



# The Five Most Dangerous Issues Facing Sales Directors Today, and How to Guarantee a Permanent Improvement in Sales Results

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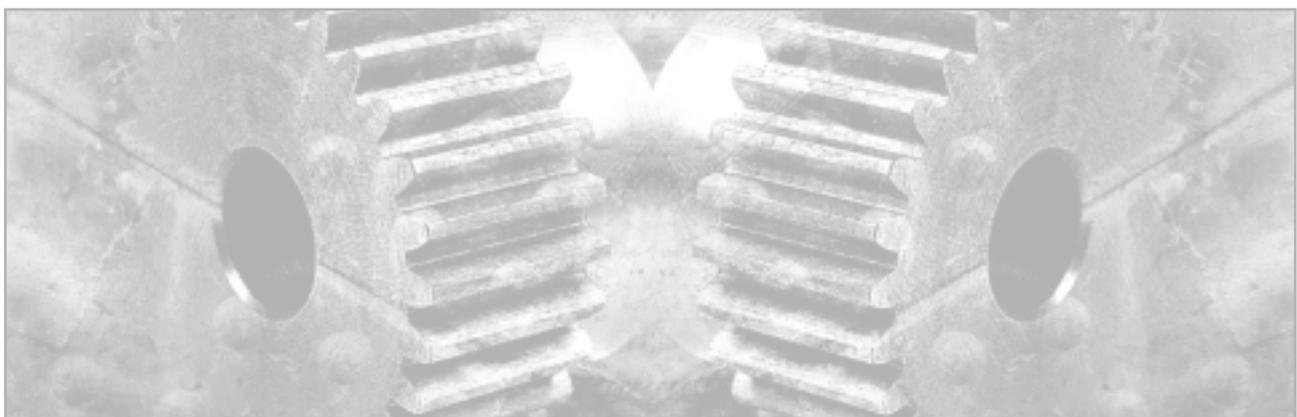
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# Contents

● <b>Introduction</b>	<b>3</b>
● <b>Summary of research findings conducted by Nightingale Conant</b>	<b>4</b>
● <b>Issue 1:</b> A Poorly Defined Sales Process, which Dilutes Sales Revenues	<b>7</b>
● <b>Issue 2:</b> Lack of Essential Skills, which Leads to Below Average Performance and Consequently Below Average Sales Results	<b>12</b>
● <b>Issue 3:</b> Failing to Focus Salespeople's Activity, which Reduces Efficiency and Consequently Reduces Results	<b>17</b>
● <b>Issue 4:</b> Allowing Self-Limiting Beliefs to Constrain Salespeople's Performance, which Limits Sales Results	<b>20</b>
● <b>Issue 5:</b> Failing to Choose and Develop a Sales Leadership Team that Nurtures and Develops their Salespeople's Potential, which Decreases Sales Results	<b>23</b>
● <b>Summary</b>	<b>27</b>
● <b>The Sales Activator®</b>	<b>28</b>
● <b>Nikki Owen Biography</b>	<b>29</b>





# Introduction

To most Sales Directors, the attainment of a permanent increase in sales revenues must seem like the search for eternal youth: unending and ultimately, unavailing.

Millions of dollars have been spent investigating and pursuing ways to grow sales, and no wonder; after all, sales are the lifeblood of any organization. Yet only a handful of companies have been able to grow their sales steadily not just in good times, but in lean times, too, and in the face of ferocious competition. A careful study of the vast majority of companies that have been less successful than these few superstars shows that they fall prey to a number of common mistakes. By contrast, the few that have consistently grown their sales have succeeded because they have found ways to avoid these same traps.

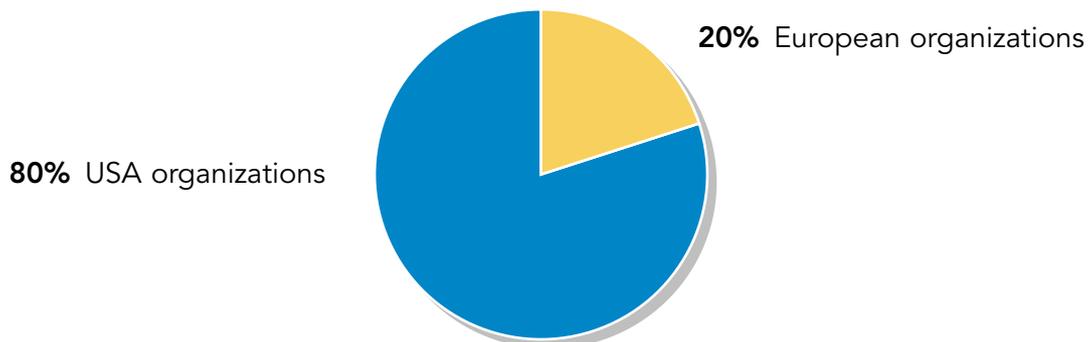
- **This paper outlines the five most common issues that Sales Directors need to avoid and reveals the secrets that have helped their top-performing colleagues unleash the maximum talent of their sales teams.**



# Research Findings

During March and April 2004, The Sales Activator® partnered with Nightingale Conant to conduct a piece of research designed to identify the barriers that prevent organizations from achieving continual sales growth.

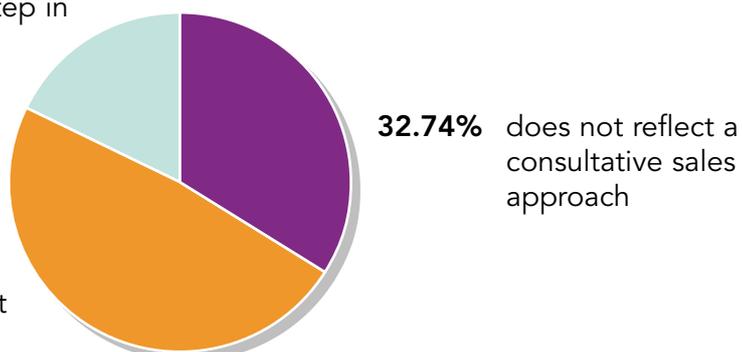
- **2,663 sales organizations from the USA and Europe took part in this survey and the findings are published here to help Sales Directors understand the issues that prevent optimum sales performance and results.**



- **82.29% say they don't have a consultative sales process or are not following the one they have**

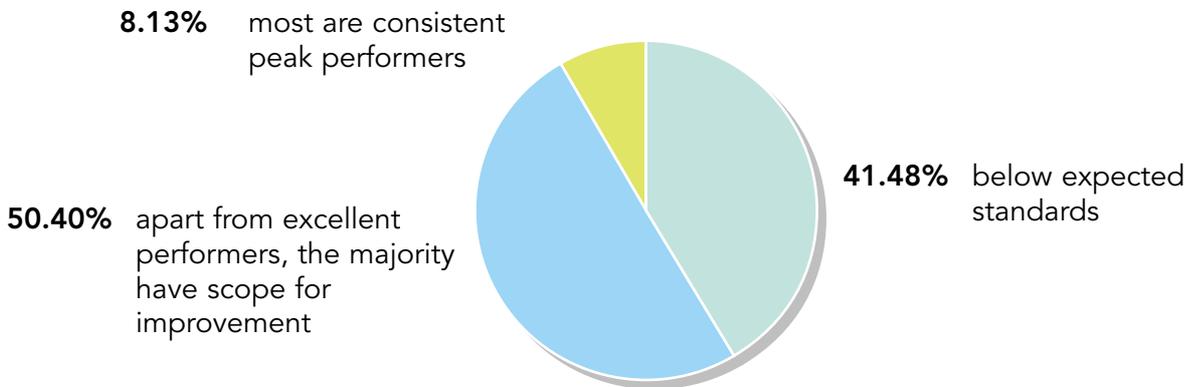
**18.60%** clearly identified consultative sales process that has identified competencies for each step in their sales process

**48.65%** consultative sales process in place yet not being followed

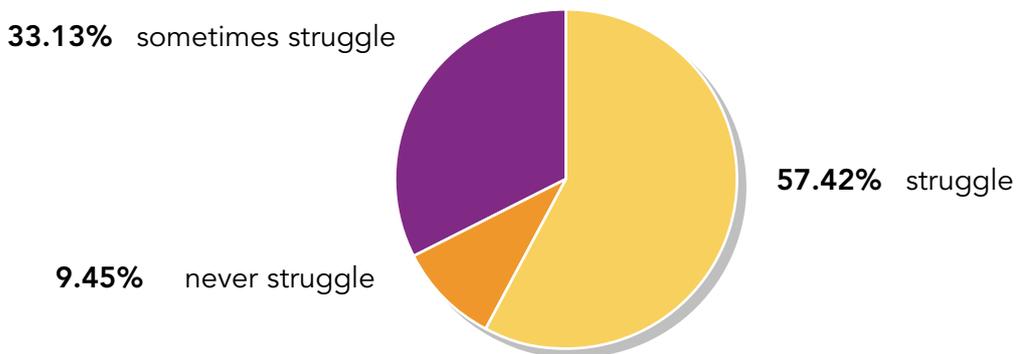




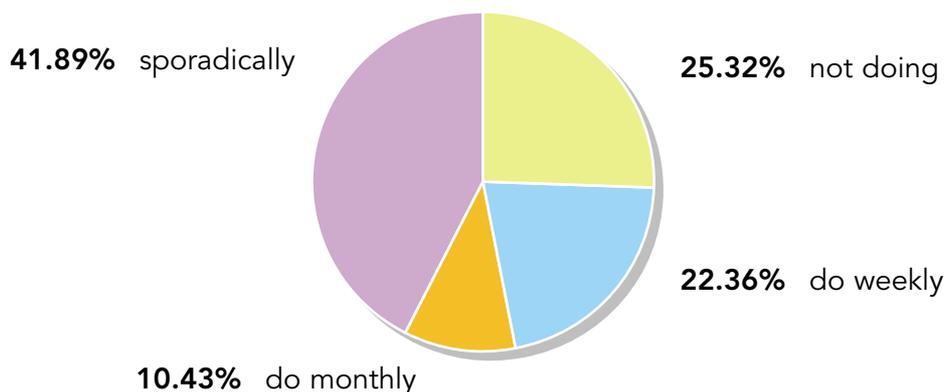
● **41.48% say that their salespeople are performing below expectations**



● **90.47% say their salespeople struggle to keep a proper balance between prospecting, presenting, negotiating, closing and managing an account**

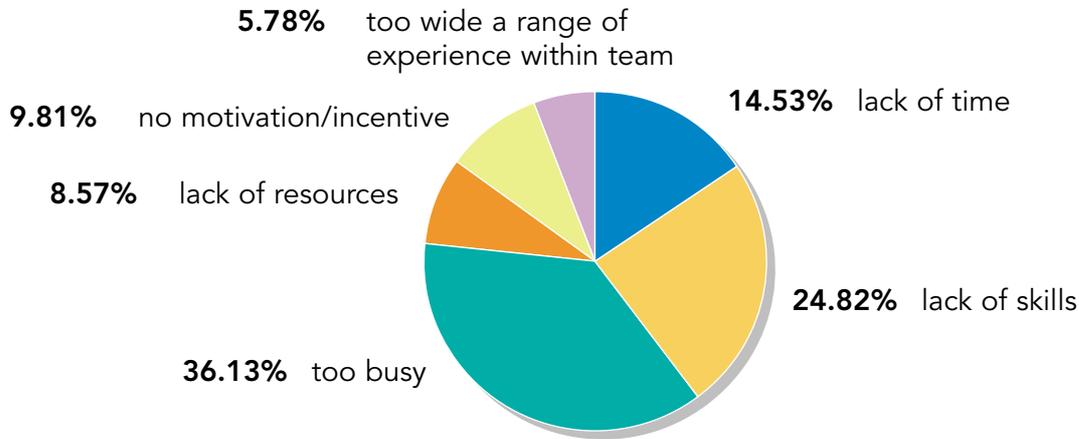


● **67.21% are not doing or sporadically do sales coaching/development**





- 52.34% sales managers say they don't have the time or are too busy to develop and coach their sales teams



**If you're committed to significant sales growth then you'll find the rest of this report hugely valuable. Read on for more information regarding the issues that prevent sales optimization and some suggested solutions that you can implement immediately.**



# Issue 1

## A Poorly Defined Sales Process, which Dilutes Sales Revenues

Even companies that enjoy the luxury of a clearly superior product line know that their products won't sell themselves. At a minimum, companies need a sales force comprised of skilled professionals who understand their products and who know both their customers and their market. It also helps to provide the sales force with effective sales support (for example, literature and demonstration kits). But even all these elements together are not sufficient to ensure maximally efficient and profitable sales.

### ● LACK OF DIRECTION

Far too often, competent salespeople are counted upon to channel their own activities into the areas that will produce the biggest and quickest wins. But, left to their own devices, salespeople generally don't develop and pursue a formal plan for moving a sale tangibly forward during each prospect interaction, nor do they have a clearly defined set of goals against which to measure their progress toward a sale. Instead, they end up "dancing around" with prospects, foxtrot fashion, in the hope that eventually they will get to their chosen point on the floor (the sale).

### ● MISSED OPPORTUNITIES

This lack of a plan is often fatal, because, as recent research from The Results Corporation PLC shows, 60% of clients buy after 5 "No's" yet 44% of salespeople give up after the first "No," 22% after the second "No" and 14% after a third "No."

**A well-known oil company discovered that it took their best salespeople an average of three visits and five follow-up calls to convert a prospect into a client. Yet, their average sales performers only visited prospects twice and then gave up, costing the company millions of dollars in wasted sales effort and even more in lost potential sales opportunities.**

### ● A DISCOURAGED SALES FORCE DIMINISHES SALES EFFICIENCY

When their efforts don't pay off quickly enough, even fully capable salespeople tend to get discouraged. They may spend longer and longer hours struggling to meet their sales quotas, working less and less efficiently all the time. Feeling increasingly powerless to influence prospects, they may also begin to press for a sale in ineffective ways—for instance, by arranging full-dress product presentations to prospects who they have not even qualified or who haven't yet agreed that they need the solution being presented. Or they allow prospects to milk them for information without getting a commensurate commitment first.



The details of what goes wrong differ for each individual salesperson, but the net result is always the same: a discouraged sales force, diminished sales efficiency (i.e., wasted investments of sales time and resources that fail to produce high quality sales) and, consequently, increased cost of sales.

The bottom line? Sales never result efficiently and with maximum revenue unless the sales process is continually and closely managed. And before the sales process can be managed, it must be manageable.

**The Sales Transformation Survey by Accenture on December 2003 found that a critical need today is to move a sales force away from its traditional focus on selling individual products and services and move it towards selling complete solutions. Such a strategy can lead to a higher level of engagement with business customers. Yet 28% of executives say that their salespeople are not adequately focused on solution selling and too focused on selling products.**

## ● DEVELOPING A CONSULTATIVE SALES PROCESS

From the perspective of Sales Directors, developing a consultative sales process means developing a comprehensive, formal, realistic, and step-by-step outline of what salespeople are expected to do. This outline includes the activity and calls they must make, the relationships they should establish with prospects, the materials they should use in sales calls, the issues they must discuss and resolve with prospects, and the tangible goals they must achieve in sequence along the path to each sale to make their sales approach maximally effective. It's only when such an outline is in place and has been vetted by the experience of top performers that sales management is in a position to (1) monitor the sales force's activity, progress, and their results (2) assess problems as they arise, and, when necessary, (3) redirect individual sales representatives' efforts efficiently.

Although many organizations appreciate the importance of being customer-focused and talk in vague terms about their "consultative sales process," surprisingly few sales leaders invest the time and energy required to develop a formal sales process—a sales process that is at once detailed and resilient enough to guide their salespeople and permit effective management of their efforts.

## ● OVERCOMING IMPLEMENTATION INERTIA

Even when a consultative sales process has been developed, understood by sales managers, and written down and circulated, it's often not enough. No matter how brilliant, a sales process will only be effective to the extent it is followed and used by frontline sales staff. And this is where most organizations fall down: overcoming inertia—among managers and salespeople alike—and implementing the process.



The hurdles that must be cleared in order to get people throughout the organization to actually implement it are enough to cause Sales Directors to tear their hair out. But a select few of the very best have found some innovative strategies that have enabled them to achieve the Holy Grail: sustained sales growth achieved efficiently, reliably, and by design. Here are some of the ideas that have worked for them.

## **SUGGESTED SOLUTIONS**

### **● INVOLVING CUSTOMERS**

One of the most effective strategies of successful Sales Directors is to get customers involved by asking them how they want to be sold to. Customer feedback—which can be obtained via focus groups, surveys, and/or discussions conducted by the sales force—offers a number of potent benefits. It demonstrates to the customers that the organization really is ‘walking the talk’ when it comes to being customer-focused. This external perception then has a salutary impact on thinking throughout the organization itself. And finally, the information collected from customers enables management to identify common trends and flesh out the details of a consultative sales process that systematically advances progress toward a sale while fitting with customers’ expectations and desires.

### **● IDENTIFYING BEST PRACTICES**

Another successful strategy has been to identify best practices by gathering a representative number of top-performing salespeople to record what they do, how they do it, and their mindset and beliefs. Once a sales process has been identified, it must undergo a period of evaluation and testing to gain real feedback on whether it works or whether it needs some further amendments. The more salespeople involved in the testing of the process, the better. When the salespeople feel included, they will be far more committed to following the process that emerges because they contributed to creating it.

### **● A SALES PROCESS PROVIDES A FOUNDATION FOR COMPETENCY DEVELOPMENT**

The very best Sales Directors use each step in the sales process to serve as part of the foundation for developing specific performance standards and expectations (often referred to as competencies) that will enable the salespeople to accomplish each step. These competencies, in turn, enable the organization to assess the development needs of each salesperson. For example, if one of the steps in the sales process is to find out each client’s specific requirements, the salespeople need strong questioning and active listening skills to perform this step. Upon defining their sales process and competencies, many successful organizations have discovered that some of their most experienced salespeople—who were well-versed in traditional selling methods—nevertheless had a number of development gaps when working within the framework of a consultative sales process.



According to Giles Watkins, Global Competence and Learning Manager, Shell Lubricants, a properly used Competency Development Framework delivers three key benefits for an organization:

1. A clear benchmark for salespeople and sales managers so that they know what is expected of them
2. A clear career path for progression (which typically seems to motivate salespeople who operate in a business-to-business environment)
3. Evidence of the return on investment made in developing people so organizations are encouraged to sustain ongoing development

### ● ONGOING MONITORING AND MEASUREMENT

Once an effective sales process has been developed, top-performing Sales Directors take care to "sell" its benefits to their salespeople. Any change—particularly any new system that requires documentation and exposes people to close management observation—is bound to cause some fear and will initially unsettle people. But salespeople who understand what their sales process is and come to appreciate its advantages to them are far more likely to embrace that process enthusiastically. This is especially so when they have an opportunity, in confidence, to use the sales process as a benchmark against which to evaluate their own performance, to identify their areas of strength and opportunities for improvement, and to seek training that can enhance their skills in vital areas.

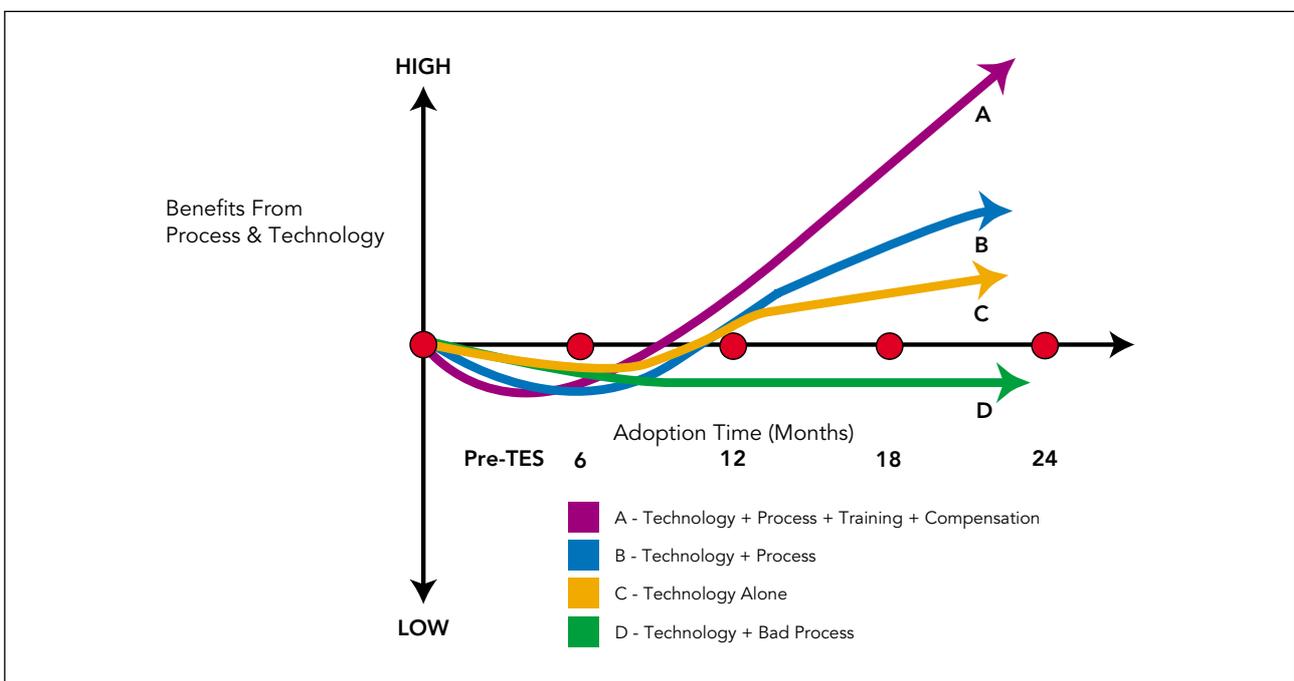
### ● QUALITY CONTROL

Every manufacturing company has a system in place to monitor, control, and improve the quality of products they produce. Likewise, a sales organization—along with each individual salesperson in the organization—needs to implement a system that continually measures and monitors how well and faithfully its sales process is adhered to. And, when areas for possible improvement are identified, the organization must exploit them through training and vigorous reinforcement of the process itself.

**"A sales process requires constant monitoring to ensure it is being properly implemented"**

## ● FOUR VITAL COMPONENTS

The trend during the last eight years has been toward technology-based Customer Relationship Management Systems (CRMs). Research done by the Gartner Group (see diagram below) has shown that the benefits a company can realize from any such innovation are dramatically higher when four vital components are in place together: technology (CRMs, for example), a clearly defined sales process, training, and performance-related compensation. Often companies will invest millions of dollars on CRM technology, sales training, and performance-related compensation packages for their salespeople yet forget about defining the sales process. The investment made in other areas cannot be maximized unless there is a process in place to underpin these three factors.



## ● AN ORGANIZATIONAL CULTURE THAT SUPPORTS A CONSULTATIVE SALES PROCESS

According to Jonathan Ledwidge, Director, Learning & Development, Financial Markets, ABN AMRO Bank, you can't divorce the competence and performance of the sales force from the competence and performance of the organization as a whole. In a customer-focused organization, everyone is part of the sales process. Which is why in his opinion an organization's culture should breed collaboration and sharing of knowledge so that every department works openly and efficiently together to support the overall sales process.

## ● BUILDING A SOLID SALES FOUNDATION

When a consultative sales process has been defined, sold to the sales force, and supported by other departments within an organization, the stage is set for transformational performance improvements. Just like you need to put in a solid foundation when building a house, the sales process is the foundation for future sales success.



# Issue 2

## Lack of Essential Skills, which Leads to Below Average Performance and Consequently Below Average Sales Results

During the 1970s and 1980s, it was common for large corporations such as Hewlett Packard and IBM to put their new sales recruits through a twelve- to eighteen-month training program. Today, salespeople consider themselves 'lucky' if they get an initial two weeks of training. Have companies discovered that training doesn't really pay off? On the contrary! Training appears to be even more important today than years ago, and it is getting more important all the time.

### ● THE WAR FOR TALENT

"The greatest differentiator among sales organizations of the future will be the ability to build world-class capability and skills. The war for talent exists within all levels of an organization. Great people will only work for organizations where they see other great people and a significant investment in skills development," says Pavita Walker, Director, Organization and Leadership Development at Barclays Group. Adds Giles Watkins, Global Competence and Learning Manager at Shell Lubricants, "Skills development is critical. Once a salesperson is really fluent with what they do, they become much more responsive to each customer's requirements."

### ● LESS TRAINING WITH HIGHER EXPECTATIONS

So, what's going on here? How should Sales Directors reconcile the fact that many corporations today provide less upfront training for their sales staff than in years past yet attach increasing importance to staff development?

This is hardly a surprise, because the current stock market ethos creates a powerful disincentive for firms to invest in their people. A firm's investment of human capital, in the form of training and other forms of education of staff, is not separable from the general expenditure of a corporation. It therefore appears as a cost on the corporate balance sheet. To the investor it appears that companies that invest in their 'intangible' assets are being less cost efficient. This prevents investors from assessing the firm's future earnings potential.

### ● DIFFICULT TIMES

Alas, many Sales Directors, having concluded that their best strategy is to cut back on training, look instead to hire people who already possess all the talent and skills needed to do the job and send them out to the field armed only with what they know. But many Sales Directors know how difficult it is to find skilled salespeople.



## ● HUGE DEMANDS ON SALESPEOPLE

The fact is that selling in today's climate is both an art and a science. Sales is a profession that demands a far wider range of skills than ever before (see Figure below) —skills that require continual fine-tuning and constant practice. Take a look at the Nine Selling Knowledge Areas, produced by The United Professional Selling Association (UPSA), and you'll see immediately how much development is required to produce top performing salespeople.



## ● LACK OF ONGOING REINFORCEMENT AND DEVELOPMENT

The operative word here is "continual." Even if salespeople have undergone initial sales training, there's no guarantee that they will be successful. It is common knowledge that skills grow rusty over time, and salespeople are prone to pick up bad habits along the way or to simply skip steps and take shortcuts that can lead to long-term trouble. Perhaps even more important these days is the fact that markets, competition, technologies, and customer preferences are all in a constant and accelerating state of change over time. This fact requires that salespeople are able and willing to rethink their sales strategy and approach frequently.



The lengthy initial training for new hires that once was the norm was well suited to a world in which the market and sales cycle were both reasonably stable. In today's more dynamic business environment, development and training are more important than ever before but must be delivered in smaller and more frequent chunks, with less disruption to the daily flow of salespeople's work and tied more closely to subtle shifts in the marketplace.

Unfortunately, selling is viewed as non-academic, functional, and not sophisticated. No M.B.A. required! In reality, selling is the key to real marketplace knowledge and brand success. For Sales Directors, the challenge is how to design and deliver skills development programs that produce the desired results in today's competitive markets.

## SOLUTIONS

Research by the American Society for Training & Development (ASTD) has shown that organizations that are able to offer their salespeople opportunities for ongoing development are ten times more likely to create more peak-performing salespeople than those that don't.

Data collected by ASTD is the first published research to overcome the fundamental measurement problems that occur when correlating per-capita investment, an intangible asset, and financial profit. The database contains standardized information on training expenditures for hundreds of publicly traded firms. Data has been collected on more than 2,500 firms in 63 countries, of all sizes and industries. Training investment is measured in dollars per-capita.

### ● CORRELATION BETWEEN TRAINING INVESTMENT AND STOCKHOLDER RETURNS

ASTD's results show there is a significant correlation between dollars spent on training per-capita and total stockholder return one year later. Profitability does not show immediately because of a lag effect in the stock market, but it shows a year later because of the hidden nature of investments in staff. The following findings by ASTD compare the relationship between training investment and total stockholder return (TSR) in the subsequent year:

- Firms in the top quartile with respect to training investments have higher median TSRs in the subsequent year than firms in the other three training quartiles. Further, the third quartile is higher than the second, and the second is higher than the first (the quartile with the lowest training investment).
- Organizations in the top half for training expenditure in one year have a mean TSR in the following year of 36.9%, while organizations in the bottom half have a mean TSR of only 19.8%.
- Firms that spend more than average on training have TSRs that are 86% higher than firms that spend less than average and 45% higher than market average.
- The model estimates that each dollar invested in training leads to a \$33.57 benefit to the firm. Bearing in mind the disparity between "direct cost" and the true cost of "learning," the return may be more like \$3.36 to \$6.72—still a very high return.



Therefore, Sales Directors need to allow sufficient time to enable their investment in training and development to "pay off." Introducing ongoing reinforcement programs will help accelerate the benefits gained from the training and development investment.

## ● A VARIETY OF DEVELOPMENT SOLUTIONS

Skills development can take many forms, including formal and informal mentoring, sales coaching by managers, and/or classroom training, distance- or e-learning, and other kinds of training.

## ● MENTORING

In mentoring, salespeople choose a mentor (a high-performer within the organization who can serve as a model and/or guide) and consult the person periodically for advice on a range of issues, from strategy for handling a particular sales situation to advice on long-term career development. Since the best way to learn something well is to teach it to others, mentoring programs offer organizations a win-win proposition: in addition to enhancing the skills and performance of the salespeople, they help mentors develop their sales skills while improving their coaching and management skills as well.

**According to the Nalco Chemicals article in *Selling Power*, Jan/Feb2004, taking action meant developing a unique sales recruitment, training, and mentoring solution, compressing the traditional five years of on-the-job training into an intensive 18-month program that involves both classroom curriculum and field-based coaching for the existing salespeople. Existing salespeople formed a core of mentors who would each shepherd a trainee through the 18-month learning process. Mentors committed to spending at least 40% of their workweek with students.**

## ● COACHING

Today, more and more organizations are waking up to the value of building a strong coaching culture. Analogies to athletic coaching are common but especially apt. Training alone does not guarantee that a great tennis player will deliver Grand Slam-winning performance. This can only come from continuous daily support and guidance from an expert coach. Equally, top sales professionals need expert coaching support from their managers to stay at the top of their game. Whether sales managers deliver their coaching support face-to-face, on the telephone, or via e-mail, those organizations that have a strong coaching culture attract and retain the best salespeople.

The challenge for Sales Directors is to provide the support that sales managers—all of whom are hard-pressed for time—need in order to provide the kind of support their salespeople must have. Successful Sales Directors have found a range of supporting tools, resources, and kits that save managers' time and enhance the impact of their coaching time.



Whatever coaching framework is chosen by an organization, it must be easy to use, flexible so that each sales team leader can tailor the coaching sessions to the needs of their team, participative so all of the salespeople are engaged, and, above all, fun. The fun factor encourages salespeople to become "hooked" on their own continued development. This view is endorsed by Sir John Harvey Goldsmith, who says, "In my experience, it is extremely difficult to teach grownups anything. It is, however, relatively easy to create conditions under which they will teach themselves."

## ● TRAINING

Finally, formal training can also have a huge influence on skills development, especially if it is implemented with two additional ingredients:

1. The training must be based on what the salespeople need and should be tailored to address diagnosed performance gaps. Using a diagnostic approach saves an organization money and time because there is nothing to be gained from teaching people something that they are already doing well or, conversely, that they don't need to do in the first place. A well-targeted program is far more likely to engage participants' full interest because they'll see its immediate relevance to their daily results. Also, having an objective performance assessment methodology—one that solicits candid feedback from customers—can ensure that managers keep their "fingers on the pulse" of where their team needs to develop.
2. Any training program will be more effective when the skills that participants learn are reinforced on a regular, continual basis. For maximum impact, training must be reinforced by every level of management. Such reinforcement can come in many forms, but the best way is for the sales manager to serve as a "model of excellence" who provides an ongoing demonstration of required skills so salespeople begin to live and breathe them.

The importance of ongoing performance development is summarized very effectively by Steven S. Reinemund, CEO PepsiCo Inc.:

**"To have growth in products, you have to have growth in people"**



# Issue 3

## Failing to Focus Salespeople's Activity, which Reduces Efficiency and Consequently Reduces Results

There isn't a salesperson alive who has enough time in their working week to complete all they want to achieve! Time is a huge constraint on salespeople's activities so that when their manager asks them for more, it's no wonder that they are overwhelmed!

### ● INEFFICIENT ACTIVITY

In his book *Fundamentals of Selling*, Charles Futrell identifies careful use of selling time as perhaps the distinguishing characteristic of the successful salesperson. Frequently there are two main pitfalls that even experienced salespeople can fall into in terms of activities. First, they simply aren't doing enough. What's enough? Enough telephone calls to make appointments, enough face-to-face calls, enough calls that involve or influence the decision-makers. In general, the more focused sales activity that salespeople generate, the greater the number of sales opportunities they can create.

### ● POOR QUALITY ACTIVITY

Second, but equally important, salespeople often aren't clear about how to identify the prospects most likely to have a genuine need for their product or service. Without an objective way to prioritize which prospects to contact first and/or an efficient strategy for contacting them, salespeople are doomed to waste a large percentage of their time. Another huge dilemma for many salespeople is how to divide their time between servicing existing clients and generating new business from new prospects. Existing clients frequently make requests for service that could be dealt with by support staff. But salespeople who lack a disciplined, future-oriented plan for generating new contacts and sales often find themselves spending more time attending to "urgent" tasks for existing accounts instead. A common approach among salespeople can be summarized in the saying, "If you throw enough mud against the wall, some of it is bound to stick." This approach is exhausting, demoralizing, extremely unproductive, and very expensive in the long term.

### ● SPEED OF RELAYING CUSTOMER INFORMATION

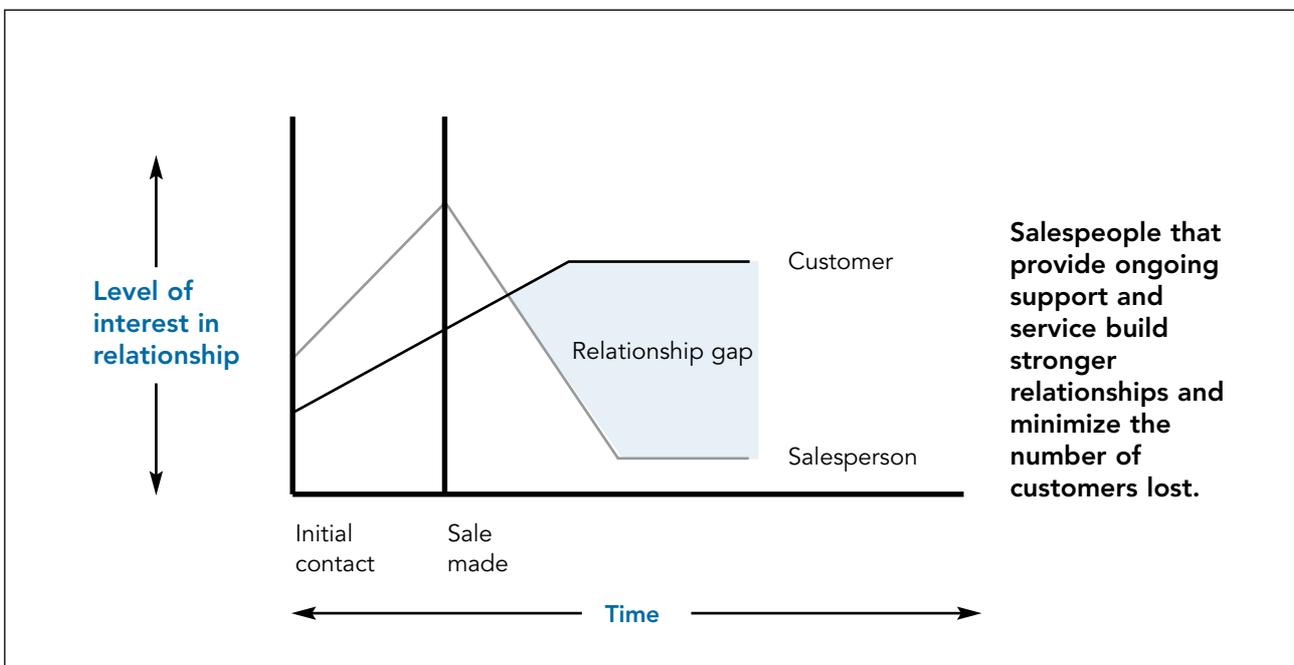
Jonathan Ledwidge, Director, Learning & Development Financial Markets, ABN AMRO Bank, provides another interesting dimension to Activity Management. Apart from product or service knowledge, salespeople require knowledge about prospects, clients, and market trends. Therefore, if the information those salespeople require isn't relayed in an efficient manner, their "face-to-face" selling activities are dramatically reduced.

## ● HARDER RATHER THAN SMARTER

In the book Emerson's Essays, there is a section on "law of compensation," which can be summarized simply as "give more, get more." This is what most salespeople try to do, so they end up working harder when they could be working smarter. This begs the question, are your sales activities deciding your strategy or is your strategy deciding your sales activities?

## ● MANAGING EXISTING CUSTOMERS

A vitally important sales activity is that of managing existing customer accounts to consolidate and grow the relationship. Yet, unfortunately, when compared over time, the customers' interest levels increase while salespeople's interest levels tend to decrease. This creates a "relationship gap."



Without a sustained approach to ongoing servicing and support activities, customers that took months to win are ultimately lost because there was a lack of interest from their supplier.

## SOLUTIONS

**"Maximizing a workforce around one common goal that creates value for the customer, the organization, and the employee is the only way to focus the activities of a sales team. It is critical that each employee is able to measure the value of each activity undertaken during the day and can make the connection to the overarching goals of the organization. If there is no clear line of sight between what they are doing and the value to the customer, clearly they are doing the wrong thing."**

Pavita Walker, Director, Organization and Leadership Development, Barclays Group



## ● PARETO'S 80/20 RULE

The sales that a salesperson completes today were made possible only by activities performed in the past. Equally, it's what they do today that will create their future sales results. Because there is a time delay between activities and results, salespeople have an opportunity to improve their sales results by undertaking sales productivity planning and implementing an effective prospecting system. Generally, since 80% of sales are generated from 20% of customers, 80% of salespeople's time should be focused on 20% of the biggest customers/prospects.

## ● NO RATING WILL KEEP SALES WAITING!

The more existing accounts that salespeople have, the less time they can devote to prospecting for new client business. Therefore, they need objective criteria to determine which of their prospects to contact first. This can produce huge timesavings that have enabled several organizations to increase sales purely by introducing "prospect criteria." The concept behind prospect criteria is that the salesperson creates a profile of the type of customers who offer the greatest potential for doing business. Factors that enter into a customer's priority score might include such things as level of business need, budget, and referenceable accounts in the same industry. A simple rating system allows the salesperson to determine which prospects to contact first.

**"Within Shell, we are constantly encouraging our sales managers to rethink and rework their approach to activity management. One sales manager reduced the distance salespeople drove between calls from 56 kilometers to 41 kilometers. In three months, this led to a 15% increase in the number of face-to-face customer visits made, which then positively impacted on their sales results. We actively encourage salespeople to work smarter rather than harder."**

Giles Watkins, Global Competence and Learning Manager, Shell Lubricants

## ● QUESTIONS ARE THE ANSWER

When planning sales activities, the following five questions answered fully help maximize sales activity:

1. When looking at potential customers, how do your salespeople decide if they are right for your organization?
2. Which of your salespeople's prospects do they contact first?
3. How can your salespeople objectively define the probability of new business?
4. What actions do your salespeople take to reduce the risk of losing their customers?
5. What actions do your salespeople take to develop new business from existing customers?

Only when Sales Directors have clear, comprehensive answers for these questions can real, effective activity management begin.



# Issue 4

## Allowing Self-Limiting Beliefs to Constrain Salespeople's Performance, which Limits Sales Results

Whatever you believe you can do, you will; and whatever you believe you can't do, you won't. Like everyone, salespeople hold stubbornly to private beliefs about themselves, clients, market, competition, economy—beliefs that can have an enormous impact, either positive or negative, on their sales performance. If salespeople don't see themselves as providing value for their prospects and clients, they'll tend to approach customers in ways that appeal to reasons for buying other than the customer's genuine business need. This is what sometimes leads salespeople to act pushy (for example, pressing a customer to "act now" in order to get a low price) or to be too accommodating (appealing to a customer's interest in getting his or her way). It also can lead salespeople to unethical behaviors because they may try to sell a customer something that the customer might not need. If they don't take care of their clients' best interests, salespeople will fail to build long-term client relationships and lose customers.

### ● TRANSFERENCE

Giles Watkins, Global Competence and Development Manager, Shell Lubricants, recognizes that the salesperson's state of mind is instantly transferred to their prospect/customer, which means that the challenge for organizations is "to constantly create a highly resourceful state in their salespeople." This is extremely important because when salespeople lack belief in themselves, their product, or their service, they unconsciously transmit their attitude to prospects in a variety of subtle and sometimes overt ways.

### ● LIMITING BELIEFS LIMIT PERFORMANCE

Napoleon Hill, in his timeless 1937 book *Think and Grow Rich*, wrote about the importance of how what we think will affect what we do. Objective Management Group Inc., a provider of sales force evaluations, finds that the typical salesperson possesses no fewer than 10 of the nearly 60 self-limiting sales beliefs that they have identified. Their research shows that when these beliefs are eliminated, sales will increase by approximately 25%.

### ● A DOWNWARD SPIRAL

Typically, salespeople who believe that if they had cheaper prices, they would win more deals, tend to attract more price objections. This in turn leaves them feeling scared or reluctant to talk to prospects about what they have to offer. Their downward spiral then becomes a self-fulfilling prophecy. Salespeople's desire to succeed may be so dominated by a need to be liked that they'll avoid asking prospects for information that is needed to identify the prospects' compelling reasons to buy. When this happens, closing becomes a real issue because salespeople, fearing rejection, perceive that asking for the sale might cause a breakdown in the relationship with their prospect.



## ● CALL RELUCTANCE

According to a study by Behavioral Sciences Research Press, the frightening fact is that "call reluctance" in sales can contribute to a significant proportion of lost sales revenues. The study found that 40% of established salespeople experienced periods of call reluctance severe enough to threaten their livelihood in sales. The same study showed that the average call-reluctant salesperson loses more than 15 new accounts each month to competitors. Stemming the ever-increasing costs of call reluctance cannot be addressed by training alone; it requires working with each salesperson's particular set of beliefs so that they feel truly empowered to breakthrough their self-created mental barriers.

## ● FEELING POWERLESS

Most Sales Directors grasp the concept of activity management, skills development, and knowledge development. Intuitively, Sales Directors also understand the vital importance of the right mindset. Yet far too many feel powerless to help their salespeople turn their negative beliefs into positive ones. Those few Sales Directors who do tackle such negative beliefs and are able to change their salespeople's self-limiting beliefs into empowering ones have found an unbeatable path to success.

## SOLUTIONS

**"The organization with the ability to overcome the variety of mental models living in the minds of their workforce will be the organization that wins in the future."**

Pavita Walker, Director, Organization and Leadership Development, Barclays Group

## ● BELIEFS DO CHANGE

Throughout a person's lifetime, beliefs change continually. Beliefs that they once thought to be immutable cease to be true. Take the example of Roger Bannister who, in 1957, became the first athlete to break the four-minute barrier for running a mile. Prior to Bannister's achievement, most athletes considered a sub-four-minute mile impossible. But that same year, 16 other athletes also ran a mile in less than four minutes. Did they become superhuman overnight? Or, more simply, did their beliefs change?

## ● PEER GROUPS CAN EXERT POSITIVE PRESSURE

Like those milers, salespeople have their own unique sets of beliefs, some of which limit their potential in sales. For instance, during a recession, the members of a sales force may all believe that strong sales are impossible. But if one person increases their sales, what seemed an inevitable fact will suddenly appear more like a thin excuse for poor performance. Nor does the "breakthrough" person have to be someone other than the individual who holds a self-limiting belief: take the case of a salesperson who believes that all prospects buy on price. If the sales team leader encourages the person to recall a time when he/she was the customer and purchased something based on criteria other than price, this can really change the attitude.



Within every sales team, there are individuals who hold a number of empowering beliefs. Giving them an opportunity to share those beliefs along with the evidence that supports them can be a very transformational experience for the entire team.

### ● CHALLENGING LIMITING BELIEFS

Sales team leaders who challenge their salespeople's self-limiting beliefs with good questions can help create shifts in mindset. Take a look at these examples of limiting beliefs and examples of questions that challenge them:

LIMITING BELIEFS	CHALLENGE QUESTIONS
"We're too expensive."	"Compared with whom? Compared to what?" "How do you know?"
"I'm no good at cold calling."	"According to whom?" "What prevents you from being good at cold calling?" "What would happen if you were?"
"I'll never achieve my sales quota this month."	"What do you need to do so that you can?"

While challenging questions may not instantly create a belief change, over time, they can enable sales representatives to shift their perceptions of their belief, recognizing that there are other possibilities and options available to them.

### ● BUILDING SELF WORTH

Organizations that recognize the importance of helping their salespeople develop a strong sense of self worth are many times more likely to produce high performers. Self worth is vital to everyone but especially to salespeople who hear "no" more often than they hear, "yes, I'll buy." A salesperson's self-esteem can sometimes take a beating, but organizations that find ways to build their salespeople's self-esteem reap an invaluable dividend: according to Jay Abraham, marketing strategist, when salespeople really believe in their product/service and the value that they personally provide, they have a moral obligation to talk with as many prospects as they can about it.



# Issue 5

## **Failing to Choose and Develop a Sales Leadership Team that Nurtures and Develops their Salespeople's Potential, which Decreases Sales Results**

### ● **GOOD SALESPEOPLE DON'T NECESSARILY MAKE GOOD MANAGERS**

**T**he single most common mistake that organizations make is promoting their number one salesperson into the role of sales manager, thereby depriving themselves in a single stroke of their best producer and hamstringing their sales force with an ineffective manager. The skills required for managing, mentoring, and developing a sales team are totally different from those required for selling. As a result, it's not uncommon to find newly promoted sales managers who regret having taken a management position and may even leave to get back into sales.

**In the past two years, many sales executives have taken off their management hats and headed out into the field to close deals themselves—an understandable phenomenon in difficult times. But now it's time to put that hat back on. Your team values you much more for your strategic thinking and coaching abilities—and you can't focus on these things if you are spending too much time out in the field. Leave the selling to the stars—your coaching can carry them to new heights.**

Melinda Ligos, Editor in Chief, Sales & Marketing Management, January 2004

### ● **INSUFFICIENT TIME FOR SALES TEAM DEVELOPMENT**

The majority of sales managers—new and experienced alike—say they do not have sufficient time to train and develop their sales teams. They are so focused on sales results—and so accustomed to achieving success through their personal pursuit of those results—that they overlook their greatest potential source of power: the power to increase sales performance by developing their people.

**The sales manager's role is transforming—from evaluator to developer, from expert to resource, from teller to questioner. This change is no mere tweaking adjustment—it is a 180-degree shift from how most sales managers manage and how they are managed. Most organizations profess to want coaching, but they don't really do anything about it. Just as students are lucky to have one or two special teachers in a lifetime, most sales professionals are lucky if they get one real coach. Organizations don't have role models for coaching, they don't train for it, and they don't hold people accountable for it.**

From the book *Sales Coaching*, by Linda Richardson



## ● LACK OF SKILLS AND RESOURCES

Even when they do recognize the importance of developing their salespeople, many sales managers find that they lack the skills and resources to do it effectively. It then becomes easier not to bother.

## ● AN OVERWHELMED MANAGER

To make things worse, most sales teams consist of a number of individuals with differing levels of experience and ability, so the whole issue of team development becomes too daunting for the overwhelmed manager to contemplate.

**One particular well-known hotel chain adopted a "hire and fire" policy for sales managers: if a sales manager didn't achieve the required quota of sales (occupancies) for three months running, they were immediately given their marching orders. One property (hotel) in particular had three different sales managers within a 12-month period and wondered why they couldn't achieve their target of an 80% occupancy.**

## ● SETTING A BAD EXAMPLE

Very often if a sales manager is starting to fall behind on sales, their first reaction is to drop the price or offer an incentive to try to "buy" the business. While this may create some short-term sales increases, the reduced profit cannot sustain the development of long-term client relationships.

## SOLUTIONS

Sales Directors who recognize that the different roles played by salespeople and managers require different skill sets factor those differences into their recruitment and selection of sales managers. Instead of promoting top-performers purely on the strength of their sales performance, these Sales Directors look for management candidates who can demonstrate an ability to help others strategize, work effectively with customers, and build their self-confidence. These Sales Directors recognize that coaching competence is absolutely pivotal and feature it highly in managers' performance reviews and remuneration packages.

## ● PROVIDING DEVELOPMENT FOR SALES MANAGERS

Successful Sales Directors ensure that some sort of training and development program is in place to help sales managers continually improve the way they coach and develop their team. Equally important, top-performing Sales Directors look for ways to provide sales managers with the resources they need to perform effectively. This may mean, for example, giving managers tools with which to identify each individual salesperson's strengths and development areas, providing them with an easy-to-use framework to address development areas, and putting a process in place that helps their team to implement new skills.



**"I believe that the best people to start developing are sales managers. Since they usually represent just a tenth of the total sales force, they're easier to reach in a concentrated way, and their enhanced skills give you immediate leverage because their coaching then produces a multiplier effect."**

Giles Watkins, Global Competence and Learning Manager, Shell Lubricants

## ● PROVIDING RESOURCES TO MOTIVATE DEVELOPMENT SESSIONS

Sales meetings provide a wonderful opportunity to offer appropriate team development, yet sales managers often lack resources and assistance to help them make the most of this opportunity. The more resources Sales Directors provide to sales managers, the more likely managers are to run effective, fruitful meetings, because they won't need to spend time preparing to conduct these development sessions. The most successful Sales Directors of all bend over backwards to make sure that the development resources they give their managers are easy to use, are designed to appeal to and engage salespeople regardless of experience level, and, above all, can be used in manageable pieces so that sales teams can absorb and actually implement new ideas.

**"Sustainable shifts in behavior will only ever be realized when first-line leaders have the skills and capabilities to provide coaching 'in the moment.' The greatest value will be created by investing in building coaching capability and providing toolkits for support rather than endless programs that rarely have impact longer than a three-month period."**

Pavita Walker, Director, Organization and Leadership Development, Barclays Group

## ● A COACHING CULTURE

Every interaction that sales managers have with their salespeople provides a coaching opportunity, and the organizations that have committed to building a strong coaching culture are the ones most likely to succeed in today's competitive selling environment.

## ● COACHING GET MEASURABLE RESULTS

Charlotte Gould, a CRM Manager for The Shell Company of Australia Limited, commissioned Millwood Brown to conduct a survey to identify what tangible success had been achieved since the organization became more coaching-orientated. Within a 12-month period, here are just some of the successes:

- Overall customer satisfaction increased from 80% to 88%
- Professional manner increased from 81% to 96%
- Ability to understand customer needs increased from 79% to 90%



She summarizes these achievements by saying that "our customers are noticing and appreciating what we are doing, and our key challenge, of course, is to link this into real profitability. We're on the right track."

## ● OPPORTUNITY TO MAKE A DIFFERENCE

Every sales manager has a powerful role to play in developing and supporting their team members' potential so that an increasing emphasis is placed on performance management to enable more salespeople to achieve more of their potential.

**"Performance Management has come more to the fore recently in BT Commercial & Brands, and that's a great thing, but you have to create frameworks where people can actually deal with performance management. The whole point behind our coaching program is to give individual managers that framework to work to. That way we'll deliver success in Commercial & Brands in the future."**

Colin Matthey, Director, BT Commercial & Brands

**"A leader is someone who helps improve the lives of other people or improve the system they live under"**

Sam Ervin



# Summary

**"Every entrepreneurial company has no choice but to focus on sales. Most of the great leaders—military, business, government, and entrepreneurs—are great salespeople. Great product concepts are one thing; great product successes are another. The difference usually centers on sales. The magic may be the brand, but the carpet is the sales force. Your brand can't fly without it."**

John Bello, founder and former CEO of South Beach Beverage Co.

## ● THE DIFFERENCE THAT MAKES THE DIFFERENCE

According to Albert Einstein, the definition of insanity is to continue to do the same things in the hope that those things will miraculously achieve a different result. If that is the case, then sales managers who are not happy with the results they are achieving must make changes. Organizations that want to increase their sales results need to approach sales differently to create "the difference that makes the difference" and positively impacts business results.

When most people learned that age-old equation of cause and effect (for every reaction or consequence there is an action that caused it), they learned an important principle, vital to modern businesses. Organizations need to fully consider what they can do differently to cause their desired results. Or to put this another way, if their desired effect is improving business results through increased sales revenue, what will consistently, effectively, and reliably achieve this goal?

## ● A COMMITMENT TO EXCELLENCE

Organizations and salespeople who have 100% commitment to doing whatever it takes to elevate their sales to a whole new level are the ones most likely to succeed. Trying to operate a sales organization without total commitment is like trying to drive a car without fuel. But every organization has the potential to harness the power of their salespeople just as surely as oxygen pumps life into the human body. Go for it!

## ● A SPECIAL THANK YOU

Our thanks are conveyed to the following people and organizations who have contributed their valued views to this report. They are:

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# The Sales Activator®

## Results speak louder than words

Groundbreaking  
new sales  
development  
system that  
guarantees a  
permanent  
improvement in  
sales results.

### Imagine a toolkit that:

- reinforces and encourages a consultative sales process so that salespeople automatically become even more customer focused
- continually develops essential selling skills so that salespeople improve their performance and consequently their results
- focuses salespeople's activities to achieve a balance between prospecting for new business, and generating incremental business from existing customers
- creates a positive mindset and empowering beliefs that banishes call reluctance, improves consistency and turbo charges salespeople's performance
- sales managers can use flexibly during sales meetings to provide fun, practical development sessions that instantly improve sales results

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## Results speak louder than words



# Nikki Owen Biography



Nikki Owen is the founder and Managing Director of Trainique Limited who has dedicated the last 13 years to the development of sales managers and salespeople for many large international organizations.

Previously she worked for one of the Mars companies as a Key Account Manager and was consistently their top performing salesperson. Nikki then joined Western International Holdings PLC to establish a global network of distributors for a range of children's character merchandise products before starting her own sales development (Trainique Limited) in 1991. Nikki has coached and trained over 5,000 salespeople and their managers and conducted extensive research with over 2,600 organizations in her quest to enable them to permanently increase their sales results. As a certified trainer of Neuro Linguistics and an avid developer of accelerated learning methodologies her programs, products and systems are designed to turbo-charge learning for rapid development.

Nikki's clients have been astounded with the results they've achieved from her innovative, barrier breaking solutions. She has used this wealth of experience to develop a groundbreaking new sales development system called The Sales Activator® which has won universal acclaim for changing the face of sales development by some of the world's biggest organizations.

Nikki's autobiography 'A Second Chance to Live' was published in 1991 and was sold in 16 different countries. Her story provides living proof that each and everyone of us has the potential to achieve whatever we want despite life's obstacles. She has appeared on numerous television and radio interviews and has recently authored a White Paper on The 5 Most Dangerous Trends Facing Sales Directors today.

Nikki lives in North London with her 10 year old daughter Rosy and is currently working on a sequel to The Sales Activator®.