadrant II. The "A" performers are fun to be around. They're self-starters. They're confident. They bring in the business and you don't spend a lot of time worrying about them. To improve their performance your best strategy is usually to challenge them and offer suitable rewards. They'll usually respond. The bottom 20% can consume a lot of sales management time if you let them. If they have a good sales manager, their deals may close when the manager gets involved. Left alone, their performance slips back to unacceptable. These people were most likely bad hires to begin with and, very likely, won't be with the company in six to nine months. They're in quadrant III. The remaining 60% are split between quadrants I and IV. Those in quadrant IV, if their performance is acceptable, should be supported to maintain their current level of production. Just don't expect too much from this group in terms of improvement. Quadrant I is potentially a gold mine. These are sales people who have weaknesses but also have potential for significant growth and increased production.

Management's principal sales performance improvement strategy (and challenge) is first, to figure out who is in which quadrant, and then create and execute a sales force development plan that focuses on moving the people in quadrant I toward quadrant II. Not everyone in quadrant I will become a superstar, but with a proper sales performance improvement process, significant sales increases will occur.

The next issue in a typical sales organization is strictly a management issue. Very often, expectations are set too low. If you look at what constitutes acceptable performance, as defined as 100% of quota, the performance bar typically runs through the middle of the 20/60/20 distribution.



Typically about half the team is above quota and the other half is below. In terms of making the numbers, the top half fill in the business the bottom half doesn't get. The problem is that, if you want to grow the business, you can't go to the "A" performers and say, "Last year was great at 180% of quota. Next year I need you to be 225%." Why shouldn't management raise the performance bar so that everyone is above quota and the 20/60/20 distribution looks like this?



Achieving this level of performance improvement will take some time, a fair amount of effort, and may require some changes in personnel as well.

4. Why Don't Sales People Sell More?

Everyone can be successful, but not everyone can be successful in sales. We've all known or been called on by someone where our gut shouted, "Why is that person in sales?" The first, and simplest, reason why people don't sell more is that they really don't belong in sales in the first place. One of the problems is that companies keep hiring these people and don't find out about their sales deficiencies until they have paid their base or draw, plus benefits and expenses, for 6-9 months. Not to mention the lost opportunity costs. You may have had the experience of hiring someone who looked great during the interview but didn't sell after they were hired.

The second reason why sales people don't sell more is easy to say but has a lot behind it. The reason that people should be high performance sales people but aren't is that they've never been properly trained and coached to allow them to reach their potential. The training that they have had has typically focused on teaching them selling "techniques" (how to ask questions, how to handle objections, how to ask for the order) or some strategic approach to the selling process. While techniques and strategy are important, there's a lot more that goes into being successful in selling. In addition, their training was also typically a one-shot event – a one, two or three-day sales training workshop. If you ask them about the training they took six months ago, they will usually be able to tell you the one or two good things they got from it. If you observe them on a sales call, it's hard to tell they went to the training. Why is this? Most likely the training wasn't reinforced through on-going sessions and there was no coaching from a sales manager who knew how to coach sales people.

Still further, the typical sales person doesn't know enough about themselves before attending sales training to get the full benefit from the training. They don't have a good handle on their individual selling competencies and the hidden weaknesses that exist in sales people that undermine their strengths and limit their success. Continuing our medical analogy, no one examined their selling capabilities and diagnosed their problems before sales training was prescribed as the answer to their sales ailments. Without this front-end analysis, any training and coaching will be considerably less effective than it should be.

5. Behavioral Change

Here's the bottom line: if you want to improve sales performance, you need to get the people in your company who participate in the sales process to do their jobs differently than they're doing them today (sales people, sales managers and non-selling professionals). The bad news is that if you're looking for a quick and easy answer to getting people to change, the rest of this paper will disappoint you. There are no silver bullets. There is no free lunch.

Here's an example of a company in need of behavioral change in the sales department. The company is well established in its marketplace. It provides high quality products at competitive prices. The problem is that the market has shifted, demand for the company's core products is flat or declining and the products are becoming increasingly commoditized with a lot of pressure on margins. The company's strategy has been to develop new products that leverage their core competencies and some newer technologies that they have developed.

Here's the sales problem. The traditional approach to selling in this company, one that has worked well for years, is to call on purchasing agents and/or users of the products, keep on top of any new RFQ's, and compete on quality, price and service. In order to compete effectively in the new target market, the company's sales people (and non-selling professionals) will need to call on middle and senior management and be able to contribute to delivering business solutions, not just

picking up RFQ's. This is a classic case of a need to move up the selling food chain, a sales problem common to many companies.

The Selling Food Chain

<u>Level Called On</u>	<u>Your Selling Position</u>
<i>Senior Management</i>	<i>Advisor</i>
<i>Middle Management</i>	<i>Consultant</i>
<i>Users</i>	<i>Problem solver</i>
<i>Purchasing Agents</i>	<i>Vendor</i>

If a sales person's experience is primarily calling on purchasing agents to pick up RFQ's and discuss quality, price and service, it's a big shift in skills, knowledge and behavior to sit down with senior management to discuss their business goals and objectives and position yourself as a trusted advisor on how your company can help them.

The good news is that it's not impossible to improve sales performance by changing behavior. In fact, it's not even difficult. Please let me define my term: difficult – hard to do. Here's something that is difficult for me to do (in fact impossible): singing on key. There's a level of talent required that I simply don't have. I could take voice lessons for the next 3 years and, while there might be some improvement, I don't think you'd want to sign up for my next performance.

Here's something that isn't difficult: making 100 prospecting cold calls. Is it fun? Probably not. Do I want to do it? Probably not. Do I have the skill level to dial the phone? Yes. Will I do it? Again yes, if I want to be successful in sales. Do I have the talent to do this successfully? Let's assume that today I'm not very good at getting appointments when I make cold calls. Whatever my current batting average, it can be improved with proper training and coaching. This isn't rocket science. The problem that most companies have is that they do two hours at the sales meeting on telephone techniques, put a check mark after sales training on the "to do" list, and then turn everyone loose to conquer the world. They then assume that they have lousy sales people because sales didn't go up. They don't recognize that to create effective behavioral change requires an on-going process of both training and coaching (more about this later). It's human nature to want the quick fix. In terms of changing behavior to improve the performance of a sales force, the quick fix doesn't exist.

There is another key issue to consider when a company looks at the gap between the "as is" of current sales capability and the required "to be" and thinks about the amount of change needed to

achieve the company's objectives. Not everyone will be capable of or want to make the required changes. Before embarking on a sales development program, it's wise to take a stab at figuring out who the most likely candidates are for achieving success in the "to be" model. This analysis requires a Wizard's Mirror to look below the surface at the hidden weaknesses that inhibit sales performance. More about this later.

Here's a key question to ask yourself about change: "Is the pain of staying the same greater than the pain of making the change?" If your answer is no, you will be a rare exception if you stay the course long enough to make worthwhile change happen. Also if your answer is no, you might be well advised to take the money you were going to spend on the one-shot sales training event and use it to do some more direct mail or hire some more sales people or go to another trade show. Your ROI will probably be better.

In your company the selling status quo may be unacceptable, meaning that selling the way you do today will not support the company's objectives tomorrow. Another way to look at this is that the pain of staying the same is greater than the pain of changing. In these cases, a comprehensive review of the sales strengths and hidden weaknesses will help management figure out what needs to be done to get the sales team on track.

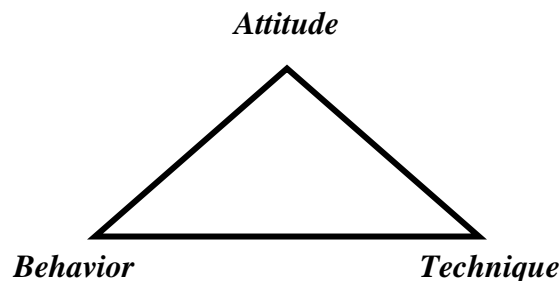
One of the objectives of this paper is to get you to think about whether or not you really need to improve sales performance, whether or not you're willing to consider an appropriate behavioral change process to make that happen and what to do next.

6. The Sales Success Triangle

Let's summarize what we've covered so far. You may have problems with the performance of your sales force. You may have a typical 20/60/20 performance distribution with expectations set too low. In order to improve the performance of the sales team, you're going to have to get people (sales people, sales managers and non-selling professionals) to change their behavior. How can you get your hands wrapped around these issues and what to do about it?

As I said earlier, most sales training is a one shot deal that focuses on teaching either techniques or some strategic approach to the selling process. Both of these topics belong in sales training assuming that they're presented over time (not in a one-shot event), to people who want to change, have the proper understanding of their own strengths and weaknesses before starting the training and who will receive appropriate coaching from their sales managers. Usually this is not the case.

Let's start with some basics. David Sandler of the Sandler Sales Institute created the Success Triangle to illustrate that there is more to sales performance than just techniques or strategy:



Improving Sales Effectiveness

Attitude is a state of mind that has three components. What does the person think about:

Themselves	My life is great – or not
Their company	Products, prices, management, competition, etc.
The marketplace	Worth being in – or not

Behavior refers to actions and can be broken down into three components:

Goals	Business and personal
Plans	A cookbook to achieve the goals
Activities	Details to execute the plans

Technique encompasses both the strategies and tactics used to implement your behavior plan and must be acquired over time at three levels:

Skills	The technique has been learned – can pass a test
Knowledge	The technique is understood – how and when to use and can do a role play
Application	The technique is part of the persons sales DNA – can perform without thinking in the heat of battle

If someone has a lousy attitude and you send him or her to sales training, don't expect a big return on your investment. If someone has a great attitude and you send them to sales training but they don't manage themselves to appropriate goals, plans and activities, they're selling by accident and not on purpose. If sales training is a one-time event and you don't have an on-going process to reinforce the training supported by effective sales management coaching, sales performance improvements will be limited.

If sales training is going to be productive, in addition to being on-going and reinforced by proper management coaching, the people attending the training must have a detailed and comprehensive diagnosis of their individual strengths and hidden weaknesses before attending the training. The scope of this diagnosis should include the components of attitude and behavior as well as selling techniques. The diagnosis process must culminate in a review with the sales person that is done in such a fashion that they buy in to the whole idea of training and coaching and have some level of desire to change. If not, you're spinning your wheels and hoping something happens.

7. Hidden Weaknesses

Earlier I alluded to the hidden weaknesses that exist in sales people that can undermine their strengths and limit their success. There are several hidden weaknesses that, if uncovered and explained to the sales person, can be overcome by effective training and coaching. Let me describe two of these hidden weaknesses to give you an idea of how important this can be to improving sales performance.

Record Collection – people have “records” in their subconscious. These records come from numerous sources as a person grows up: parents, teachers, your first sales manager, wherever. Here's an example of a self-limiting record: “I have to send literature before I can ask for an appointment.” When you have been on the receiving end of a cold call from a sales person, how many times have you said, “Can you send me something?” just to get the person off the phone. Here's another self-limiting record: “I must educate a prospect before I can ask them if they plan to buy anything.” This can lead to a lot of free consulting under the banner of selling. The only

problem is that the “prospects” will pick your brain and then use the knowledge to shop for a better price from your competition. Sales people aren’t aware of 90% of their own self-limiting records and how they dramatically effect how they sell.

Non-supportive Buy Cycle – the way sales people make major purchases for themselves has a dramatic effect on the behavior they will tolerate from prospects in a selling situation. If a sales person does a lot of research before buying, if they shop at a lot of stores for the best deal, if they always have to check a lot of references, then that sales person will tend to be sympathetic when a prospect wants to do the same thing. The prospect says, “I’d like to think it over.” The sales person says to themselves, subconsciously, without even being aware of it, “That’s ok because that’s the way I buy things.” This leaves them vulnerable to a lot of stalls and think-it-overs, the selling cycle takes too long and is vulnerable to competition sneaking in when they aren’t looking.

There’s a lot more to hidden weaknesses, but take my word on four things:

1. Sales people aren’t aware of their own hidden selling weaknesses
2. Hidden selling weaknesses dramatically effect sales performance
3. If the sales person knows about these weaknesses before participating in training the training will be at least 100% more effective
4. If the sales manager knows about these weaknesses, the manager can be 100% more effective in coaching the sales person – assuming they know how to coach

8. The Role of the Sales Manager

Many sales managers are victims of their own career paths. They were a good to great sales person and so got promoted to sales manager. The problem is that most sales managers have never had the opportunity to learn how to be a sales manager. They didn’t receive any training and didn’t have any mentors that were very helpful. In addition, most sales managers spend too much of their time selling and not enough time managing. They also are often responsible for too many people to manage effectively.

The role of the sales manager in improving the effectiveness of the sales team is critical. If your goal is to sell on purpose instead of by accident and if you want to improve the performance of the sales team instead of just getting more of the same, a sales manager should spend 85% of his or her time doing the following five things*:

1. Growing the team – develop, implement and monitor an individual skills improvement plan for each member of the team
2. Motivating the team – most sales managers don’t know enough about the goals of their sales people (business and personal) to motivate them
3. Coaching the team – strategizing, going on and debriefing sales calls to improve the effectiveness of the sales people - includes coaching on selling technique
4. Holding the team accountable – most sales managers aren’t very effective at the critical skill of holding people accountable not just for results but for the behaviors that lead to the results
5. Recruiting – as mentioned earlier, one of the problems with sales performance is that the right people weren’t hired in the first place – most sales managers aren’t very effective when it comes to recruiting sales winners

* The term “coaching” is used extensively throughout this document in regard to a sales manager working with sales people. This term is used in a collective sense meaning to imply the management activities described in items 1 through 4 above.

A lot of sales managers spend a big portion of their time selling instead of managing. They're good at selling, they like selling and, since no one ever taught them how to be a sales manager, they'd rather spend their time doing what they're good at – selling. When most sales managers make sales calls with their people, they step in, take over the call, and start selling. They don't let their people run the call, allow them to make mistakes and then coach the sales person so they can learn how to do it better next time. This is why the marginal performers on the team close business when the manager goes along but slip back when left alone.

You can run with the scenario of the sales manager selling instead of managing to a certain point. Then the sales team tops out and doesn't improve. One key to unleashing growth by improving performance is to have the manager start being a manager. This usually means that the sales manager will need to understand his or her own strengths and weaknesses, begin an appropriate training program and have someone to coach them through the process of changing the way they do their jobs (there's that behavioral change thing again).

9. Recruiting

As mentioned above, one reason sales people don't sell more is that some people shouldn't be in sales in the first place. Also mentioned is that sales managers aren't very good at hiring winners. Most companies have hired sales people who look great in the interview but didn't sell after they were hired. The same applies to the hiring of sales managers as well.

Many companies do not have a good process to recruit and hire sales winners. Many companies also do not have well defined programs to insure a fast start for the new hire. When performance fails to materialize, most companies wait far too long to do something about it.

There are several steps companies can take to make significant improvements to the sales hiring process. First is to recognize it as a process, define it and do it on a regular basis. Many companies only recruit when they absolutely have to and are always coming from behind in this critical area. It's far better to always be on the lookout for sales performers who can improve the team. Additional suggestions include:

- Create a detailed profile of the type of people who can be successful in your sales environment (most define this as their “A” players which is usually the wrong profile)
- Develop a process to attract this type of candidate and discourage non-fits
- Implement a screening process before the interview to only bring in qualified candidates
- Improve the sales manager's interviewing skills
- Initiate a 90-day Right Start program to “script” a fast start to acceptable production

A little attention to this area can have a significant effect on sales performance.

10. Return on Investment

Sales managers or vice presidents of sales buy most sales training programs. They have a line item in the budget for training and they do something every year. In down years, training gets cut from the budget. Either way, the training doesn't often have much of an impact on sales.

To achieve meaningful improvements in sales performance, the type of sales force development program referred to in this paper will require an investment of time and money that will typically have to be approved at a management level above the sales department. It will require some discussion regarding how this type of program will support execution of the tactics that will achieve the company's strategies. The investment required should be weighed against the projected returns and against other uses of the company's time and money. The risks of doing nothing should be evaluated.

Improving sales performance is a business project designed to create organizational change. It very often requires involvement from people outside the sales department to be successful. It deserves serious management attention like any other major undertaking requiring an investment of company resources. Senior management should be involved in the discussions early to determine if support for this type of program exists. Otherwise, a lot of people can spend a lot of time spinning their wheels.

11. Summary

There is a proven process to improve the performance of your sales team. It can be described as Assess – Develop - Coach. Just as with a doctor, the assessment starts with an examination of the problem. We call this the Sales Force Evaluation. This is the Wizard's Mirror. The Sales Force Evaluation accomplishes the following:

- Allows management to get a handle on the strengths and weaknesses of the sales and sales management team
- Looks below the surface to find the hidden weaknesses that get in the way of better sales performance
- Builds the foundation for a participative process that creates ownership in the need to change behaviors to achieve better performance
- Provides an individual needs assessment for each person on the team
- Builds management's confidence in a sales team development plan that will accomplish the desired results

Following the evaluation step, a sales team development plan is created. This will include appropriate training for both the sales people and sales managers. There is typically a training event (e.g. a two-day boot camp) to kick the program off. The key is to follow the boot camp with on-going training to reinforce the skills, knowledge and application learning process.

The third step is to help the sales manager learn how to more effectively coach his or her sales people. In addition to participating in sales manager training workshops, the sales manager needs a coach to help him or her improve their sales management skills. This is a key part of the improvement process that is often overlooked.

Many companies will look at the scope and commitment required for this type of program and do something else. For those companies where the sales status quo is unacceptable, where improving sales performance is critical, they would be well advised to give this type of program serious consideration.

The BDG Sales Force Evaluation – The Wizard’s Mirror

If you need to improve the performance of your sales force, we suggest that your first step be to find out about the Sales Force Evaluation from the Byington Development Group (BDG). The BDG Sales Force Evaluation provides a comprehensive review of the following:

Sales managers – strengths and weaknesses

Sales persons – strengths and weaknesses

Details on Four Crucial Success Factors

- Desire
- Commitment
- Outlook
- Responsibility

Specifics on Five Major Performance Factors / Hidden Weaknesses

- Need for approval
- Non-supportive buy cycle
- Self-limiting record collection
- Money issues
- Ability to control emotions

Management report

- Management priorities comparison
- Sales management activities priorities
- Sales management issues
- Sales issues
- Training needs / recommendations
- Sales organization growth potential
- Summary of organizational strength

Individual evaluations

- Detailed evaluation for each person assessing 21 key selling areas

The sales development professionals of the Byington Development Group will review this comprehensive evaluation report with you. From this evaluation BDG will assist you in creating a sales force performance improvement program designed to support the attainment of your business goals and objectives.

Byington Development Group

The Byington Development Group has been assisting senior management in improving sales performance since 1986. We would like to thank you for taking the time to review this Executive Report. We would be pleased to discuss the performance of your sales force with you at your convenience.

Please see our web site at www.salesproblems.com. There you will find access to pdf files on the following:

- This Executive Report (please consider referring your associates and friends)
- Our list of 21 Core Selling Competencies
- A description of our Executive Briefing on Improving Sales Force Effectiveness

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